



Administrative Guidelines IKI Medium Grants

Updated version as of November 2022







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1. General Information

The following guide addresses all First Recipients that have been invited by ZUG to submit a full project application for the 2021 call for proposals. The guidelines aim to provide administrative information about the IKI Medium Grants (IMG) programme and to assist applicants, first recipients and their partners in successful planning and implementing their IMG projects.

Please note that for a better understanding and design of your project proposal, important legal terms are provided in German language.

For any further questions that are not addressed below, please refer to Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH (the project executing agency of the BMUV for the funding programme IKI):

Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH IKI-Office@z-u-g.org

1.1 General communication and signature

General communication channel regarding your submission will be e-mail ("Textform"). For legal reasons, you are, however, required to submit selected documents (application form, project proposal and attachments including budget) as signed original documents by post ("Schriftform"). Should you prefer to submit all documents electronically, please ensure to use a service provider for 'qualified electronic signature' that meets the requirements of the Administrative Procedures Act (Verwaltungsverfahrensgesetz - VwVfG), specifically §§ 3a, 37 and 41 VwVfG.

Once you received an IKI project signature and Funding reference number, please indicate both in all project related correspondence. This signature can be found in all official documents and will be communicated to the organisations in the "Letter of formal notice" ("Aufforderungsschreiben").

Please note that only persons who have the appropriate authorisation (power of attorney, notarised signature regulations, register of associations, etc.) are authorised to sign your application. If no authority to sign results from the documents submitted, an authorised person may grant power of attorney to a non-authorised person accordingly.

1.2 Implementing organisation/ First Recipient ("Zuwendungsempfänger")

First Recipients ("Zuwendungsempfänger") are generally legal entities based in the Federal Republic of Germany (e.g. universities, NGOs, non-profit organisations). For the respective project, the grantee is the sole recipient of the administrative act concerning the grant notification ("Zuwendungsbescheid").

Should the grant be forwarded to any third parties ("Weiterleitung"), the First Recipient remains responsible to ensure that all respective partners/ Subgrantees ("Weiterleitungspartner") also comply with the obligations specified in the grant notification. Therefore, First Recipients and their partners have to sign a subgrant agreement. This agreement must at least contain the provisions of the template subgrant agreement (to be provided by ZUG). Apart from these regulations, the First Recipient is responsible for drafting the subgrant agreement.

Before submitting your application, please check whether your project calculation will be on an expenditure basis ("Ausgabenbasis", AZA) or a cost basis ("Kostenbasis", AZK), as this entails certain consequences, especially regarding eligible expenses, respectively costs, and the participation of Subgrantees.

1.3 Implementing partner(s)/ Subgrantee ("Weiterleitungspartner")

The First Recipient may entrust tasks forming part of the project on a non-profit basis to one or two Subgrantees. First Recipient and partners will implement the project activities in partnership in accordance with their expertise. The distribution of the work packages must be described in the application.

The First Recipients shall ensure that all obligations specified in the grant notification are also applicable to their Subgrantee(s). For this matter, the IKI provides a standard subgrant agreement ("Weiterleitungsvertrag") that includes the minimum requirement. It is the responsibility of the First Recipient to regulate more extensive requirements, if necessary, which must not contradict the obligations of the template agreement.

Prior to signing the mandatory subgrant agreement with a Subgrantee, the First Recipient is recommended to verify any partners' credit rating and document the results in an appropriate manner.

The project budget of a Subgrantee needs to meet the same requirements as the budget submitted by the applicant. Please enter the total amount payable to the Subgrantees for each year in the form field "Weiterleitung" in easyOnline.

Please note that the German First Recipient is responsible for the verification of the budget of the local First Recipient(s) in the target countries.

Please be reminded, the grantee remains fully responsible towards BMUV and ZUG for all activities of the Subgrantees and shall ensure and guarantee an effective management and control of the whole project. The First Recipient is allowed to conclude separate agreements on details of the project as long as the subgrant agreement will prevail over any such agreement. BMUV or ZUG will not provide any legal advice or check supplementary agreements.

2. Project proposal phase

2.1 Submission of project proposal ("Zuwendungsantrag")

Submitters of promising project outlines will be asked to send in a full project proposal ("Zuwendungsantrag") by ZUG.

The project proposal is to be submitted via easyOnline. Please use the activated Link to easy-online provided in the Letter of formal notice ("Aufforderungsschreiben"). For further information on the use and preparation of the AZA forms, please also refer to the Frequently Asked Questions (FAQs) ("Hilfe") on the application process (link).

Please make sure that you submit the respective application documents in "easyOnline". During the project implementation phase, documents must be submitted in "Profi-Online".

