



Federal Ministry  
for the Environment, Nature Conservation  
and Nuclear Safety

## **International Climate Initiative (IKI) of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) Country Specific Selection Procedure**

Request for Programme Outlines (RfP) for the Republic of India

July 4<sup>th</sup> 2019

INTERNATIONAL CLIMATE INITIATIVE (IKI)



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## 1. Background

**The purpose of this document is to assist applicants in preparing and submitting programme outlines for this country specific selection procedure.**

Since COP 21 and the adoption of the Paris Agreement, a key focus of the International Climate Initiative (IKI) of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) is the effective support of the Nationally Determined Contributions' (NDCs) implementing institutions of its partner countries. These are climate and/or environment ministries, but also relevant sectoral ministries. IKI's prime intent is to support programmatic approaches that foster highly ambitious climate and biodiversity measures while ensuring significant national participation in implementation structures and strong financing elements in the programming.

India is not only vulnerable to the impacts of climate change; it is also ambitious when it comes to climate change mitigation. By ratification of the Paris Agreement in October 2016, India confirmed its NDC including mitigation and adaptation strategies. The 2008 National Action Plan on Climate Change (NAPCC) outlines the priorities for climate change mitigation and adaptation through eight National Missions. This is supplemented, amongst others, at state level through State Action Plans on Climate Change (SAPCCs). In terms of biodiversity, India is one of the mega-diverse countries worldwide. India's 2008 National Biodiversity Action Plan (NBAP) received an addendum in 2014.

Bilateral cooperation between the Republic of India and Germany/BMU under the IKI started in 2008. To this date, India is among BMU's most recognized IKI partner countries. Both countries intend to continue their fruitful cooperation in a yet deepened dialogue: developing the cooperation portfolio with a strong focus on the Post-Paris Agreement priorities and the implementation of the NDC, the national implementation of the Aichi Biodiversity Targets of the Strategic Plan for Biodiversity 2011-2020 of the Convention on Biological Diversity (CBD) and respective National Biodiversity Strategies and Action Plans (NBSAPs) as well as the Sustainable Development Goals (SDGs).

As of now, Germany and India have worked together in a number of climate and biodiversity policy areas. Furthermore, India has participated in NDC cluster projects. IKI projects, the NDC-Partnership (NDC-P) or any other projects in these areas in the framework of international cooperation need to be taken into account when establishing further programme outlines.

An overview of ongoing IKI projects, including regional and global projects with an India component, can be accessed at <https://www.international-climate-initiative.com/en/projects/> (search for India on the world map).

## 2. Request for Programme Outlines

### 2.1 Eligibility

IKI seeks to support ambitious programmes on technical advice and/or investments, which support sustainable implementation of the mitigation and adaptation actions of the respective **NDC and NBSAPs** as well as **related SDGs**. This may include:

- Implementation of national and subnational policies and strategies, regulatory and institutional framework conditions;
- evaluation and contribution to transformation within sectors and within society;
- further development of Monitoring, Reporting and Verification (MRV) tools and/or systems;
- local capacity development and technology cooperation;
- financial investments/leverage.

This can include but must not be limited to co-financing, blended finance approaches as well as other innovative financing mechanisms that should be identified, developed and implemented, in particular to leverage financing sources from the private sector; as well as pipeline development combining technical and financial assistance.

The programmes should aim for a **comprehensive, inter-sectoral and territorial approach**, be embedded consistently and serve to implement **national strategies and policies**. Close cooperation with the relevant partner institutions in India is therefore a prerequisite, and collaboration with other government agencies, local governments, private sector and CSOs/NGOs is essential.

This RfP seeks proposals for **two bilateral programmes with an overall funding volume of up to EUR 35 million**. The programmes need to fulfil the following requirements:

- The duration of the programme is expected to be **five to seven years**;
- The funding volume will be **at least EUR 15 million per programme** and at maximum EUR 35 million in total for both programmes;
- In the interest of bringing together different comparative strengths, the programme needs to be implemented in a **consortium of more than two organisations** with very **strong involvement of national actors that are expected to receive 50% of the programme resources**. National actors here refer to national/local institutions such as NGOs, universities, think tanks, financial institutions or the private sector, not to political partners. Implementing institutions may submit outlines in different consortia constellations;
- Programme outlines should be proposed on one or both of **the two thematic priority areas** (for details, please see sections 2.2) – i.e. one bilateral programme per thematic priority area will be funded.

