

On behalf of:



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety



European
Climate Initiative
EUKI

of the Federal Republic of Germany

**Information on financing of projects under the framework of the European Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)
Last updated: 1 March 2019**

1. Objectives of the projects

At COP 24 the member states of the European Union recommitted themselves to the goals of the Paris Agreement and were instrumental in drawing up the rules that will determine how the Agreement is implemented. In order to meet the stated goals, they aim to jointly reduce their greenhouse gas emissions by at least 40% by 2030 compared to 1990. In line with the Energy Efficiency and Renewable Energy directives, the EU-wide figure for renewable energies as a proportion of total energy consumption is set to rise to at least 32% by 2030, and energy efficiency is to be increased by at least 32.5% compared to the EU reference scenario.

For all EU member states, implementation and joint further development of climate policy continue to be a challenge, partly due to widely differing starting situations within member states. Dialogue, mutual learning from good examples, awareness-raising and knowledge transfer, strengthening climate policy capacity in EU Member States and a dense web of cooperation in the form of networks between state, municipal, civil society, economic and education policy actors within the EU are all crucial if the EU is to move closer to the long-term goal of a greenhouse gas-neutral Union.

The European Climate Initiative (EUKI) by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) was established to help achieve this goal. BMU has commissioned the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH with the implementation of the financing programme.

Apart from greenhouse gas mitigation EUKI-financed projects shall at the same time help to strengthen cross-border cooperation between Member States on one of the most important issues that the EU faces in the coming years. The initiative will focus on three approaches designed to support both state and non-state actors working to protect the climate and to initiate a process of transformative change in Europe.

a. Creating awareness and pooling knowledge

Climate change awareness and background knowledge varies within the different EU countries. EUKI will support education and training projects to turn local actors into multipliers for climate policy know how.

b. Establishing networks and exchanging successful models

Understanding the viewpoints of other countries and the local context is a prerequisite for joint and decisive action in Europe. Dialogue and the exchange of information constitute the basis for any joint solution strategies. EUKI supports the networking of climate stakeholders across Europe. This helps and allows both state and non-governmental organisations to exchange knowledge, experience and best practices. On this basis, the next step is to develop local and regional

approaches to climate action, set up pilot projects to implement them and finally roll out successful approaches in other European countries.

c. Capacity development

Effective climate action across Europe is not possible without adequate human and organisational capacities. With this in mind, EUKI will support measures designed to build up the expertise of key state, civil society, business and education policy actors in terms of technical knowledge, methodologies and management. It will also support measures to set up and develop organisations and to adapt existing strategies and regulations. At the same time, EUKI will act as a bridge to EU support programmes in order to direct European funds into effective measures and projects that can help to build local capacity and develop promising approaches to reducing greenhouse gases.

The **target groups** for individual bilateral and multilateral measures are national governments, regional and local authorities, civil society, consumers and (if permissible under state aid law) enterprises, primarily in the Central, Eastern, South-Eastern and Southern European Member States.

Possible **thematic areas** for bilateral and multilateral projects under EUKI include the development and implementation of climate strategies at various levels of government and exchanges on climate policy instruments, measures and technical solutions in the following areas: energy; buildings; mobility; agriculture, soils and forests; industry; private households; commerce, trade and services; waste. There should be a strong focus on the implementation of concrete measures. Individual themes can also be combined or addressed together in a broader context, e.g. climate-friendly municipal development, climate policy and climate financing. EUKI's funding remit also covers educational, awareness-raising and media activities linked to climate change and climate action.

2. Object of financing

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 potential 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 on individual, organisational and systemic level primarily in and in line with the needs of public, civil society and academic institutions, in business as well as educational institutions. Enhancing analytical and advisory capacity development, e.g. through workshops, training courses, additional qualifications and organisational development.
Creation of networks	Establishing and strengthening sustainable bilateral and multilateral cooperation formats. Promoting networking and climate partnerships, e.g. between government institutions, municipalities, civil society, the academic community and industry.
Implementing policies and measures, developing strategies and conducting feasibility studies	Measures that aim to design, implement or pilot climate policy instruments (e.g. bilateral and multilateral exchanges on effective regulatory conditions, support mechanisms and models), analyse potential greenhouse gas savings, devise practical solutions for the removal of barriers to the implementation of climate and energy strategies, or develop geographically specific methods (including feasibility studies) for evaluating and analysing concrete mitigation

	projects. EUKI financing is available to support projects that tackle these issues at national, regional or municipal level or at more than one level.
Dialogue formats, dissemination projects, education	Projects designed to initiate and strengthen dialogue, participation, consultation and stakeholder processes and to promote knowledge-building and awareness-raising in relation to climate change and climate action.
<p>Investment projects and projects for adapting to the consequences of climate change are ineligible for financing. Projects involving implementation partners outside the EU are also ineligible. Measures that focus primarily on Germany will not be considered. As a general rule, measures that could also be implemented by commercial providers are ineligible for EUKI financing.</p> <p>Financing will only be approved in exceptional cases for projects whose primary component is developing printed materials or internet-based information and advisory services (websites and apps).</p> <p>All material published by the projects must be based on current knowledge and research, and all dialogue formats must follow the usual standards of respectful discourse. EUKI will not finance activities or publications that are inflammatory or that are not based on facts.</p>	