2.2 Evaluation of project proposals

ZUG will coordinate the evaluation of the project proposal and all required annexes. Please consider this timeframe when planning the project start.

In a first step, the application documents will be verified on completeness and formal correctness. Should the grant donor require further information, the applicant will be notified by e-mail.

In the next step, there will be an in-depth technical review as well as a financial, administrative and legal check of all documents provided. During the review period, the experts at ZUG are likely to contact the applicants to clarify questions and request more detailed information.

2.3 Political safeguarding

During the evaluation process, BMUV also officially informs governments of partner countries about the given project concepts and the ongoing appraisal through their designated UNFCCC or CBD focal points. Please understand that a project proposal cannot be funded if the responsible government raises an objection.

2.4 Components of the project proposal ("Zuwendungsantrag")

The technical project proposal is divided into the parts "General information", "Project description", "Results chain" and "Additional project information". All this information is required to develop a comprehensive picture of the measures as well as ambition and climate mitigation impact of the project. The project proposal overview (link) provides guidance on the expected content and scope of every chapter. Please also consult the Guidelines on Project Planning and Monitoring in the International Climate Initiative (link), which will guide you in elaboration of the milestones and indicators of project results.

In addition, the applicant is requested to submit the corresponding "AZA" application via the "easyOnline" application system. Cost-based applications ("AZK") are only possible in justified exceptional cases, which is why they are not discussed in detail below but will be advised separately.

2.4.1 Annexes

To fully understand the composition of individual types of expenditures as well as to perform an administrative and legal check of the submission, the applicant is asked to submit additional documents that provide individual information.

Several annexes to the project proposal are required:

- Gantt chart on the project schedule,
- Project description,
- Proof of the legal status and non-profit status of the applicant and future Subgrantees, if applicable,
- Copies of the applicant's certified annual statements of the past two years, annual financial statements audited by an auditor / tax consultant (or comparable) of the last three financial years, and
- a declaration about co-financing (incl. amount) by each co-financing third party (if applicable),
- In addition, you are required to submit documents that show the calculations and explanations, especially of the "Personnel Expenses", "Events" and "Travel Expenses".

The additional information is required to approve applications. Please note that there is no entitlement to a grant and that the funding agency (BMUV/ZUG) may reject applications at its discretion if the information provided is doubtful or incomplete.

2.4.2 General provisions

The ancillary provisions of "ANBest-P" ("Allgemeine Nebenbestimmungen zur Projektförderung auf Ausgabenbasis") in the respective valid version by the time of the conclusion of the notification of funding apply for the funding on an expenditure basis.

2.5 Financing

2.5.1 Types of financing ("Finanzierungsarten")

There are four different ways for BMUV to contribute to a project.

- The fixed-sum financing mode ("Festbetragsfinanzierung") means that BMUV provides a fixed amount (the grant) as part of the total eligible expenditure, according to project budget and regardless of increase or decrease of total eligible expenditure at the end of the project. In case the total expenditure exceeds the grant amount, the difference must be borne by the grantee or other funding sources. With a fixed-sum financing mode, the agreed budget lines are not binding if deviations within the project budget occur.
- Pro-rata funding ("Anteilfinanzierung") means that the donor contributes a predetermined percentage of the expenditure up to a certain maximum amount. Savings therefore reduce the grant by the percentage share. As in the case of fixedsum financing, the grantee must cover the difference itself or by using third-party funds.
- Deficit-financing ("Fehlbedarfsfinanzierung") means that the donor provides funding only to the extent that the total eligible expenditure exceeds own funds, third party grants and external funding. In case there is a decrease in total expenditure or an increase in own funds, third party grants or external funding, the grant decreases accordingly.
- Full financing ("Vollfinanzierung) means that the grant covers all eligible expenditures up to the maximum amount indicated in the project budget. Please note that full financing can only be applied for in exceptional cases.

2.5.2 Co-funding

Co-funding means a direct financial contribution (i. e. cash contribution) to the realisation of a project. There are the two types of co-funding: own funds and third party contributions.

Project applicants are encouraged to provide or attract co-funding for the IKI project. IKI-projects should not be funded entirely by BMUV but include an adequate proportion of co-funding. An appropriate financial participation of the grantee ("own funds") and/or the mobilisation of additional co-funding will be checked during the approval phases.

