

Im Auftrag des:



Bundesministerium  
für Umwelt, Naturschutz,  
Bau und Reaktorsicherheit



Europäische  
**Klimaschutzinitiative**  
EUKI

## **Information on financing of projects under the framework of the European Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB)**

**Last updated: 1 February 2018.**

### **1. Objectives of the projects**

The EU and its member states are committed to reducing their greenhouse gas emissions by at least 40% by 2030 compared to 1990. To this end, the EU share of renewable energies in total energy consumption is set to rise to at least 27% by 2030 and energy efficiency is to be increased by at least 27% compared to the EU reference scenario.<sup>1</sup> Implementation and joint further development of climate policy continue to be a challenge due to different starting situations, even within member states. Dialogue, mutual learning from good examples, awareness raising and knowledge transfer, strengthening climate policy capacity in EU member states, a myriad of various cooperations in the form of networks between state, municipal, civil society, economic and education policy actors within the EU are all important requirements for getting closer to the long-term goal of a greenhouse gas neutral EU.

The European Climate Initiative (EUKI) of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) is intended to help achieve this goal. Through climate action projects, EUKI supports human as well as technical capacity for effective and innovative climate action, primarily in the Central, Eastern and Southern European EU member states. Selected individual measures will also further encourage knowledge transfer on climate action to the partner countries. Specifically, the following objectives are being pursued:

- promoting European integration through bilateral and multilateral cooperation, dialogue and exchange in the field of climate action
- strengthening knowledge and awareness-raising of the drivers of climate change and the ecological, social and economic opportunities arising from climate action
- capacity development and creation of networks for key state, civil society, economic, education, scientific and municipal actors to support transformative processes in other EU member states
- enhancing visibility within the EU for good practices, including (but not restricted to) those from Germany, intensifying the transfer of knowledge and experience, and utilising expertise from other actors and member states for climate action in Germany
- building a bridge to EU support programmes with a view to directing European funds towards innovative and progressive measures by means of capacity development and concept and project development.

Target groups of individual bilateral and multilateral measures are (national) governments, central, regional and local authorities, civil society, consumers and (if permissible under State aid law) businesses, primarily in the Central, Eastern and Southern European EU member states.

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<sup>1</sup>The specific targets are to be negotiated soon in a trilogue process between the European Parliament, Council and Commission on the amended Energy Efficiency Directive and Renewable Energies Directives.

Possible thematic areas for bilateral and multilateral projects under EUKI include the development of climate strategies and their implementation at various levels, exchanges on climate policy instruments, measures and technical solutions in all relevant sectors: energy, industry, transport, private households, commerce, trade and services, waste, agriculture and land use. These can also be combined or addressed in the context of cross-cutting topics such as climate-friendly urban development. Educational work and awareness-raising on climate change and climate action is also a central thematic focus of EUKI.

Deutsche Gesellschaft für Technische Zusammenarbeit (GIZ) GmbH was commissioned by the BMUB with implementing the project financing within the framework of EUKI.

<b>2. Object of financing</b>	
Implementers must show how their projects contribute directly or indirectly to strengthening climate action in the respective target regions. Suitable projects include both those supporting the achievement of quantifiable greenhouse gas savings and those aimed at the development of good climate policy conditions. The following approaches can be pursued individually or in combination:	
Capacity development	Capacity development in line with the needs of key climate action stakeholders in public, civil society and academic institutions, in business as well as educational institutions in other EU member states. Enhancing analytical and advisory capacity development, e.g. by conducting workshops, training courses, qualification, knowledge transfer.
Creation of networks	Establishing sustainable bilateral and multilateral cooperation formats. Promoting networking and climate partnerships e.g. between government institutions, municipalities, civil society, the academic community and industry to support transformative processes.
Exchange of experience to support climate policy analyses, policies and measures	Support in devising, implementing or piloting climate policy instruments, programmes and measures e.g. bilateral and multilateral exchange of experience and support for good regulatory conditions, financing instruments and models, analyses of greenhouse gas savings potential, innovative solutions to eliminate barriers to implementing climate and energy strategies and developing country-specific solutions. This can be done at national, regional and even municipal level.
Dialogue formats, dissemination projects, education	Dialogue, participation and consultation processes and stakeholder processes, public relations activities, promotion of knowledge building and awareness-raising on climate change and climate action.
Investment projects and projects for adapting to the consequences of climate change are not eligible for financing. Projects being carried outside of the EU are also not eligible. Financing will only be approved in exceptional cases for projects whose primary component is developing information and advisory services (websites and apps) based exclusively on print or internet-based materials. Measures that can also be carried out by commercial providers will also generally not be financed.	

