

On behalf of:



Federal Ministry  
for the Environment, Nature Conservation  
and Nuclear Safety



European  
**Climate Initiative**  
EUKI

of the Federal Republic of Germany

## **EUKI guidelines on project planning and monitoring**

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# 1. Glossary

<b>Baseline</b>	A baseline serves as a reference value for a project indicator. Comparing the value of the indicator with the baseline reveals the changes achieved by the project. The baseline may either reflect the state of the indicator at the start of the project or the expected state if no project were to be implemented ('business-as-usual'), or a combination of the two.
<b>Capacity Development Strategy</b>	Capacity development should be viewed as a holistic process. In this context, 'capacity' means the ability of people, organisations, and societies to manage their own sustainable development processes and adapt to changing circumstances. The strategy derives from the project's objectives and defines, for which actors (individuals, organisations and/or society) what kind of capacity development measures (e.g. training or consulting to change process flows) shall be implemented.
<b>Gantt chart (timeline)</b>	Project planning instrument for scheduling the implementation of activities as well as the attainment of outputs and outcome.
<b>Impact (long-term result)</b>	Impacts are expected effects, which cannot be traced back solely to the project, but are owed also to external causes (e.g. decisions on a higher political level or activities by other donors). The term is based on the intervention logic of the OECD. Against the background of the goals of the EUKI, the impact usually relates to emissions reduction in a specific sector in one form or another. But also changes in structures or policies are common long-term results.
<b>Implementing partners</b>	Implementing partners are non-governmental organisations, universities, academic, and educational institutions, regional and local authorities and non-profit enterprises that receive financing from the project through a sub-grant from the implementer and directly and in a coordinated manner contribute to achieving the overarching project goal and specific goals (outcome and outputs).
<b>Indicators</b>	EUKI projects have two different sets of indicators: <u>Project-specific indicators</u> serve as binding benchmarks for measuring goal attainment and, hence, project success. The project-specific indicators are not predefined by the EUKI. They are used to measure the attainment of the outcome and outputs of the respective project. <u>Standard indicators</u> are the term for the predefined quantitative indicators, which capture selected results of all projects to be aggregated across the entire EUKI financing programme.
<b>Means of verification (of sources for indicators)</b>	An appropriate source provides the basis for the data that is to be reported for the indicator and for its verification. Sources could for instance be reports/studies, attendance lists, official statistics, surveys etc.
<b>Milestone</b>	A defined interim result on the basis of which it can be traced whether intended effects will occur on schedule and in adequate quality or whether additional intervention is needed

in order to achieve the goals in due time. the use of milestones in the project proposal is optional.

<b>Scalability</b>	The scaling-up potential or multiplier effect describes the possibility to expand a project's developed solutions, methods and instruments to other regions, sectors, or target groups.
<b>Outcome</b>	Actual goal of the project, i.e. the intended changes that can be directly causally attributed to the project. Outcomes include the use of the outputs by the target groups and behavioural changes that are associated with them.
<b>Outputs</b>	Outputs describe the concrete changes that are created and achieved with the proposed activities. They describe for example how products, goods, services developed by the project are used by the target groups and thus lead to improved competencies, or new or changed institutions or regulations.
<b>Replicability</b>	Replicability denotes the possibility and perspective of imitation and application of developed methods, instruments, and techniques in other regions or by other actors.
<b>Result</b>	Denotes a change that is brought about by the EUKI project. Results may be intended or unintended, expected, or unexpected, positive, or negative. The outcome, however, is an intended, positive result.
<b>Results-based monitoring</b>	Regular and systematic observation and documentation of project progress and effects based on the project-specific indicators. The project's success can, therefore, be measured based on (1) what has been done (monitoring of activities) and (2) what changes have been caused by what has been done (outcome and outputs).
<b>Results logic</b>	The results logic derives plausible hypotheses on the causal relationship between outputs, outcome and impact and informs the project's intervention logic. Its underlying assumptions should also be monitored to make sure they are correct.
<b>SMARTness</b>	The acronym SMART includes five criteria, which a good indicator has to fulfil, in order to ensure its function as a monitoring-instrument: It has to be specifically (unambiguously) formulated, measurable, achievable, relevant, as well as time-bound.
<b>Target group</b>	Individuals, groups or social and institutional bodies (or final beneficiaries) that the project is meant to reach, or which comprise the focus of the outputs and outcome.
<b>Work package</b>	Work packages bring together multiple activities that are typically focused on a common output. They serve to enhance the structuring of project plans and help to clarify the results chain in project proposals.

