



Information on Project Financing within the framework of the European Climate Initiative (EUKI) of the German Federal Ministry for Economic Affairs and Climate Action (BMWK) (January 2025)

Overview

- 1. Objectives**
- 2. Target groups, target countries and topics**
- 3. Eligible project ideas**
- 4. Non-eligible project ideas**
- 5. Formal requirements**
- 6. Nature, scope, amount and special conditions of project financing**
- 7. Selection procedure**
- 8. Selection criteria**
- 9. Responsibility**

1. Objectives

Addressing climate change is one of the biggest global challenges of the 21st Century. The average global temperature on the Earth's surface is steadily increasing due to rising concentrations of atmospheric greenhouse gases (GHGs). The impact is already evident and is set to intensify. If global warming continues unchecked, it is likely to exceed the adaptive capacity of natural and social systems within a short period. Against this backdrop, all signatories to the Paris Agreement are committed to limiting global warming to significantly below 2° C, ideally to 1.5° C.

To reach this goal, the European Union (EU) has raised its ambition level in recent years and set itself the binding target of achieving climate neutrality by 2050 at the latest. By 2030, GHG emissions must also be reduced by at least 55%, relative to 1990 levels. These targets have been enshrined in the European Climate Law and the European Green Deal, which represents the EU's fundamental strategy for this joint effort. The EU must show that climate and environmental protection can go hand in hand with a thriving economy and social justice, only then will others follow its lead on a global scale. With the approval of the 'Fit for 55' legislative package and the REPowerEU plan, the foundation has been laid for successful implementation.

The overarching goal of the EUKI is to provide support on the journey towards achieving climate neutrality no later than 2050 by advancing the green transformation through climate action and collaboration across Europe. Since EUKI is guided by priorities at EU level, funded projects should relate to the 'Fit for 55' package implementation process and/or the post-2030 framework. The projects should also contribute to strengthening civil society's role in climate action at all levels, including local and regional, and help to promote cross-border European cooperation. EUKI funds creative and pioneering solutions and projects at local level that are instrumental in shaping cleaner, healthier, fairer and more prosperous economies, societies and policies. Projects must contribute to GHG emissions reductions and to the successful implementation of European climate policies and instruments, and must also facilitate a deeper understanding of and greater participation in the EU climate and energy transformation.

2. Target groups, target countries and topics

Target groups

Governments, municipalities, civil society, educational institutions, consumers and – if permissible under EU state aid law – enterprises.

While projects are international, activities can be undertaken at national, regional, or municipal level, or at multiple levels, within project countries.

For organisations eligible for funding see section 5 below.

Target countries

Central, Eastern and South-Eastern Europe, including the six Western Balkan countries (POL, CZE, SVK, HUN, ROU, BUL, SVN, HRV, GRC, ALB, BIH, XK, MNE, MKD, SRB), and the Baltic countries (LVA, LTU, EST).

The majority of EUKI-project funding must be allocated to one target country or several target countries (see also distribution of financing in section 6 below).

For countries eligible for funding see section 5 below.

Topics

Project ideas must address one of the following topics:

- [Carbon Removals and Sinks](#)
- [Climate-Neutral Mobility](#)
- [Climate Policy](#)
- [Energy Transition and Climate-Neutral Buildings](#)
- [Just Transition](#)
- [Sustainable Economy](#)

3. Eligible project ideas

Climate change mitigation

Projects must demonstrate their (direct or indirect) contribution to reducing, avoiding or removing GHGs (henceforth referred to collectively as reductions) where applicable. Project ideas must thus contain substantiated statements on GHG reduction potential and provide estimates of this potential wherever possible.

Project ideas advancing to the second stage of the selection procedure must provide justified GHG reduction estimates and transparent remarks on applied methods. The project should elaborate on the potential for scaling up its approach after it ends. The explanation of plausible and transparent methods for calculating GHG reduction potential is as important as the amount of potential GHG reductions stated. However, in the selection procedure, projects are not ranked according to GHG mitigation potential.

Capacity development

Projects can aim to develop capacities at individual, organisational and systemic level, with a focus on public, civil-society and academic institutions and their needs, and on the political, business and education sectors. They can work to enhance analytical and advisory capacities by such means as workshops, training courses, additional qualifications, organisational and/or methodological development, and temporary cross-border consultation missions.