The programmes further need to be based on:

- Firm political ownership of the country; both coordination among and involvement of relevant line ministries on national and where necessary also local level;
- involvement of relevant stakeholders in civil society, the private and the financial sector;
- involvement of UNFCCC and CBD focal points;
- a significant involvement of national implementers as project partners;
- participation in international political and knowledge exchange fora, in particular the international NDC-P and NBSAP implementation - where applicable.

## **2.2 Thematic priorities for funding**

The contribution to the implementation of the Indian NDC and NBAP as well as related SDGs and the alignment of the programme goals and activities with these overarching policy frameworks is considered to be indispensable. **The programmes should each develop an approach that addresses one or both of the following two topics (2.2.1 and 2.2.2):**

- Bonn Challenge: forest landscape restoration and piloting new models in forestry (including in urban areas);
- storage technology for renewable energy.

The programmes should be ambitious in the short and the long term, contribute to the transformational process of India towards the decarbonisation of the economy and towards reduced vulnerability of its people and ecosystems to climate change as well as the protection of its biodiversity. It should target all levels and be explicit in what specific region(s) in India each programme will be implemented. Activities under 2.2.1-2.2.2 must foresee the development of adequate MRV/Monitoring and Evaluation (M&E) systems and, where available, connect to already existing monitoring efforts.

**Co-financing contributions** from state, federal and municipal level and/or from private actors would be an advantage in the final selection. Furthermore, activities of other projects and programmes **currently being implemented** have to be taken into account and overlaps must be avoided. Capacity building, knowledge management and the promotion of instruments and platforms for public-private dialogue and partnerships in order to catalyse the transformation should be important elements throughout the whole programme.

### **2.2.1 Bonn Challenge: forest landscape restoration and piloting new models in forestry (including in urban areas)**

India's Ministry of Environment, Forest and Climate Change (MoEFCC) adopted its national REDD+ strategy in 2018<sup>1</sup>. A further expansion of the forest area to bring 33% of its geographical area under forest cover is set out in the Indian NDC contribution to the Paris climate agreement - the carbon sink potential of India's forests is to be expanded by an

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<sup>1</sup> The IKI project "REDD+ Himalaya" implemented by (ICIMOD) contributed to formulating the REDD+ Strategie by facilitating South-South exchanges and technical workshops.

additional 2.5 to 3 billion tonnes of CO<sub>2</sub>eq by 2030. The importance of restoring and protecting India's natural ecosystems and the crucial role that biodiversity conservation needs to play for climate change mitigation and adaptation are also emphasized in the country's climate policies, such as the National Missions on Climate Change. India has also made an ambitious commitment under the Bonn Challenge to restore 13 million ha of degraded and deforested land by 2020 and an additional of 8 million ha by 2030. In recent years, India has increased their share of forest, transforming forests into a net carbon sink - as part of that, the 2008 „Green India Mission“ forest programme plays an important role as one of eight missions under the National Action Plan on Climate Change. Besides, a fiscal policy instrument in support of forest is embedded in the allocation of funds from the central government to the federal states factoring in their forest area.

Forest landscape restoration contributes to the commitments under the Bonn Challenge, to India's mitigation goals and to the 12 National Biodiversity Targets (NBT) as set out in India's 2014 update of its National Biodiversity Action Plan (NBAP). Besides, an integrated approach can reduce climate change-related risks and promote increased resilience of local populations and ecosystems. Nature-based solutions - such as mangrove restoration to protect coastal populations and restoration in watersheds and along rivers to improve water provision in quality and quantity - promote climate change adaptation and biodiversity conservation in one go.

In order to attain India's long term goal of 33% forest cover, new models for forest landscape restoration are required and afforestation can be realized on forest land as well as on private land and in peri-urban areas.

In urban areas, forests can mitigate the effects of urban heat islands, which in turn reduces the cooling costs of buildings, they improve air quality and serve as an integral part of storm water management. However, urban environments pose several arboricultural and managerial challenges to forestry and require the participation of stakeholders from the public and private sector.

The scope of the programme is defined by the thematic fields of Forest Landscape Restoration (FLR)-related policies and strategies, protection and conservation of forests and biodiversity, the recently adopted REDD+ strategy and climate change adaptation. Enhancing synergies between biodiversity conservation and sustainable management of forests should be taken into account as well.