## 2. Monitoring and reporting of EUKI projects

The monitoring and reporting system of projects in the European Climate Initiative (EUKI) aims to support effectiveness and learning of EUKI projects.

**Results-based monitoring** lays the foundation for project evaluation and for accountability vis-à-vis donors and project partners. It helps recognising whether the goals that have been set can be attained using the chosen procedures and specified activities. It allows for project steering helping to identify strengths and weaknesses to constantly adjust the course of each project.

The EUKI monitoring and reporting system is based on the Organisation for Economic Co-operation and Development (OECD) standards and on the requirements of German legislation. The EUKI monitoring and reporting system comprises:

- at the level of individual projects: guidelines on the formulation of outcome and outputs as well as indicators.
- at the level of individual projects: reporting requirements for applicants (semi-annual narrative reports, a final narrative report and financial statements for every two to three months providing information on the progress).
- at the level of the overall programme: an accompanying performance review of the EUKI financing programme according to the requirements of national attribution law (control of achievement of objectives, control of results and control of economic use of funding).

The monitoring and reporting system accommodate the broad spectrum of implementers and the diversity of issues across project topics by considering the inputs, methods, and processes by the implementers themselves as far as possible.

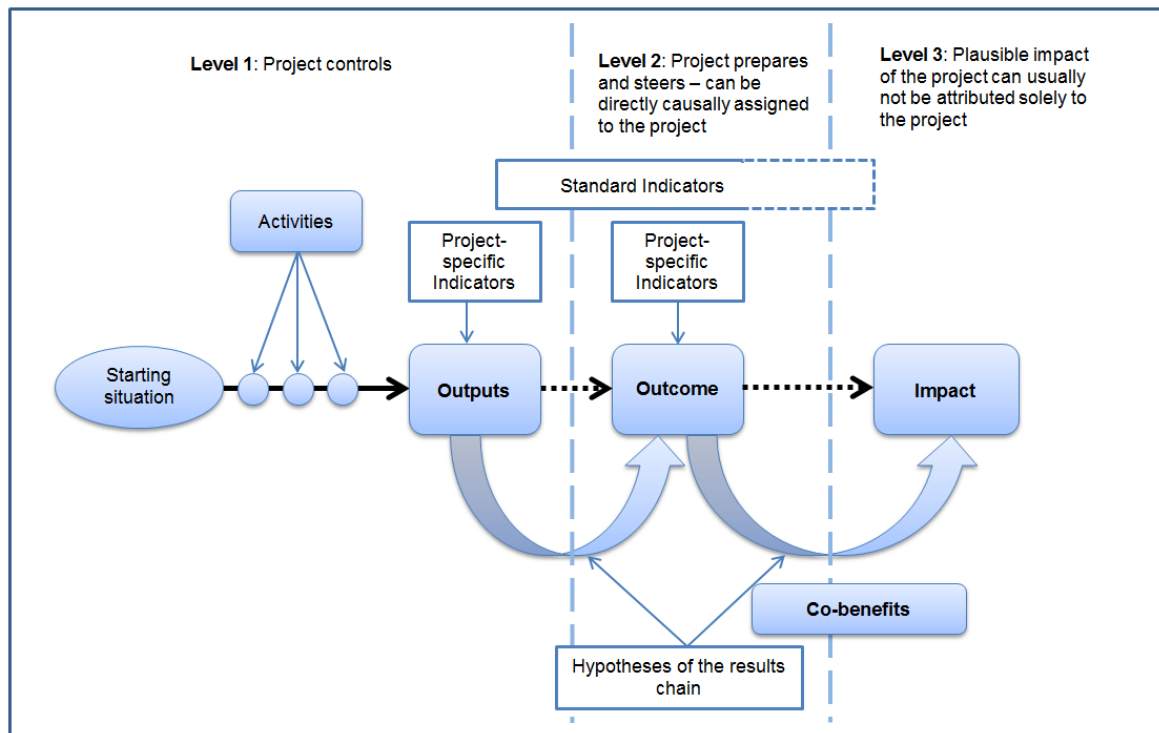
The glossary at the beginning of this document defines the most important terms to better understand the EUKI monitoring and reporting guidelines.