Creation of networks

Projects can seek to establish and strengthen sustainable bilateral and multilateral cooperation mechanisms. They can promote networks and climate partnerships, for instance between government institutions, municipalities, civil society, the academic community and enterprises.

Implementing policies and measures, developing strategies, and conducting feasibility studies

Projects can aim to design, implement, or pilot climate-policy instruments. They can focus on analysing potential GHG emissions savings, devising practical solutions for removing barriers to the implementation of transformative climate and energy strategies, or developing geographically specific methods (including feasibility studies) for evaluating and analysing specific mitigation projects.

Awareness-raising, education, media, dialogue formats, and dissemination measures

Projects can seek to initiate and strengthen gender inclusive dialogue, participation, consultation, and stakeholder processes that build knowledge and raise awareness about climate change and climate action.

Promoting gender equality and reducing vulnerability

Projects must avoid activities likely to increase the vulnerability of certain groups and apply a do-no-harm approach, anchoring social inclusion standards in a systemic manner. Projects need to promote gender equality by integrating a gender perspective into the project planning process, and considering the needs and interests of all genders while striving for equitable results. They should ensure gender-inclusive dialogue, participation, consultation, and stakeholder processes. This may include collaboration with women's rights organizations or involving staff with gender expertise to ensure effective gender integration.

4. Non-eligible project ideas

Excluded project ideas

- Projects that primarily finance investment measures.
- Projects that aim to support nuclear power for climate change mitigation.
- Projects that do not primarily focus on climate change mitigation.
- Projects that do not comply with the formal and financial requirements under sections 5 and 6.

All materials published by projects must be based on current knowledge and the latest, widely accepted findings of the scientific community. Dialogue formats must meet the usual standards of respectful discourse. EUKI will not finance any activities or publications that are inflammatory or not based on facts.

5. Formal requirements

Eligible countries

EUKI finances projects in EU member states and the EU candidate countries as well as potential candidate countries from the Western Balkans (ALB, BIH, XK, MNE, MKD, SRB).

Number of countries

Each project must be conducted in at least two eligible countries.

Non-eligible countries

Projects in Ukraine, Georgia, Turkey and Moldova are not eligible. Please consider other funding schemes, e.g. [International Climate Initiative \(IKI\)](#).

Office of implementing parties and implementing partners

Implementing parties must have their official office in or be registered in an EU member state, EU candidate country or potential candidate country. Equal consideration will also be given to bilateral and multilateral consortia, though, in addition to one implementing party, these consortia must have no more than four implementing partners. This restriction might be lifted in the most exceptional of cases for large projects. The number of implementing partners should be proportionate to the project's goals, its funding level and 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. Suitable evidence must be provided. This applies equally to German institutions and implementing parties from other countries. Projects implemented by individuals are excluded from financing in this call for project ideas.

Non-profit status

Implementing parties and implementing partners must be non-profit entities according to their articles of association and must be managed as such. Furthermore, the activity/the project must promote public-benefit purposes in accordance with stipulations for non-profit organisations under the German Fiscal Code. One such purpose would be protecting the environment, for example. If commercial operations are carried out alongside non-profit business activities within one and the same institution, the commercial operations are excluded from financing. In such cases, implementing parties must prove that the project is being implemented exclusively within the non-profit area of the business and that project activities explicitly exclude any commercial activities within the meaning of European legislation on state aid. German implementing parties and implementing partners must prove their non-profit status by submitting a (provisional) certificate of tax exemption together with their completed project proposal. Moreover, national legal persons under public law may be eligible for financing.

Foreign implementing parties must, where possible, refer to corresponding national regulations equivalent to German legislation governing the non-profit sector and point to evidence of their organisation complying with the corresponding criteria.

Types of organisations (implementing parties and implementing partners)

Implementing parties and implementing partners must fall into one of the following categories:

- Non-governmental organisations
- Universities, academic and educational institutions
- National, regional and local authorities
- Non-profit enterprises

Please note that political foundations cannot be financed.