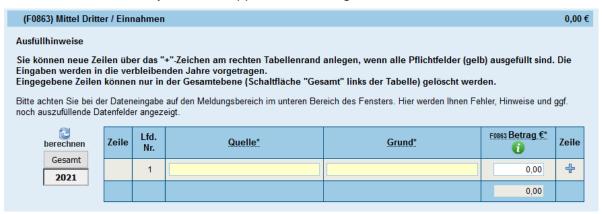
The budget of the project proposal needs to reflect the amounts originally laid out in the project outline. If the amount of co-funding in the project proposal should deviate extensively from the project outline, these changes need to be substantiated.

2.5.3 Own funds

Own funds are financial contributions directly supplied from the applicant's funds and not sourced from other donors or third parties. A fixed proportion of own funds for the financing of an IKI project does not exist rather, the amount of the own contribution depends on the financial strength of the grant recipient.

Any revenues expected to be generated in the course of the project (e.g. participation fees, interest) must be included into third party contributions as part of the project financing. Please note that within the financing section of easyOnline revenues can be designated as an independent category within the 'Type of financial contribution' section.

Any goods or services provided by the applicant do not count as own funds but as in-kind contributions. Thus, they must not appear in the budget.



2.5.4 Third-party contributions

Third party contributions refer to cash contributions made available for the project from other public donors or non-public third parties. Cash contributions of the Subgrantees are considered as third-party contributions. A written confirmation stating the amount or percentage contributed to the IMG-project is mandatory and must be submitted as Annex in your project proposal.

2.6 Expenditure

2.6.1 General information on eligibility

Eligible expenditures meet the following criteria:

The fundamental eligibility requirement is that expenditures are indispensable for the achievement of the project results. The expenditures must be essential for the performance of the project in question.

All expenditures must be incurred within the eligibility period of the project set out in the grant notification. This means that the expenditures should relate to activities performed during the implementation period of the project.

Expenditures must be:

- recorded in the accounting records of the First Recipient,
- compliant with the accounting standards of the country of registration of the First Recipient and its usual accounting practices, and
- backed by supporting evidence (e. g. invoices, receipts, contracts, timesheets, etc.).

The First Recipient does not have to provide the documents of supporting evidence with the final report but must keep them available at BMUV's and ZUG's request or in case of audits for a period of five years. Indirect expenditures (administrative overheads) do not need to be backed by supporting evidence during audits if applicable.

The project funds must be used in accordance with the principles of thrift, efficiency and effectiveness:

- The principle of thrift requires that the resources used in the pursuit of an activity be made available in due time, in appropriate quantity and quality and at the best price.
- The principle of efficiency refers to the best relationship between resources employed and results achieved.
- The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

Throughout the project, the First Recipient will have to make sure that these principles are respected. In cases where these principles could not be respected, at the end of the project the First Recipient will have to justify the reasons and the impact on the result. If no valid justification can be provided, expenditures may be declared ineligible.

The First Recipient must comply with the applicable tax and social legislation, e.g. the legislation of the country of registration of the First Recipient and of the country(-ies) of project implementation.

Grants may only be awarded to projects that have not yet started. A project has usually started when contracts are concluded which relate to the execution of the project. It is possible to apply for project start ahead of schedule without detriment of funding ("vorzeitiger Vorhabenbeginn"). Please refer to ZUG if this should become necessary.

2.6.2 Financial plan

In this section the financial plan of the applicant/First Recipient is explained in detail highlighting information about different budget categories and the expected way of calculating expenditures. The budget calculation has to be entered in easyOnline under section "Gesamtfinanzierungsplan". For every budget category a step-by-step guideline can be found in the following sections.

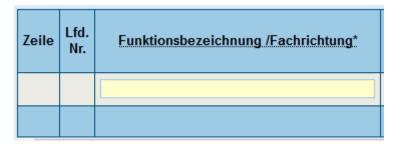


Screenshot easy-Online

Please note that in the overall budget, expenditures of the Subgrantee/s are entered in an aggregated way under "(5) Forwarding" of funds as a total amount per year. However, it is recommended for the Subgrantee/s to use a similar budget template when drawing up the total budget calculation and to follow the regulations applying for the grantee for every budget category. Additionally, in some cases specific information for the budget calculation of the Subgrantees are emphasized below.

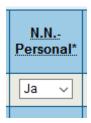
2.6.2.1 **Personnel/Staff (F0824)**

Please calculate the budget for employees working for the project individually by stating their function/role in the project and/or their position within your organisation.



Screenshot easy-Online (F0812) Beschäftigte TVöD/TV-L E12-E15

If the specific person is not employed at your organisation yet, please select the following:



Screenshot easy-Online (F0812) Beschäftigte TVöD/TV-L E12-E15

In such cases personnel expenditures are limited to the amounts stated under the following link.