### 3. Results-based project planning

The planning of EUKI projects is based on the results chain as defined by the OECD. This assumes that the **activities** carried out by a project create products, services, or sets of regulations/standards and potentially resulting changes that are termed **outputs** (specific project goals). These, in turn, are the prerequisite for achieving the **outcome** (overarching project goal). The outcome describes a change at the level of the target groups that has been made possible by the project and can verifiably be attributed to it. The **impact** (long-term result) of an EUKI project is the contribution made to climate protection and is usually not solely attributed to the project activities.

The following diagram depicts the results chain, drawing on OECD terminology. The grey arrows represent the **hypotheses** that link the various levels. These hypotheses are assumptions as to how and under what conditions activities contribute to the outputs and these, in turn, to the outcome, which then, respectively, unfolds its long-term impact. The hypotheses made in connection with the results chain should be realistic from the beginning and should be checked at regular intervals during the EUKI project to ensure that they are correct. As depicted in the diagram, the outputs and the outcome must be specified by indicators.

**Fig. 1: Graphical representation of OECD results chain**



The project can thus be divided into three levels:

**Level 1** is the project's direct intervention level, where the **activities and outputs** are located. The outputs are concrete changes that result from the respective activities. They describe how products, goods, services developed by the project are used by the target groups and thus lead to improved competencies, or new or changed institutions or regulations.

Outputs describe changes that are achieved through a bundle of activities. Hence, outputs can never refer only to a product, good, or service but need to look at what has been changed through its usage by the target group. A simple product, such as a study, does not constitute an adequate output. Outputs are implemented and achieved directly by the project, and, therefore, their attainment can be controlled by the project to a large extent. Importantly, a project is always a joint effort of implementing partners, other stakeholders, and target groups. Otherwise, the changes at the level of the target groups should be subsumed under the outcome and captured by corresponding indicators. Outputs can be equipped in the project proposal with work packages (not mandatory) which clearly demonstrate how activities are linked to the achievement of outputs, as implied in the results chain. Work packages are comprised of multiple activities, which usually correspond to a single output but can also be linked to more than one output. Please do not include work packages on cross-cutting issues like project management since

it is not contributing to a specific output. Work packages on dissemination are only permissible if contributing to a specific output but not for public relations in general.

The **outcome** is located on **level 2**. This level describes the intended effects of the project on its environment, in other words especially on the target group. The outcome is, therefore, considerably affected by and achieved through the participation of target groups and intermediaries. The outcome includes the use of the outputs by the target groups and behavioural changes that are associated with them. The outcome shall be chosen on a level that can be directly influenced by the project itself. This does not mean, however, that the project has complete control over the behaviour of intermediaries and target groups. By choosing adequate implementation strategies it can, however, prepare for the outcome and steer towards it. In the section 5.4 of the full project proposal applicants are requested to plausibly demonstrate how activities and outputs contribute to the attainment of the outcome. Furthermore, risks arising for instance from the limited control over the target group shall be identified and listed in the proposal.

The **impact** is located at **level 3**. It should be possible to plausibly deduce how the EUKI project contributed to this impact. However, it cannot be assumed that the impact is brought about solely by the project but also by other projects, government initiatives etc. Since the results chain from project activities to the impact is very long, there is no requirement to quantify these effects or equip them with indicators.

When applying this OECD logic to project planning, it should be kept in mind that although the outputs are placed hierarchically below the outcome and are more firmly within the project's control zone, they should, nevertheless, not entirely ignore interactions with a potential target group. A formulation of outputs that goes beyond the simple provisioning of services (e.g. studies, databases, mapping, management plans) to also incorporate the use of these services is essential. Since every project only formulates a single outcome, which builds fundamentally on the outputs, it is not desirable for the reactions by the target group to be taken into account at the outcome level only.

#### 4. Formulation of outcome and outputs as well as indicators at the project level

Every EUKI project works towards an overall outcome and underlining outputs. This provides participating actors with a clear perspective and all interested parties with an idea of what can be expected from the project.

**Fig. 2: Example of an EUKI project results chain**

<b>Impact</b>		
Enhanced carbon sequestration in soils and increased attractiveness of organic agriculture is contributing to climate neutrality in the sector.		
<b>Outcome</b>		
Humus balances on livestock-less and livestock-free farms in Slovenia and Serbia have significantly improved.		
<b>Output I</b>	<b>Output II</b>	<b>Output III</b>
Potentials for increasing the carbon stocks in livestock-free farming are showcased in demonstration plots.	Knowledge on climate friendly production methods related to the increase of carbon stocks is improved through trainings and information material.	Increased exchange among farmers and other stakeholders for the uptake and expansion of climate friendly production methods and products related to the increase of carbon stocks is initiated.