Capacities

Implementing parties must have the following organisational and human resources:

- Suitable software-supported accounting system (including for separating non-commercial and commercial activities), professional bookkeeping /staff.
- Competitive, transparent and non-discriminatory tendering procedures for awarding contracts, set out in written internal rules or guidelines, in compliance with national

provisions and international standards. These rules must have been verifiably implemented for procurement processes to date; past procurement processes and decisions have been documented and can be presented to GIZ. Further information on GIZ's procurement guidelines can be found here.

- Suitable internal control mechanisms, based on the principles of transparency, cross-checking, functional separation and minimum information.
- Own staff (criteria can be found here on pages 4,17-18) with the technical, commercial and legal expertise needed to professionally plan international projects implement those projects cost-efficiently, and monitor and account for them. This includes project-related expertise and experience in the project countries.

Financial strength

The planned amount of average annual project financing should not exceed the implementing party's average annual revenue for the past three financial years.

Criteria for exclusion

Organisations will be excluded from financing if:

- They have suspended business activities or are undergoing insolvency proceedings or compulsory liquidation, are involved in similar proceedings under the legislation of the individual state, or have had similar proceedings instituted against them.
- They have failed to meet their obligations 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 in which the contract is to be fulfilled.
- They are subject to EU sanctions leading to an exclusion of EU funding for certain organisations such as universities, companies, governmental and non-governmental organisations. Furthermore, if EU sanctions are imposed on the country in which the organisation is based, EUKI funding is conditional on a thorough assessment of the organisation's eligibility for funding.
- An individual authorised to represent the organisation has committed a proven act of serious misconduct in their professional capacity, has been sanctioned under an enforceable court ruling on grounds that call into question their professional reliability, 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 has already begun to implement the project.

6. Nature, scope, amount and special conditions of project financing

Legal framework

All funds are administered in accordance with GIZ procedures. Implementing parties must not benefit financially. There is no entitlement to project financing. Implementing parties must draw attention to their EUKI project financing, for example by using the special BMWK and EUKI logo (e.g. in print materials, publications and on websites). Implementing parties and any implementing partners must allow GIZ or BMWK, including the latter's designated representatives, and, where applicable, the Bundesrechnungshof (Federal Audit Office, Germany's supreme audit institution), to examine documents and contact details during the application process and, if necessary, to forward them to auditors, who will carry out an audit to ensure that project financing is used cost-efficiently and for the intended purpose.

Type of financing

Financing is provided solely for projects, not for institutions.

Legal basis

German implementing parties will receive a grant agreement for German recipients ([Zuschussvertrag](#)). Implementing parties from other EU member states, EU candidate or potential candidate countries will receive a [grant agreement](#) for non-German recipients. Contracts are concluded exclusively between GIZ, which has been commissioned to hold the call for project ideas, and the project implementing party. The implementing parties will have sole responsibility for the nature of its own contractual relationship with its implementing partners. Further information on contract management can be found on the [GIZ website](#).

Basis for calculating project financing

Project financing is calculated based on the expenditure necessary for carrying out the project. Only in exceptional cases (for implementing parties and implementing partners based in Germany) can project financing be calculated on a cost basis. Please note that in this exceptional case, a separate contract will be required for the organisation. The minimum amount for this form of contract is EUR 50,000. Please contact the EUKI Secretariat at an early stage for more detailed information.

Amount of financing

Financing of between **EUR 120,000 and EUR 1,000,000** may be provided for each project.

A mark-up for administrative overheads is eligible in principle for financing, although these costs must not exceed 11% of direct expenditure. The estimated percentage must be appropriate and shown to be plausible.

Distribution of financing

Most of the project financing (>50%) must be allocated to implementing parties and implementing partners in the target countries (see section 2 above).

Expenditures eligible for financing

All project expenditures that are necessary for implementing the project within the specified period are eligible for financing, provided they are budgeted in a cost- and resource-efficient manner. Investment projects are generally excluded from financing.

Materials and equipment that are to be used to apply and disseminate technical solutions for climate action can be financed in exceptional cases for relatively small applications (maximum 5% of financing).

Project financing must be used in ways that support sustainable development in the partner countries. This includes implementation of significant components of the project by implementing parties or implementing partners in the project countries.