If project personnel is already employed at your organisation, "nein" would be the correct answer and calculated expenditures should be based on actual expenditures for the respective employees.

In case your organisation is mostly financed (> 50 %) by grants of public authorities (EU, state, federal state, municipalities) the "Besserstellungsverbot" must be observed. This means that the grant recipient may not place his employees in a better position than comparable federal employees, regarding salaries and other benefits.

Please state in section "Vorhabensbeteiligte" whatever applies for your organisation



Screenshot easy-Online checkbox A23

and accordingly select the correct collective wage agreement such as TVöD E XX.



Screenshot easy-Online (F0812) Beschäftigte TVöD/TV-L E12-E15

In general, the applicable collective agreement has to be selected correctly. However, in case none of the options apply to your organisation please ensure to either choose "Hausvertrag", if applicable, or "Sonstige", if the specific collective agreement is not listed.

In order to complete the calculated expenditures for personnel correctly please refer to the following instructions. Personnel expenditures have to be entered in the sections shown below:

Monatliches Gehalt €*	Monatliche Zuschläge €* (i)	Monatliches Gehalt plus Zuschläge €
0,00	0,00	0,00

Screenshot easy-Online (F0812) Beschäftigte TVöD/TV-L E12-E15

Personnel expenditures (employer's gross) may include:

- Actual salaries,
- Social security contributions.
- Staff insurance expenditures and
- other statutory expenditures included in the remuneration, provided that these expenditures are in line with the grantee's usual policy on remuneration (e. g. sick leave indemnities),
- Additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts under the condition that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used (e. g. hardship allowance).
- Severance payments due at the end of employment contracts, provided that such payments arise from a statutory obligation under the applicable labour law (and not contractual arrangements) and are charged to a project only for the portion which corresponds to the share of the total working time spent on the project.

Specific information for Subgrantees:

Depending on national regulations staff of Subgrantees should hold a regular employment contract or be considered as working under a direct contract such as in-house consultant, advisors or volunteers. In such cases the following criteria is relevant:

- working under direct instructions of the grantee and,
- working on its premises (unless otherwise agreed),
- results of their work should exclusively belong to the grantee,
- payments are not significantly different from the expenditures for staff performing similar tasks under an employment contract with the grantee.

If these conditions are not met, those expenditures have to be considered as external services, for which procurement rules apply.

2.6.2.2 Items <800 € (F0831)

If items with an individual value of less than EUR 800 are essential for the IMG project or mark a considerable amount, this section should be used to display relevant items in particular. Otherwise, items falling into this category can also be pooled under the administration overheads to simplify project accounting.

Please describe the items precisely and elaborate on their necessity for the project in detail in the box "Begründungen". You can also use separate documents.

Zeile	Lfd. Nr.	Bezeichnung*	Preis € / Stück*	Anzahl*	F0831 Betrag €	Zeile
			0,00	0,00	0,00	+
					0,00	

Screenshot easy-Online (F0831) Gegenstände bis 800€ im Einzelfall

2.6.2.3 Rents (F0832)

Rents for business premises for project staff can be listed and will be considered according to the percentage of project staff using the premises and time these premises are allocated to the project. If utilities are already included in the administrative overheads position, only the basic rent is eligible under this section.

Besides entering calculated rents please state the total monthly rent/s and the total full-time equivalent (FTE) of all employees using the premise/office in the box "Begründungen". You can also use separate documents.

Zeile	Lfd. Nr.	Bezeichnung*	F0832 Betrag €*	Zeile
			0,00	4
			0,00	

Screenshot easy-Online (F0832) Mieten

2.6.2.4 External services (F0835)

Please specify the service stating a precise and short description and stressing out its contribution to the project in the following field:



Screenshot easy-Online (F0835) Vergabe von Aufträgen

Important note: In addition to the calculated amounts for external services, please submit obtained offers of service providers or add invoices of similar services subcontracted in the past to your project proposal in order to make your calculation comprehensible.

At this stage it is also strongly recommended to familiarise yourself with the procurement regulations (GPA, RL 2014/24/EU, GWB, VgV, UvGO, BHO) of the "Allgemeinen Nebenbestimmungen zur Projektförderung – ANBest-P" (link).

2.6.2.5 Forwarding of funds (F0838)

Overall yearly expenditures forwarded to the Subgrantees have to be entered here:

(F0838) Weiterleitungen

Jahr	Betrag €*
2021	0,00
2022	0,00
Gesamt	0,00

Screenshot easy-Online (F0838) Weiterleitungen

In order to elaborate on your Subgrantee/s expenditures please provide detailed information in the box "Begründungen" or by submitting an additional document including:

- Amounts per year/partner,
- Expenditures for each partner for staff and external services,
- other noteworthy expenditures.