More specifically, the programme as such could strive to take into account the following key measures without being restricted to them:

- a. Improved implementation of FLR while mainstreaming with forest-related adaptation efforts and strengthening conservation efforts for the provision of ecosystem services (including mangrove and river rehabilitation);
- b. Afforestation on degraded land and in coastal areas;
- c. Increasing the survival rates of forest plants and provide quality seedlings of native species;
- d. Improved forest fire management and strengthen fire response and risk assessment systems;

- e. Developing business cases for FLR and innovative approaches to include stakeholders (incl. urban forests);
- f. Accompanying capacity building measures and particular focus on South-South exchange activities.

### **2.2.2 Storage technology for renewable energy**

The energy sector and its low carbon development is playing a major role for the implementation of the Paris Agreement. The deployment of renewable energy and energy efficiency technologies are key pillars of India's NDC, which aims to achieve 175 GW installed renewable capacity by 2022, including 100 GW of solar power. According to its National Electricity Plan (NEP), released in April 2018, India envisages 47% (i.e. 275 GW) installed capacity from non-fossil sources by 2027.

A rapidly increasing share of fluctuant renewable power sources poses manifold challenges, especially with regard to grid management, including a strong need for additional grid infrastructure and flexibility mechanisms for feeding in electricity while avoiding curtailments of renewable energy facilities. It is of central importance that system operators are enabled to provide situational solutions to secure grid stability.

In this regard, the role of energy storage is decisive. Energy storage technologies increase flexibility in the use of both centralised and decentralised (such as rural micro-grid) electricity applications. By increasing power reserves and balancing load shifts and power fluctuations, they contribute to the stability of distribution and transmission grids. Integrating energy storage into India's energy strategies will be key to sustain the country's rapid transformation to renewables. Moreover, in terms of sector coupling, supplying energy to a rapidly growing fleet of electric vehicles, likewise, requires modifications in grid planning and operations and considering both variable renewable energy and charging. However, electric car fleets can also support load balancing and demand side management in line with India's smart grid ambitions under the National Smart Grid Mission. A transfer from component to system thinking can furthermore ease the burden on the energy system. By designing digital energy-efficient solutions and improving demand side management options along the energy system's value chain – from generation to distribution – environmental and climate-compatible benchmarks can be addressed, and electricity supplied cost-effectively to society.

Funding is available primarily for programmes that contribute to the transition to a decarbonised power sector addressing the above-mentioned fields of action by combining a variety of methodological approaches such as:

- a. Technology and research cooperation on storage technologies, including IT-based solutions for smart grids and smart markets (digital integration of supply and demand);
- b. Capacity development with relevant stakeholders;
- c. Policy advice on the development, optimization and implementation of supportive regulatory frameworks, concepts and policies for storage technologies and market based management of fluctuant renewable energy;
- d. Development of financing instruments including the development of bankable projects.

## 2.3 Possible programme products and activities

Generally, the programmes are also expected to include one or more of the following programme elements/products such as:

- consultancy services for the processing and elaboration of strategies, "roadmaps", action plans or similar processes and written documents;
- studies or analytical research services on selected topics;
- inputs to the development of governmental documents such as land use plans for selected regions and cities (to be quantified preliminarily);
- inputs to the development of financial programmes to support actual measures on mitigation, adaptation and biodiversity in the requested areas including co-financing;
- technical advice and pilot projects, e.g. in federal states, cities and/or enterprises including co-financing;
- capacity building including through events, trainings, delegation visits or expert stays.

## 3. Selection criteria

IKI is looking for individual programmes that contribute to transformative change. Each programme should address how its respective concept contributes to this goal.

Submitted programme outlines will be evaluated and selected by BMU, in cooperation with the Indian government, according to the following conditions and criteria:

### 3.1 Relevance to the NDC and NBSAP implementation process in the country

- Requirements stated in Section 2 for eligibility and thematic priorities for funding;
- **Transformative impact, level of ambition and innovation potential** (technological, economic, methodological, institutional);
- **Contribution to international climate cooperation**, in particular in the context of the UN climate negotiations through support for implementation of the resolutions of the Conferences of the Parties to the UNFCCC, including the resolutions on NDC implementation, the climate-related negotiations conducted within the framework of the Montreal Protocol and/or contribution to **international cooperation in the context of the CBD processes** through support for implementation of Strategic Plan 2011 – 2020 of the CBD and India's **NBSAP**;
- Relevance to **implementation of the SDGs** of the 2030 Agenda on Sustainable Development;
- Contribution to economic and social development in the partner country and to the creation of **enabling political conditions** in the partner country;
- Coherence with and integration into **national and/or regional/transnational strategies, international cooperation and synergies** with other projects and sectors.