<b>2.1. Quality of project proposals / selection criteria</b>	
Project outlines and proposals are evaluated on their general quality and the following criteria. The decision on financing will be taken after careful consideration and in the light of available budget.	
Relevance	The planned measures must be in line with one or more of the objectives of the European Climate Initiative and also make a relevant contribution to achieving the energy and climate targets of the EU. Projects needs to be embedded in the target countries national strategies. Proof of national government interest should be provided, in so far as possible, in the form of a corresponding letter of support.
Quality of project concept	<ul style="list-style-type: none"> <li>– Appropriateness, rigorous presentation and plausibility of target system (outputs - outcome - impact);</li> <li>– Effectiveness of implementation methods (nature and interaction of planned project activities)</li> <li>– Completeness and realistic assessment of risks;</li> <li>– Quality of indicators and nature of data collection for measuring project success;</li> <li>– Comprehensible and balanced division of tasks, appropriate management structure and instruments (only for consortia)</li> <li>– Own interest in project implementation</li> <li>– Quality, comprehensibility and feasibility of work plan (time schedule, resource planning, milestones and, if appropriate, exit criteria)</li> </ul>
Synergies	Links with current or previous programmes funded by the German Federal Government, the German Länder, the European Union or other donors and their significance for the proposed project must be identified, and potential synergies should be utilised. Duplicate financing is ruled out.
Sustainability	Projects to be financed must be sustainable. This applies to 1) the integration of the project results into the policies of the partner country/target region, 2) the replicability/upscaling potential and 3) the financial sustainability of the instruments/structures/products developed e.g. securing follow-up financing.
Efficiency	The envisaged use of funding should be proportionate to the desired outcomes.

<b>3. Formal requirements</b>	
Target countries:	EUKI supports climate projects with actors in the EU member states, primarily the Central, Eastern and Southern European member states.
Office of implementers and implementing partners	Implementers must have their official office in an EU member state or be registered there. In accordance with regional focus of EUKI, implementers from Central, Eastern and Southern European member states in particular are encouraged to submit project proposals.

	Bilateral and multilateral consortia are equally sought, however, <u>no more than three</u> implementing partners is permissible. The number of implementing partners should be proportionate to the project goals, funding, and division and weighting of the respective packages of tasks.
Legal capacity	Only projects implemented by legal persons with their own legal capacity are eligible for financing. Projects being implemented by individuals are excluded from financing under the European Climate Initiative.
Non-profit status	Implementers and implementing partners must be non-profit entities. If within one and the same institution there is a commercial operation alongside a non-profit business, the former is excluded from financing. In such cases, implementers must prove that the project is being implemented exclusively in the non-profit area of the business and that project activities do not include any commercial activities within the meaning of European legislation on State aid. German implementers and implementing partners must prove non-profit status by submitting a provisional certificate of tax exemption together with their completed project proposal. Foreign implementers must, where possible, refer to corresponding national regulations equivalent to German legislation governing the non-profit sector and evidence of compliance with the corresponding criteria by their organisation. Corresponding evidence must be submitted in either German or English or a written translation must be provided in one of these languages.
Implementer and implementing partners - types of organisations	Implementers must belong to one of the following categories: <ul style="list-style-type: none"> <li>– non-governmental organisations</li> <li>– national/regional/local authorities</li> <li>– International/multilateral organisations</li> <li>– non-profit businesses</li> <li>– academic and educational institutes</li> </ul>
Capacities	Implementers must have the following organisational and human resources capacities: <ul style="list-style-type: none"> <li>– suitable accounting system (possibly for separating out non-commercial and commercial activities), qualified bookkeeper</li> <li>– suitable procedure for awarding contracts in compliance with national provisions and international standards</li> <li>– presence of suitable internal control mechanisms</li> <li>– staff with technical and commercial legal expertise, who are in a position to plan international projects in a professional way, and carry out, monitor and bill them cost-effectively. This includes project-related expertise and experience in the target region.</li> </ul>
Financial strength	The amount of the planned average annual EUKI financing should not exceed the average annual turnover in the past three financial years of the implementer.
Criteria for exclusion	Organisations shall be excluded from financing if:

	<ul style="list-style-type: none"> <li>- they have suspended business activities or are in insolvency proceedings, compulsory liquidation or are in similar proceedings under the legislation of the individual state or similar proceedings have been instituted against them;</li> <li>- they have failed to fulfill their obligation to pay social security contributions, taxes or other levies in accordance with the regulations of the country of their branch or of the country where the contract is to be performed;</li> <li>- an individual authorised to represent the organisation has committed proven acts of grave misconduct, has been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata or has been convicted of a property offence, corruption, formation of a criminal association, money laundering, forgery of documents or other illegal action which could permanently impair the financial interests of the donor(s); or</li> <li>- the project has already begun.</li> </ul>
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<b>4. Nature, scope, amount and special conditions of project financing</b>	
Legal framework	<p>The call for project ideas is financed by the BMUB and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the BMUB. Financial processing will follow GIZ procedures.</p> <p>An economic benefit through financing is ruled out. There is no entitlement to project financing.</p> <p>Implementers are obliged to refer to the EUKI project financing, for instance, by using the GIZ and EUKI word mark (e.g. in publications, websites, give-aways etc.).</p> <p>Implementers and possible implementing partners shall allow the GIZ or the BMUB, including appointed representatives and if necessary, the Federal Court of Audit, to conduct a review to ensure project financing is being used as intended and economically.</p>
Type of financing	Financing is provided solely for projects, not for institutions.
Legal basis	<p>German implementers: Zuschussvertrag (contract language: German)  Foreign implementers: Grant agreement (contract language: English)  Sample contracts are available on the EUKI website: <a href="http://www.euki.de">www.euki.de</a>  Further information on contracts can be found on the GIZ website <a href="http://www.giz.de/finanzierungen">www.giz.de/finanzierungen</a> or <a href="http://www.giz.de/financing">www.giz.de/financing</a></p> <p>Contracts are concluded exclusively between the GIZ as implementer of the call for project ideas and the project implementer. The implementer will be responsible for the nature of the contractual relationship between implementer and implementing partners.</p>
Basis for calculating project financing	Project financing is calculated on the basis of the expenditures necessary to carry out the project. For any queries regarding a