The implementing parties and implementing partners must be able to carry out the main tasks of the project in terms of both content and administration (see 'Capacities' in section 5 above). However, it is permissible to engage external experts for the project's technical implementation, though commissioning should be confined to single activities and not exceed a designated portion of the total budget (maximum of 20% of financing).

Measures should be taken during project implementation to avoid travel (e.g. video or phone conferences) and make any necessary travel climate neutral. Payments to offset greenhouse gas emissions arising from project-related travel must be considered when drafting travel budgets. Project costs should also include adequate resources for participation in EUKI Academy events (including international and national networking meetings and optional training events) and for cooperation with other EUKI projects (e.g. project visits, joint events, peer reviews of publications by other implementing parties). Therefore, please calculate at least two trips per year for the implementing party and one trip per year per implementing partner.

Expenditures generally not eligible for financing include:

- expenditures arising outside the approved period;
- expenditures for producing project outlines or proposals.

Implications of state aid regulations for financing

Judgements 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).

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, implementing parties must include a declaration, together with the project proposal, detailing the market context in which the project activities are to be carried out. Implementing parties must specify whether the intended activities are already being offered in an existing market. Information is also to be provided on market demand, i.e. target groups are to be identified for the project activities and an outline is to be presented on the level of demand from the target groups for these activities to date. Any incentives and pilot functions of the projects must also to be indicated.

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. Information must be provided on whether the project falls into the category of non-economic activities or economic activities. It is also necessary to indicate whether the involvement of stakeholders has already been established for the project under evaluation. Additionally, the implementing party must specify who will conduct the feasibility study (for example, an implementing partner or a third party appointed by means of a contract award procedure).

Please note that funding for feasibility studies may be granted subject to the stipulations of the De Minimis Regulation (Commission Regulation (EU) 1407/2013). This may result in the subsidy amount being limited to the maximum amount set out in the regulation mentioned above.

No financing can be provided for projects intending to establish institutions or agencies that are set to receive a state aid grant from the project under the De Minimis Regulation.

Project duration

Projects are expected to start on 1 December 2025 or on 1 February 2026 and must not exceed 29 months. The time span for projects is 18 to 29 months. The project outcome and outputs must be achieved within the proposed timeframe.

Own/third-party contribution and own interest in the project

It is expected that implementing parties and implementing partners will make an appropriate contribution to the costs of the project out of their own funds and/or in the form of third-party funds obtained from other donors to co-finance the overall project or individual project activities (minimum of 5% can be considered appropriate). Please note that these contributions must be classified as monetary in nature and must be verifiable with evidence.

Funds contributed by implementing parties and implementing partners, whether out of their own resources and/or from a third party, serve to underline their own interest in the project. Additionally, project ideas must explain in sufficient detail the implementing party's own interest and its motives for implementing the project.

Proof of third-party funds already raised needs to be presented to GIZ in the second stage of the application process, with either funding approval or a Letter of Intent (LOI) from a third-party funding source.

Project partnerships

The implementing party and all relevant implementing partners must be named in the project outline.

The implementing party may pass on some of the GIZ funds it receives to the implementing partners subject to compliance with EU state aid rules (Article 107 ff. TFEU). Responsibility for concluding a contract concerning the transfer of project financing between the implementing party and its implementing partners lies with the implementer. The implementing party is also responsible to the financing provider for ensuring compliance with the provisions set out in the grant agreement.

The implementing party should choose its implementing partners carefully and must conduct an appropriate due diligence assessment of the integrity and suitability of each implementing partner and document this assessment in a transparent manner. The documentation must be made available to GIZ upon request.

Third-party beneficiaries

Direct support of third-party beneficiaries can be budgeted on a small scale. The term third-party beneficiary refers solely to individuals/entities benefiting directly from the project (third-party beneficiary is neither an implementing partner nor a service provider). This could include, for example, funding of initiatives or competitions. The criteria for selecting third-party beneficiaries must be stated in the project application.

Letters of support

Projects should aim to submit letters of support from governmental institutions or other target groups (depending on the nature of the project). The supporting institutions should demonstrate how they intend to support and/ or make use of the project activities and the respective goals of the project.