To measure progress towards achieving the outcome and outputs, indicators must be used. Indicators serve as a **binding measure for assessing progress towards achieving the goal and, hence, the success of the EUKI project**. Indicators should reflect the content of the goal and, in most cases, extend beyond these in terms of the level of detail. The indicators for the outcome and the project outputs are formulated in accordance with the SMART criteria (see Figure 3).

**Fig. 3: SMART indicators**

<b>Criteria for SMART indicators</b>
Indicators for the outcome and outputs must meet the following criteria:
<i>specific</i> , i.e. defined unambiguously and precisely.
<i>measurable</i> , i.e. provide measurement constructs (quantitative measures or descriptions of qualitative conditions) and methods of data collection/sources of verification.
<i>achievable</i> , i.e. it should be possible to reach the target value of the indicator with the available resources and under the prevailing conditions.
<i>relevant</i> , i.e. the information provided by the indicator should be of relevance to describing the outcome and outputs.
<i>time-bound</i> , i.e. equipped with a timeframe and achieved no later than by the end of the project.
Note: Changes to defined goals (outcome and outputs) after the project has started are requiring prior approval. A corresponding request needs to be submitted to EUKI.

#### 4.1. Project-specific indicators

Two to four project-specific indicators have to be developed for the outcome and each output, all of which need to fulfil the SMART criteria listed above. The total number of indicators should be selected with respect to the manageability of monitoring and reporting.

The project-specific indicators need to be described in the project proposal. **Target values** should be provided for each indicator used. To evaluate the project's success, the indicators for outcome and outputs need to be compared with the starting conditions. For this purpose, a **baseline** needs to be established for all indicators. The baseline can be constituted by either the state of the indicators at the outset of the project, the expected conditions that would prevail in the absence of the project ('business-as-usual'), or by some combination of the two. The baseline data and the concrete target values for the project-specific indicators are provided together with the project proposal.

**Example:** Project-specific indicators at the outcome level

**Outcome:** Humus balances on livestock-less and livestock-free farms in Slovenia and Serbia have significantly improved.

Outcome indicator 0.1: Number of farms applying management practices focused on humus formation.		
Unit Farm	Baseline (start of project) 0	Target value (end of project) 15
Means of verification and a description of the verification procedure (data sources, data collection, measurement methods etc.): Testimonials of farmers, photo documentation, reports by farmers.		



Outcome indicator 0.2: Number of techniques 'new' for farmers associated with humus formation (e.g. pelleting, biogas, silage, composting, transfer mulch) introduced in at least one farm.		
Unit Techniques	Baseline (start of project) 0	Target value (end of project) 5
Means of verification and a description of the verification procedure (data sources, data collection, measurement methods etc.): Product lists, agreements between farmers and business stakeholders.		

**Example:** Project-specific indicators at the output level

**Output I:** Potentials for increasing the carbon stocks in livestock-free farming are showcased in demonstration plots.

Indicators for output I:

Indicator I.1: Number of demonstration plots set up.		
Unit Demo plots	Baseline (start of project) 0	Target value and planned date of attainment 6 by month 12 of the project
Means of verification and a description of the verification procedure (data sources, data collection, measurement methods etc.): Reports, picture documentation, evaluation report.		

Indicator I.2: Number of site visits of farmers to demo plots.		
Unit Site visits	Baseline (start of project) 0	Target value and planned date of attainment 6 by month 24 of the project
Means of verification and a description of the verification procedure (data sources, data collection, measurement methods etc.): Reports, picture documentation, evaluation report.		

Indicator I.3: Number of technical measures to increase soil carbon sequestration applied.		
Unit Technical measure	Baseline (start of project) 0	Target value and planned date of attainment 4 by month 12 of the project

Means of verification and a description of the verification procedure (data sources, data collection, measurement methods etc.):

Reports, picture documentation, compilation of good practices.

## 4.2. **Standard indicators**

In addition to project-specific indicators, each project must report on EUKI standard indicators. Standard indicators are formulated by EUKI and are not defined by the project. The EUKI standard indicators are used to measure the overall objectives of EUKI and hence aggregate certain achievements across all EUKI projects. Each project must contribute to at least one standard indicator. Projects must examine which activities may relate to which standard indicator. For the project proposal, projects must provide an estimated number for the respective standard indicator. For example, based on the number of events planned for a project, an estimated figure of envisioned participants shall be provided. The actual numbers will be reported during the project by means of biannual narrative reports (see below).