2.6.2.6 Literature and printing (F0840)

If necessary literature and printing material constitute a significant position within the budget, it might not be possible to subsume them under the administrative overheads. In this case, these need to be included in this section.

Please state calculated yearly amounts for literature and printing here:

Jahr	Betrag €*	
2021	0,00	
2022	0,00	
Gesamt	0,00	

Screenshot easy-Online (F0840) Literatur

In order to make your calculation comprehensible please add additional information about the calculated amounts in the box "Begründungen". You can also use separate documents.

2.6.2.7 Events (F0841)

Please use this budget category (currently called "weitere Sachausgaben I") to budget planned events such as conferences, workshops or project meetings. In general, events may be scheduled as long as they are an integral part of the project and the expenses are reasonable. Expenses are deemed reasonable if, for example, the rent for the event rooms does not exceed the customary local level.

Besides calculating yearly amounts for events, please state further explanations in the box "Begründung" or use separate documents. For example, break down the following types of events based on the expected number of participants and provide an estimate of the approximate total expenditure for the event and the types of expenditure considered, such as venue, catering, technical equipment, speakers, and travel expenses for external participants, etc.:

- < 20 participants: approximated total expenditures: ... €; included types of expenditures: ...</p>
- > 20 and < 100 participants: approximated total expenditures: ... €; included types of expenditures: ...
- > 100 participants: approximated total expenditures: ... €; included types of expenditures: ...

As the next step, please indicate the number of events per year in the different categories (under 20, over 20, under 100 and over 100 participants) to be held during the project period.

Important note: Please calculate expenditures for events in a way that it refers as close as possible to the actual expenditure. Please also note that calculated lump sums are only used to facilitate the budget calculation. Decisive for the grant are the actually incurred expenditures. The actual expenses may not be higher than the calculated expenses.

Jahr	Betrag €*	
2021	0,00	
2022	0,00	
Gesamt	0,00	

Screenshot easy-Online (F0841) Weitere Sachausgaben I

2.6.2.8 Administrative overheads (F0842)

The administrative overheads (flat rate for indirect expenditures) can be used to cover projectrelated administrative expenditures like consumables, office supplies, communication, etc. directly linked to the project, provided these are not included in one of the budget categories for (direct) project expenditures. These indirect expenditures do not need to be individually supported by supporting documents.

Administrative overheads are calculated on the basis of a certain percentage of the total (direct) eligible project expenditures. The flat rate is usually 10% of the total eligible expenditure excluding the amounts forwarded to Subgrantees. Both First Recipient and Subgrantee(s) must be able to justify the percentage for administrative overhead expenses upon request. Administrative expenses exceeding the maximum allowable rate may be reduced.

Please list all types of expenditures covered by the administrative overheads in the box "Begründungen" and additionally add the used percentage of total expenditures.

2.6.2.9 Travel (F0844 and F0845)

Travel expenses can be recognised as eligible expenditure if they are in a direct connection to the attainment of the project goals and the amount is reasonable. For detailed information, please refer to the Federal Travel Expenses Act of the Federal Republic of Germany ("Bundesreisekostengesetz", BRKG), the legal ordinances and administrative regulations. You can access this information free of charge on the link of the "Bundesverwaltungsamt".

Calculation of travels is divided into the following two categories:

(F0844) Inlandsreisen

National (Germany)

(F0845) Auslandsreisen

International

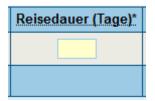
In order to facilitate your budget calculation please indicate separately for both categories in the box "Begründungen" average amounts for:

- Approximated expenditures for accommodation and per Diems combined for one day/person: ... €
- Average expenditures for flight/bus/train tickets: ... €

As a next step, please state destination and purpose for each travel. In case the destination is yet unknown please simply refer to "national"/"international". Please add a new travel for each person travelling. Each travel calculation should be based on one person.

Reiseziel*	Reisezweck*

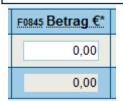
Screenshot easy-Online (F0844) Inlandsreisen/ (F0845) Auslandsreisen



Screenshot easy-Online (F0844) Inlandsreisen/ (F0845) Auslandsreisen

As a result total expenditures per travel have to be calculated as follows:

1 X (average expenditures for flight/bus/train tickets: ... €) + (Number of days: ...) X (approximated expenditures for accommodation and per diems combined for one day/person: ... €) = total expenditures per travel/person



Screenshot easy-Online (F0844) Inlandsreisen/ (F0845) Auslandsreisen

Important note: Please calculate expenditures for travels in a way that it refers as close as possible to the actual expenditures. Please also note that calculated lump sums are only used to facilitate the budget calculation. Decisive for the grant are the actually incurred expenditures. The actual expenditure may not be higher than the calculated expenditure.