Subcontracts

When it comes to awarding contracts under the project receiving financing, implementing parties and implementing partners must only award subcontracts to skilled and capable providers at market prices following a competitive procedure. Further details and information concerning subcontracting are set out in the [grant agreement](#) and in GIZ's [procurement guidelines](#).

7. Selection procedure

Type of selection procedure

A two-stage procedure will be used to select projects.

Stage one – project ideas

For the first stage in the procedure, project ideas must be prepared in English and follow the structure provided. Project ideas must be submitted by the deadline using only the online platform on the [EUKI website](#).

Evaluation

All project ideas received in full by the deadline will be evaluated. A shortlist of promising project ideas will then be drawn up based on the selection criteria and within the available budget. Each project idea is assessed by two evaluators according to the selection criteria stated below.

Rejected project ideas

Project ideas not selected for financing will be notified by email in or around July 2025. Most organisations are given the opportunity for a feedback call.

Stage two – detailed project proposal

Organisations on the shortlist will then be invited to submit a full project proposal. The invitation is sent by email to the main implementing party. The deadline for submitting the full project proposal will be stated in the email. The usual time for completion is between four and eight weeks. A support session on proposal development will be offered to the implementing parties selected. The session is provisionally scheduled for July 2025.

Application documents

Incomplete project applications (including applications without English translations) could be excluded from the selection procedure and thus from receiving any project funding.

Time schedule

For the 2025 selection procedure, project ideas must be received by **15:00 CET (Central European Time) on 10 March 2025** via the online platform on the [EUKI website](#).

The projects provisionally selected will be asked to submit a full project proposal, most likely in July 2025. The first projects are scheduled to begin in December 2025.

Data processing

When submitting your project idea to EUKI, data-based tools administered by third parties may be used to support the selection process. In addition, data can be shared with third parties, such as the German Federal Ministry for Economic Affairs and Climate Action (BMWK), for the purposes of evaluation and accountability. No personal data protected under the EU's General Data Protection Regulation (GDPR) will be shared.

8. Selection criteria

Relevance

- Projects must align with one or more of the objectives of EUKI and the topics stated above.
- Projects must be compatible with the climate- and energy-policy objectives and strategies of the project countries as well as the European Green Deal and the European Climate Law.
- Projects must demonstrate their impact on climate change mitigation and the respective potential for reducing GHG emissions (see section 2 above).
- Projects should relate to the 'Fit for 55' package's implementation and/or the post-2030 framework.
- Projects should help secure the involvement and support of the project's target groups (see section 6 Letters of support above).

Quality of project concept

- Projects must ensure that the results system (Impact – Outcome – Outputs) is appropriate, rigorously presented and plausible (see EUKI website).
- Projects should aim to ensure the effectiveness of implementation methods (nature and interaction of planned project activities).
- Projects should elaborate on the suitability of possible capacity-development strategies.
- Projects should display a comprehensible and balanced division of tasks, along with an appropriate steering structure.
- Projects should utilise an appropriate monitoring system and, if possible, quantify results (e.g. GHG emissions reductions).

Networking and synergies

- Projects should be aware of other projects financed by the German Federal Government, Germany's federal states, the European Union and national/other donors.
- Projects should highlight opportunities for cooperation, e.g. sharing of and capitalising on results, peer reviews of publications and possible joint events.
- Projects should seek to collaborate actively with other EUKI financed projects (e.g. by attending networking meetings, engaging in peer dialogue on key EUKI topics, presenting project results).

Sustainability

- Projects should aim to achieve results that generate an impact beyond the project term.
- Projects should consider their replicability/upscaling potential, and the financial sustainability of the instruments and products developed, e.g. by securing follow-up financing.
- Projects should integrate results into structures/institutions that will continue to exist after the end of the project (e.g. integration of developed training material into existing university). If such lasting structures are not yet part of the project consortium, the search for a long-term partner can also form part of the project itself.

Efficiency

- Projects should ensure that the envisaged use of funding is proportionate to the desired outcome.

9. Responsibility

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has been commissioned by the German Federal Ministry for Economic Affairs and Climate Action (BMWK) to hold this call for project ideas as part of the European Climate Initiative (EUKI).