3. Quality of project proposals / Selection criteria	
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 with due regard for the existing EUKI portfolio and the available budget.	
Relevance	The planned measures must be in line with one or more of the objectives of the European Climate Initiative and be compatible with the climate and energy policy objectives and strategies of the target countries. In this context, the involvement and support of the project's target groups are important. Project outlines that include a letter of support from the national government or other target groups (depending on the nature of the project) will therefore be regarded more favourably.
Quality of project concept	<ul style="list-style-type: none"> – Appropriateness, rigorous presentation and plausibility of target system (outputs – outcome – impact); – Effectiveness of implementation methods (nature and interaction of planned project activities); – In the case of projects that focus on capacity building: the suitability of the capacity-development strategy, especially the interaction between capacity-development measures at individual, organisational and systemic levels; – Completeness and realistic assessment of risks; – Quality of indicators and nature of data collection for measuring project success; – Comprehensible and balanced division of tasks, appropriate steering structure and instruments; – Quality, comprehensibility and feasibility of work plan (time schedule, resource planning, milestones and, if appropriate, exit criteria).

Networking and synergies	Projects should establish links to and cooperate with current or previous projects financed by the German Federal Government, Germany's federal states, the European Union and national and international donors. Proposals should highlight opportunities for such cooperation, e.g. sharing of and capitalising on results, peer reviews of publications and possible joint events. Duplicate financing of activities is not permitted.
Sustainability	Projects will only be considered if they are sustainable. This applies to 1) the integration of the project results into the policies of the partner country/target region, 2) 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.

4. Formal requirements	
Target countries	EUKI supports climate projects in EU member states, primarily in Central, Eastern, South-Eastern and Southern Europe.
Office of implementers and implementing partners	Implementers must have their official office in an EU member state or be registered there. In accordance with the regional focus of EUKI, implementers from Central, Eastern, South-Eastern and Southern Europe in particular are encouraged to submit project proposals. Bilateral and multilateral consortia are equally sought; however, the maximum number of implementing partners (in addition to the implementer) is three. The number of implementing partners should be proportionate to the project's goals and funding and to the distribution and weighting of each set 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 in this ideas competition.
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.

Types of organisation (implementer and implementing partners)	<p>Implementers and implementing partners must belong to one of the following categories:</p> <ul style="list-style-type: none"> - non-governmental organisations - national/regional/local authorities - non-profit enterprises - academic and educational institutions
Capacities	<p>Implementers must have the following organisational and human resources:</p> <ul style="list-style-type: none"> - Suitable accounting system (also for separating non-commercial and commercial activities), qualified bookkeeping staff; - Competitive, transparent and non-discriminatory tendering procedures for awarding contracts in compliance with national provisions and international standards; - Suitable internal control mechanisms; - Staff with the technical, commercial and legal expertise needed to plan international projects in a professional manner, to implement those projects cost-efficiently, and to monitor and account for them. This includes project-related expertise and experience in the target region.
Financial strength	<p>The amount of the planned average annual project financing should not exceed the implementer's average annual revenue in the past three financial years.</p>
Criteria for exclusion	<p>Organisations will be excluded from financing if:</p> <ul style="list-style-type: none"> - 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; - they have failed to meet their obligation to pay the social security contributions, taxes or other levies required under the regulations of the country in which they are based or of the country where the contract is to be fulfilled; - an individual authorised to represent the organisation has committed a proven act of serious misconduct in his/her professional capacity, has been sanctioned under an enforceable court ruling on grounds that call into question his/her professional reliability, or has been convicted under an enforceable court ruling of a property offence, corruption, forming a criminal association, money-laundering, forgery or an insolvency offence; or - they have already begun to implement the project.

5. Nature, scope, amount and special conditions of project financing	
Legal framework	<p>The call for project ideas is financed by BMU and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of BMU. All funds are administered in accordance with GIZ procedures.</p>

	<p>Recipients must not benefit economically. There is no entitlement to project financing.</p> <p>Implementers must draw attention to their EUKI project financing, for example by using the GIZ and EUKI word mark (e.g. in print materials, publications and on websites).</p> <p>Implementers and any implementing partners must allow GIZ or BMU, including the latter's designated representatives, and, where applicable, the Bundesrechnungshof (Federal Court of Audit), to conduct a review to ensure that project financing is being used as intended and cost-efficiently.</p>
Type of financing	Financing is provided solely for projects, not for institutions.
Legal basis	<p>German implementers: subsidy agreement (Zuschussvertrag, contract language: German)</p> <p>Implementers from other EU member states: grant agreement (contract language: English)</p> <p>Sample contracts are available on the EUKI website: www.euki.de</p> <p>Further information on contracts can be found on the GIZ website at www.giz.de/financing</p> <p>Contracts are concluded exclusively between GIZ, which has been commissioned to hold the ideas competition, and the project implementer. The implementer will have sole responsibility for the nature of its own contractual relationship with its implementing partners.</p>
Basis for calculating project financing	Project financing is calculated on the basis of the expenditures necessary to carry out the project. If you have any questions about accounting for your project on a cost basis, please contact the EUKI secretariat.
Amount of financing	<p>Funding of between EUR 50,000 and EUR 350,000 may be provided for each project.</p> <p>A mark-up for administrative overheads may also be included in the proposal, although these costs must not exceed 11% of direct expenditure. The estimated percentage must be appropriate and plausibly substantiated.</p>
Expenditures eligible for financing	<p>All project expenditures are eligible for financing provided that they are necessary, on the basis of cost- and resource-efficient budgeting, in order to implement the project within the specified period. Investment projects are generally excluded from financing. Materials and equipment that are to be used in order to apply and disseminate technical solutions for climate action can only be financed in exceptional cases and only for relatively small applications.</p> <p>Project financing must be used in ways that support 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.</p> <p>It is expected that measures will be taken to minimise travel or to make any travel climate-neutral (e.g. video or phone conferences). 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.</p>