Standard indicators are formulated in such a way that they can typically capture (parts of) the achievements of each project. The standard indicators may be similar to or congruent with a project-specific indicator already presented. In any case, it is essential to justify the applicability and the target value of each selected standard indicator. For this purpose, reference must be made to relevant activities in the project proposal. A baseline for standard indicators is zero by definition and hence is not requested. Baseline or business-as-usual considerations used in the calculation of the target value may be disclosed in the justification of the target value.

The standard indicators refer to five different objectives of EUKI. The standard indicators are as follows:

**1. Number of participants** at events (e.g. conferences, workshops, trainings etc.) strengthening knowledge and raising awareness in the field of climate change mitigation.

**2a. Number of events** (e.g. trainings, workshops, networking events).

**2b. Number of key state, civil society, economic, education policy, academic and/or local stakeholders** that - as a result of the project and its measures - support or initiate transformative processes for climate change mitigation.

**2c. Number of supported or initiated transformative processes** for climate change mitigation (based on indicator IIb).

**3a. Number of good practices** transferred from an EU Member State to a target group in at least one other EU Member State

**3b. Number of media contributions** disseminating good practices via specialists, social and general media.

**4. Number of (planned) project applications** focusing on climate or energy issues in a supra-regional or cross-border programme in the EU that are to be initiated or prepared by the EUKI project consortium.

**5. Greenhouse gas (GHG) emissions** reduced, or carbon stocks enhanced through project (*optional standard indicator*).

### **4.3. Work packages/activities/milestones**

In addition to the formulation of suitable indicators, project proposals also design a so-called 'work package' for each output, describing the activities that are planned to achieve the goal. These planned activities describe in an appropriate level of detail *how* the outputs can be achieved. It usually makes sense to formulate a work package for each output. It is, however, also possible for multiple work packages to be formulated for a single output, or for a work package to relate to multiple outputs. In such cases, the connections between outputs and work packages should be clearly indicated. The role in the course of the chain of results should be evident here.

The duration (including end dates) for all planned activities must be graphically illustrated in a Gantt chart in Annex 1 (see next section for further information). Consistent numbering of work packages and the associated activities makes it easier to monitor progress.

Within the work packages themselves, it makes sense and is generally expected of projects to incorporate milestones in addition to the activities. Milestones establish a connection between activities and outputs by indicating key successes along the pathway to goal attainment, thereby giving an early feedback as to whether the implementation is on the right track.

Milestones are optional in EUKI projects. In bigger projects, they provide a structure for reporting on activities that enables them to be presented more succinctly.

## 5. Practical notes on completing Annex 1: Timeline/Gantt chart on the project schedule

The template contained in Annex 1 serves as an instrument for developing a timeline for implementation of activities as well as progress towards outputs and outcomes. Outputs, indicators, activities as well as milestones (if applicable) formulated within the project proposal must be inserted in the chart and their duration and/or date of achievement must be presented. The outcome does not need to be equipped with a timeline.

If there are more than three specific project goals or more than three activities per specific goal, the Annex 1 template can be manually expanded.

## 6. Semi-annual narrative reports and final narrative reports

The implementer is obliged to electronically submit a narrative report via email to the respective GIZ contact person. Narrative reports form the basis for monitoring progress and success of each project. The semi-annual reporting of the current progress towards achieving the goals based on the project-specific indicators is carried out in the narrative reports. Unless stated otherwise in the agreement, narrative reports are to be prepared for every six months from the beginning of the project. The reports are to be submitted two months after the respective reporting period has ended. The latest report template must be downloaded from the EUKI website before preparing the report.

The final narrative report evaluates goal attainment based on the project-specific indicators. Final narrative reports are to be submitted two months after the project concludes. The final narrative report is to provide information on the extent to which the targeted project objectives have been achieved. It should contain summarising and concluding recommendations for the countries of implementation and the donor(s). It should refer to the entire implementation period and not solely cover the last six months. Key project findings such as studies and other supporting documents are to be added as supplementary documents and listed under the annex.

The setting of baselines, target values and the actual results achieved by the project must all be transparently indicated by the implementer of the project. Information must be clearly stated in the project proposal as well as the narrative reports regarding any assumptions made as well as the methods, data and sources of verification being used.

The implementer of the project is responsible for determining and carrying out appropriate quality assurance, e.g. by verifying the reported data in terms of plausibility.

The data underlying the reporting to the EUKI is to be kept in a suitable form for at least five years (international implementers) or ten years (implementers based in Germany).