### **3.2 Requirements for submitter(s):**

- Requirements stated in Section 2 and Section 4 for implementing actor/joint programme coordinator (notably: competence, capacity, experience (thematic and regional), professional business management of submitter and the submitter's partners in the joint programme (that includes e.g. the capability to proof the use of funds according to regulations);
- Consortium with clearly described comparative advantages of partners;
- Cooperation with national, local or regional partners in order for the results of the programme to be anchored long-term in the target region;
- Track-record of the organisation that coordinates the joint programme regarding the appropriateness, effectiveness and efficiency of use of funds.
- Experience in coordinating a consortium or similar experience of cooperation for larger projects.

### **3.3 Requirements of the programmes**

- Alignment with Thematic Priority guidance of the IKI in this RfP (see section 2);
- Ambitious and innovative;
- Sustainability of outcomes;
- Replicability of the concept and/or results; the measures that promote sustainability (e.g. decreasing volume of funds over the course of the programme) should be specified;
- Potential for large-scale and long-term impact;
- Maturity and coherence of the concept, including programme management and monitoring;
- Convincing allocation of the budget among the proposed project products;
- Convincing allocation of the budget among the proposed project partners;
- Envisaged co-financing from the Indian partners on several levels including private sector;
- Own funds from implementing organisation and/or third-party financing;
- Appropriateness, effectiveness and efficiency of the use of funds.

#### **4. Funding recipients and programme organisation**

IKI supports activities by implementing agencies, NGOs, consultancies, universities, research institutions, based in Germany and abroad, by international and multilateral organisations and institutions, e.g. development banks and United Nations bodies and programmes.

Each programme should be implemented in a **consortium of more than two organisations** (minimum), including significant participation of **national implementing agencies** (compare section 2) in the framework of a cooperation agreement (see fact sheet Consortium Agreement), with one organisation acting as **joint programme coordinator**. This joint programme coordinator is the **sole recipient of the approval notification and the sole** contract partner of BMU receiving direct payments through BMU; no grant funds are paid directly to other partners in the joint programme. The joint programme coordinator is responsible for forwarding the grant to the partners as agreed within the consortia of the programme. Implementing institutions may submit outlines in different consortia constellations.

The **joint programme coordinator and its consortium partners are expected to have comprehensive relevant expertise and experience in India**. The joint programme coordinator must display this expertise and, as a rule, demonstrate that it has continuously implemented international cooperation programmes in the relevant thematic area jointly with partners in the region for at least five years. The partners must demonstrate their expertise in accordance with their role in the programme.

The **joint programme coordinator must be able to undertake qualified planning and to ensure a cost-effective implementation of programmes and to monitor and render account for them**, if necessary in collaboration with the partners or subcontractors directly involved. This includes ensuring compliance with relevant environmental and social safeguards in accordance with IKI's safeguard policy. Specific monitoring of the programmes is expected. Programme planning and monitoring should be based on the results framework developed by the Organisation for Economic Co-operation and Development (OECD) (see introduction on the online platform for more information via the [IKI website](#)).

**The joint programme coordinator and the consortium partners must provide competent staff for the technical and administrative programme implementation.** Average annual BMU funding volume should not exceed the grant recipient's average annual turnover over the last three business years. When the grant is forwarded, the joint programme coordinator is responsible for ensuring that the programme partners (forwarding recipients) also comply with this requirement in respect of their funding share. The average annual funding volume derives from the planned total BMU funding volume and the planned duration of the project as stated in the outline.

**Activities by organisations/institutions based in Germany and abroad are supported via grants.** Activities conducted by German federal implementing agencies are commissioned pursuant to the terms and conditions applicable to these agencies. With regard to funding for institutions based abroad, the sections of this funding information apply correspondingly.

## 5. Selection procedure

BMU has commissioned the IKI Secretariat run by the Zukunft-Umwelt-Gesellschaft (ZUG) gGmbH to manage the funding programme:

IKI Secretariat  
Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH  
Köthener Straße 4  
D-10963 Berlin  
E-Mail: [iki-secretariat@z-u-g.org](mailto:iki-secretariat@z-u-g.org)

The selection process has two stages:

- 1. Outline stage:** In the first stage, a programme outline is submitted (in English language) via online platform on the [IKI website](#). No further templates or documents have to be submitted. At the end of the assessment of programme outlines by BMU and the Indian government, the most suitable programme outline will be pre-selected to enter the second stage.