2.6.2.10 Items >800 € (F0850)

Items >800 € (F0850)

The use of all items and assets during the project duration need to be earmarked for the specific purpose of the project as outlined and approved in the project proposal. Items and assets with an individual value above EUR 800 need to be inventoried. This also applies to

(in)tangible assets if the expenses/costs for each individual asset exceed EUR 800 (excluding VAT).

Please specify the item/s stating a precise short description and highlighting its necessity for the implementation of the project. Please complete the calculation as shown below:

Bezeichnung*	Preis € / Stück*	Anzahl*	F0833 Betrag €
	0,00	0,00	0,00
			0,00

Screenshot easy-Online (F0850) Gegenstände und andre Investitionen > 800 €

Important note: In addition to the calculated amounts for items > 800 € - if available - please submit obtained offers of those items or add invoices of comparable purchased items in the past to your project proposal in order to make your calculation comprehensible.

At this stage it is also strongly recommended to familiarise yourself with the procurement regulations of the "Allgemeinen Nebenbestimmungen zur Projektförderung" (see AZA \rightarrow ANBest-P).

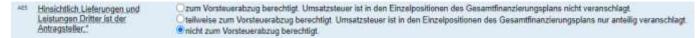
2.6.3 Currency

All calculations and amounts must be stated in EUR. However, payments in a currency other than EUR are optional. The exchange rate will be calculated according to the daily updated EUR foreign exchange reference rates of the European Central Bank.

2.6.4 VAT

The central criterion for funding within the framework of the IKI Medium Grants funding programme is a non-profit status. As the project is generally to be carried out in the non-economic activities, there is usually no entitlement to input tax deduction under VAT legislation. However, if you consider that your organisation is entitled for the input tax deduction ("Vorsteuerabzug"), the VAT will not be considered as an eligible expenditure of the project. Under certain circumstances, VAT may be considered eligible, if no more than ten per cent of the project activities are carried out as business operations and these are necessary for the achievement of the project's objectives. An explanation is required in this regard.

Please make sure to indicate whatever is applicable for your organisation and keep in mind to calculate project expenditures with or without VAT accordingly.



Screenshot easy-Online checkbox A65

2.7 Assessment of credit rating

In order to approve your application, it may be necessary to check the credit rating of your organisation. In individual cases, it may happen that the submitted annual financial statements consisting of the balance sheet and the profit and loss account are not sufficient and ZUG will ask for further documentation.

2.8 Grant notification ("Zuwendungsbescheid")

A positive evaluation of the project proposal will result in a final grant notification signed by ZUG.

The ZUG notifies organisations in writing about the results of the second selection process and issues an administrative act concerning a grant for each project selected for funding.

3. Project Implementation Phase

3.1 Project implementation

The project implementation phase is set according to the duration of the project concerned (24 to 36 months). During this phase, the First Recipients are required to regularly report on the progress of their projects. All substantive changes to the project within the project implementation phase also require an amendment of the decision document (and an amendment of the subgrant agreement, if applicable).

3.2 Processing of documents via profi-Online

For the processing of your grant, the Project Promotion Information System (profi) will be used. Connected to it is the Internet service profi-Online. Its purpose is to facilitate the processing of the formal transactions (e.g. payment requests) of your project. By using the profi-Online software, it is possible to submit payment requests electronically and to transmit documents required in the implementation phase (e.g. interim financial statements) simply and securely by electronic means. We recommend and ask you in your own interest to use the software solution in order to make the processing as simple and fast as possible as well as secure with regard to data protection.

3.3 Interim Progress Report ("Zwischennachweis")

The Interim Progress Report has to be submitted each year at the latest by 30 April for the period of the preceding calendar year. The submission date is binding. Please note that the interim report is considered as submitted once all its parts are received by the Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH. The use of the IKI templates (see IKI website) for the preparation of the interim report is mandatory.

The Interim Progress Report consists of three parts: (1) the Progress Statement, (2) the Financial Statement, (3) Inspection note on the Interim Progress Report by the Subgrantee.