	possible financing on cost basis please contact the EUKI programme office.
Amount of financing	Funding of between 50,000 and max. 350,000 euros may be provided for each project. Additional administrative costs are generally also eligible for funding, however these costs may not exceed 11% of direct expenditure under any circumstances. The estimated percentage must be appropriate and realistic.
Expenditures eligible for financing	To be eligible for financing, expenditures must be necessary under economical and cost-efficient budgeting to implement the financed project within the approved period. Investment projects are generally excluded from financing. Material goods, provided they are used for applying and disseminating technical solutions for climate action, should only be used for smaller applications, although these may be used in large numbers. Financing must benefit sustainable development in the partner countries. This includes the implementation of significant parts of the project by implementers or implementing partners in the target countries. Measures to avoid travel or make travel climate-neutral (including video- or phone conferences) are encouraged. Payments to offset greenhouse gas emissions arising from project-related travel must also be taken into account in the calculation of the budget for travel. Expenditures generally not eligible for financing include: <ul style="list-style-type: none"> <li>– expenditures arising outside the approved period</li> <li>– expenditures for producing project outlines or proposals</li> </ul>
Relevance of State aid for financing	The 'Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union' (ABl. EU 2016, C 262/01) provides the basis for determining whether an expenditure is constituted as State aid. Generally, through the call for project ideas, financing is to be provided for activities in non-profit sectors, thus ensuring that distortion of competition through financing is ruled out. Upon request, implementers must submit a declaration, together with the project proposal, detailing the relevant market situation regarding the activities to be performed under the project. In particular, implementers must appropriately outline whether and if the intended activities are already being offered by commercial economic operators at cost-covering prices. Furthermore, information is to be provided on the demand situation in the market i.e. target groups for the activities are to be identified and an outline presented on the level of demand to date of the target groups for these activities. Incentives and pilot functions of the projects are also to be indicated.
Project duration	Project duration should be at least four months. Projects must be concluded by March 2021 at the latest.
Own/third party contribution	An appropriate own contribution is expected so long as the implementer or implementing partners can provide sufficient basic funding.

	Securing third party contributions from other donors with a view to co-financing the overall project or individual project activities is desirable.
Project partnerships	The implementer and all relevant implementing partners must be named in the project outline. The transfer of parts of the project financing by the implementer to a maximum of three implementing partners is possible, provided that compliance with EU State aid law is guaranteed (Article 107 ff. TFEU). Responsibility for the conclusion of a contract concerning the transfer of project financing between the implementer and implementing partners lies with the implementer. The implementer is responsible for ensuring compliance with the provisions set out in the Zuschussvertrag/grant agreement.
Subcontracts	For the award of contracts under the project receiving financing, implementers and implementing partners shall only award contracts to skilled and capable providers at market prices following a competitive procedure. Further details and information concerning subcontracting are set out in the Zuschussvertrag/grant agreement.

<b>5. Type of selection procedure</b>	
Two stage selection procedure	For the first stage in the procedure, informative project outlines should be prepared in English and submitted by the deadline using only the online application tool on the website <a href="http://www.euki.de">www.euki.de</a> .  All project outlines received in full by the deadline are collected and subject to an evaluation. The shortlist of promising project outlines is drawn up on the basis of the available budget and the selection criteria mentioned above.  Implementers on the shortlist will then be asked in writing to submit a completed project proposal (second stage in procedure) which must be submitted within approx. 6 weeks.  Projects which are not selected for financing will be notified in writing.
Deadline for submissions	For the 2018 selection procedure, project outlines and proposals will be considered which are received by <b>16 March 2018 12:00 AM (Central European Time, CET)</b> via the online application tool on the EUKI website.

<b>6. Validity</b>	
This information is valid from 1 February 2018. We reserve the right to make changes.	

## 7. Responsibility

The GIZ as implementer of the call for project ideas is responsible for the content.