The following deadline applies: Programme Outlines for this country specific selection procedure must be submitted online by November 4<sup>th</sup> 2019 midnight (Central European Time, CET). The online platform will not be accessible after this deadline, and outlines that are not submitted by the designated means cannot be considered for the selection procedure.

All outlines that have been submitted through the online platform by the deadline will be assessed. All applicants will be informed about the result of the evaluation in writing.

- 2. Formal programme proposal stage:** Once preselected, the joint programme coordinator will receive a written invitation to submit a formal request for funding for an appraisal mission (start of second stage). Joint programme coordinators then have up to six months to complete the appraisal mission and on that basis have to submit a thoroughly prepared programme proposal. BMU/IKI will then decide on this application in a final review. The relevant terms and application templates to be taken into consideration – including the requirements concerning monitoring and safeguards – will be provided after the first stage. In accordance with IKI procedures, the programme can receive funding at the earliest in 2021.

## **Annex 1: Requirements for support**

Formal confirmation of the support of the Indian government for the programme will be obtained by BMU. Programmes must be implemented in cooperation with national, local or regional political partners. Partners are to be named in the programme outline.

Support by IKI can be provided only if implementation of the programme is impossible without public funding.

The programme or parts of it cannot have already started, and it is expected to be completed within seven years.

In order to fully exploit synergies and to prevent duplication of funding, relations to other instruments or areas of support, to ongoing or earlier funding measures of the Federal German Government, the German federal states or the European Union or to any international measures (bilateral/multilateral) must be disclosed and their relevance for the proposed programme explained. The closer the proposed programme is in its goals, target groups, activities and concrete outcomes to a concluded/ongoing project, the more precisely the demarcation from or linkage with such a project needs to be presented. Intended or previously approved support from third parties for the proposed programme must be stated, specifying the support donor(s) and the specific amount(s) of funding. Proof of such intended or approved support must be provided in the second stage of the selection procedure at the latest.

In order to ensure the addition of greenhouse gas reduction and of the German contribution to international climate finance, no emissions certificates or other emissions credits generated by IKI programmes may be traded either during or after the programme term. For this reason, funding resulting from the sale of such emissions permits or credits may not be accounted for in the overall financing of IKI-supported programmes. However, this does not apply to emissions credits within the non-compliance market, insofar as they comply with the relevant IKI guidelines and are demonstrably being used to ensure the sustainable funding of climate protection activities in the fields of agriculture, forestry or land use.

## **Annex 2: Type, extent and amount of the funding**

Support can be granted for all expenditures necessary and in line with the principles of sound financial management to achieve the programme goal, insofar as it is not possible to achieve this goal without this support. There is no provision for grants on a cost-basis.

It is generally a condition for approval of a grant that the applicant makes an appropriate contribution, that there is appropriate input from the partners, and that additional funding is mobilised to meet the eligible expenditure.

A preliminary intended allocation of the budget has to be presented including a description on the allocation to outputs and to the specific project partners.

Efficiency of expenditures as well as economic use of the funds must be demonstrated.

The support granted must promote sustainable development in the partner countries. It is not intended to give the grant recipient an economic advantage.

The funded programmes must meet the criteria for recognition as Official Development Assistance (ODA).

BMU advocates climate-neutral business travel. Measures include in particular reducing business travel. Where it cannot be avoided, expenditure for offsetting greenhouse gas emissions resulting from traveling within the IKI programme is eligible for funding.

### **Annex 3: Grant conditions**

Implementation of IKI support measures is governed by Sections 48 to 49a of the German Administrative Procedures Act (VwVfG) and the general collateral clauses for grants to support projects (Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung, ANBest-P).

The Federal Audit Office has a right of audit under Sections 91 and 100 of the German Federal Budget Code (BHO).

BMU or its agents must upon request be provided with any necessary information and permitted to view books and documents relating to the programme and to conduct audits. In the application for a grant, applicants must declare that they consent to BMU or its agents publicising the name of the supported organisation and the purpose of the grant in the course of its publicity work. If there is evidence that the grant conditions have not been complied with, the grant approval can be withdrawn in accordance with the statutory provisions and return of the grant funds can be required.

In the case of contracts with foreign grant recipients, collateral clauses corresponding to the ANBest-P will become part of the contract.

There is no right to be awarded a grant. The decision to approve support is taken by BMU after due assessment of the circumstances and in the light of the budgetary funds available.