- (1) The completed template "<u>Progress Statement</u>" (including Annex "<u>Standard Indicator Report</u>" (excel) is to be submitted electronically (as Word-compatible file <u>and</u> scanned PDF document) to ZUG (addressed to your responsible project managers <u>and</u> cc: to the IKI-Office@z-u-g.org) latest by 30th of April quoting the IKI project number ("Förderkennzeichen") in the subject line. Please ensure to focus on the reporting period. If this is not the first Interim Progress Report of your project and you are building on the previous one, do not update previous narrative but replace it.
- (2) The "<u>Financial Statement"</u> should be completed and uploaded in profi-online (https://foerderportal.bund.de/profionline/). For instructions please consult this <u>Manual</u>. The completed profi-online template should <u>also</u> be saved as a PDF document, signed (see the signature regulations) and submitted via post ("Schriftform") <u>and electronically</u> as part of the "Interim Progress Report".

(3) According to the ANBest-P 2019, para. 6.6, a German First Recipient which is forwarding grants to its international partners (Subgrantees) is obliged to review and document the progress and budget reports of <u>all Subgrantees individually</u>.

Therefore,

- Each Subgrantee has to submit a progress report (progress statement + financial statement) to the First Recipient according to the reporting schedule set in the Subgrant agreement.
 - The First Recipient has to examine each reporting package of the Subgrantee and document the results of the review. The First Recipient will be supported with an outline of possible review approach.
- 2) The findings and conclusions of the aforementioned review should be described in a concise Inspection Note on the Interim Progress Report by the Subgrantee. The Inspection Note has to be submitted electronically only to the ZUG (addressed to your responsible project managers and cc: to the IKI-Office@z-u-g.org) along with the Interim Progress Report. You may use the provided template "Inspection Note on the Interim Progress Report by the Subgrantee"
- 3) If requested by the ZUG, the interim and final reports of the Subgrantees must be provided.

The review of the Interim Progress Report takes place in two stages:

- 1) Within three months after the submission of the Interim Progress Report the First Recipient and the Subgrantee will be invited to a joint debriefing session to discuss the project's achievements, cooperation between partners, financial issues, project sustainability and other in more detail.

 Together with the First Recipient and Subgrantee(s), IKI Team will analyse the eventual difficulties in project implementation and elaborate countermeasures if needed.

 More information on the content of this session will be provided by ZUG electronically to the First Recipients.
- 2) Within two weeks after the joint meeting a concise debriefing protocol should be submitted by the First Recipient to the IKI Office at ZUG. This document serves as an annex to the IKI internal review note and as guiding framework for the further project implementation.

3.4 Biannual project update ("Halbjahresbericht")

For an effective public presentation of the IKI portfolio and efficient knowledge management, grantees are encouraged to submit to ZUG a biannual project update (in preparation) each year at the latest by 15 September. By means of the biannual project update, ZUG would like to receive information on politically relevant developments as well as information that is suitable for public communication on the IKI website. The biannual project update informs about relevant project activities, challenges or successes prior to the annual UNFCCC Conferences of the Parties and the Interim Progress Report due in April of the following year.

3.5 Project short descriptions ("Kurzbeschreibungen")

For the IKI website, ZUG also wants to ensure that project short descriptions remain up-todate. If any significant conceptual changes/amendments have occurred within the project, it would be helpful to get an amended short description accompanying the biannual project update.

3.6 Amendments ("Änderungsanträge")

During the project implementation phase, substantive changes to the project may become necessary and require an amendment of the grant notification (and subgrant agreement). Such amendment is to be requested by the First Recipient (in preparation) and approved by ZUG. Non-substantive changes do not require an amendment considering the minor consequences for the project and need to be detailed in the subsequent progress report(s). Please keep in mind your comprehensive notification obligations under the ancillary provisions (ANBest-P).

3.7 Payment requests

Beneficiaries may make use of payment claims only if the corresponding eligible expenditure is imminent. It is therefore essential to observe the six-weeks-deadline for the use of funds according to the ancillary provisions (ANBest-P). Financial resources that are culpably not used within the corresponding period for the use of funds must be reimbursed to the grant donor with interest.

More information regarding the interest calculation can be found in a separate guideline (link).

The first application for payment can be submitted as soon as the funding decision is final and a corresponding profile has been created in the "profi-Online" system. The decision is final if you declare that you waive the right to appeal (a respective template will be sent together with the grant notification) or if you do not file an appeal within a period of one month after the receipt of the notification of funding.

The payment requests needs be submitted via profi-online as well as in original form via post ("Schriftform").

For better planning of the cash outflow a desired payment date can be specified in the form. The processing of a payment request usually takes around three days after submission of its signed version.

Please note, that the document needs to be signed by an authorised person. Authorised persons are those who have a power of representation by commercial register ("Handelsregister" (HBR)) or similar. Also authorised to sign are persons who have been authorised by means of signature authorisation or power of attorney.