	<p>Project costings should also include adequate resources for participation in EUKI networking meetings and for cooperation with other EUKI projects (e.g. peer reviews of publications by other implementers).</p> <p>Expenditures generally not eligible for financing include:</p> <ul style="list-style-type: none"> - expenditures arising outside the approved period; - expenditures for producing project outlines or proposals.
Implications of state aid regulations for financing	<p>Judgments on whether project financing constitutes state aid are based on Article 107 (1) of the Treaty on the Functioning of the European Union and the explanatory information set out in 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 (EU official journal 2016, C 262/01).</p> <p>Generally, through the call for project ideas, financing is to be provided for activities in non-profit sectors, thus avoiding any distortion of competition through financing. If invited to submit a project proposal, implementers must include a declaration, together with the project proposal, detailing the market context in which the project activities are to be performed. In particular, implementers must specify whether the intended activities are already being offered in an existing market. Information is also to be provided on the demand situation in the market, i.e. target groups for the project activities are to be identified and an outline presented on the level of demand from the target groups for these activities to date. Any incentives and pilot functions of the projects are also to be indicated.</p> <p>If the project proposal includes a feasibility study, the implementing organisations are required to describe the aim and purpose of the project on which the study is based. In particular, information is to be provided on whether the project falls into the category of non-economic activities or economic activities. It must also be indicated if the involvement of stakeholders has already been established for the project under evaluation. The implementer must also specify who will conduct the feasibility study (for example, an implementing partner or by way of a contract award procedure by a third party).</p> <p>Please note that funding for feasibility studies may be granted subject to the stipulations laid down in the De minimus Regulation (Commission Regulation (EU) 1407/2013). This can result in the subsidy amount being limited to the maximum amount set out in the above mentioned regulation.</p>
Project duration	<p>Project duration should be at least four months. Projects must be concluded by March 2022 at the latest.</p>
Own/third-party contribution and own interest in the project	<p>It is expected that applicants will make an appropriate contribution to the costs of the project out of their own funds or in the form of third-party funds obtained from other donors to cofinance the overall project or individual project activities.</p> <p>Funds contributed by implementers, whether out of their own resources or from a third party, serve to underline their own interest in the project. Additionally, project outlines must explain the implementer's own interest and its motives for implementing the project in sufficient detail.</p>

Project partnerships	<p>The implementer and all relevant implementing partners must be named in the project outline.</p> <p>The implementer may pass on some of the EUKI funds it receives to a maximum of three implementing partners subject to compliance with EU state aid rules (Article 107 ff. TFEU). Responsibility for the conclusion of a contract concerning the transfer of project financing between the implementer and its implementing partners lies with the implementer. The implementer is also responsible to the financing provider for ensuring compliance with the provisions set out in the subsidy/grant agreement.</p>
Subcontracts	<p>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 subsidy/grant agreement.</p>

6. Type of selection procedure	
Two-stage selection procedure	<p>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 www.euki.de/en.</p> <p>All project outlines received in full by the deadline will be collected and evaluated. A shortlist of promising project outlines will then be drawn up on the basis of the available budget and the selection criteria mentioned above.</p> <p>Implementers on the shortlist will then be asked in writing to submit a full project proposal (second stage in procedure). This proposal must be submitted within approximately six weeks.</p> <p>A three-day project development workshop is scheduled provisionally for calendar week 25 in Berlin and will be open to a limited number of those organisations invited to submit full project proposals. Participation is voluntary. The implementer and a key implementing partner may each send one representative. When submitting proposals, implementers and implementing partners may wish to keep calendar week 25 free for this purpose. If you are interested in participating, please indicate this in your project outline. The EUKI secretariat reserves the right to select participants if the number of those interested in the workshop exceeds the number of available places.</p> <p>Projects which are not selected for financing will be notified in writing.</p>
Deadline for submissions	<p>For the 2019 selection procedure, project outlines must be received by 24:00 CET (Central European Time) on 12 April 2019 using the online application tool on the EUKI website.</p>

7. Responsibility

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has been commissioned by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) to hold this ideas competition as part of the European Climate Initiative.