4. Project closure phase

4.1 Final Report ("Verwendungsnachweis")

During the closing phase of the project, a final report is to be prepared by the First Recipient. The final report (mandatory template – in preparation) has to be submitted no later than six months after the end of the project implementation period to the ZUG. It consists of a final progress statement, a final financial statement and an inspection note (see section 3.3 accordingly). A signed electronic version of each document must be submitted to the ZUG (email to IKI-Office@z-u-g.org) the final financial statement must be uploaded in profi-online and presented as a signed excel file as well.

The accurate submission date will be set in the grant notification and is binding. Any questions regarding form and content of the final report should be clarified with the IKI Office before official submission of the report. Please also consult the Guidelines on Project Planning and Monitoring in the International Climate Initiative (link).

The review of the final report usually takes approximately six months at ZUG and is concluded with the issuance of a project closure note.

4.2 Further information

Further information on the project-closing phase (final audit/ Verwendungsnachweisprüfung) will be provided at a later stage.

Annex 1

Interest arising caused by non-timely use and calculation of funds IKI Medium Grant funding programme

1. Legal basis

1.1 for the first recipient

for interest arising from the non-timely use of funds according to § 49 a para 4 VwVfG (Administrative Provisions Law - Verwaltungsverfahrensgesetz):

"If a grant is not used for the intended purpose immediately after it has been disbursed, interest may be charged for the period until it is used for the intended purpose in accordance with paragraph 3, sentence 1. This shall also apply if a benefit is claimed, although other funds are to be used proportionately or as a priority. § 49 para 3 sentence 1 no. 1 remains unaffected."

1.2 for the subgrantee

the interest rate is calculated based on the subgrant agreement (point 2 f and point 3 e).

2 Calculation of interest

If interest has to be charged, it will be calculated at five percentage points above the base rate (currently: - 0.88%), which is set every six months (§ 49 a para 3 sentence 1 VwVfG).

If the period of use of the grant has not been observed, the calculation shall commence on the third day after disbursement and shall end on the day of expenditure (nos. 2, 3 of the Annex to VV (Administrative Ordinance) no. 3.2 to § 34 BHO (Federal Budget Code) (Annex 1) or the day of repayment from the account of the initial grantee (no. 4.1).²

A calculation tool is available at www.basiszinssatz.de/zinsrechner/ to obtain an initial estimate; a specific calculation for each deposit and disbursement is available on the federal government's funding portal zins-Online: Hilfe (bund.de).

3 Waiver

Interest may be waived if the subgrantee is not responsible for the circumstances leading to the non-use of grants within the six-week period, and has either spent the funds or repaid them to the initial grantee (§ 49 a para 3, sentence 2 VwVfG). No conduct attributable is likely to affect the subgrantee; a waiver of interest may also apply in the event of particularly severe effects.³ A waiver of interest shall not be considered in the event of intent or gross negligence.

¹ § 49a VwVfG - individual provision (gesetze-im-internet.de)

² BMF-IIA3-20181002-H-05-01-2-KF-005-A002 (verwaltungsvorschriften-im-internet.de)

³ Stelkens/Bonk/Sachs/Sachs VwVfG § 49a marginal note 78 f

The reasons for the waiver of interest must be documented by the first recipient in an inspection note, which is submitted with the interim statement. The waiver of interest must be approved by the IKI – Office at ZUG gGmbH.

4 Low principal claim

Interest will not be calculated if the principal claim (cash balance) is less than EUR 50.00 and the amount is not in arrears (or used) for a period exceeding six months (VV no. 7.5 1 to § 59 BHO).⁴

5 Low interest rate

Interest shall always be waived if the (interest) amount is below EUR 7.00 (VV no. 7.1.1 sentence 1 to § 59 BHO). If the opposing party to the claim is a special fund of the federal government or a legal person under public law and there is reciprocity, the (interest) amount of EUR 7.00 shall be replaced by the (interest) amount of EUR 36.00 (VV no. 7.1.1 sentence 2 to § 59 BHO).

Important: The inspection of the interest rate must also be documented in theinspection note. Please note here that this is a violation of the time limit for the use of grants. In addition, the respective inspection result (interest calculation (2.) and claim against the subgrantee) and the manner in which the claim was managed (e.g. offsetting; transfer to first recipient; justification for a waiver of interest (3.); refraining from charging interest due to the respective amount (4. and 5. above)) should be presented in a comprehensible manner.

⁴ General Administrative Regulations to the Federal Budget Code (VV-BHO) (verwaltungsvorschriften-im-internet.de)