

CLIMATE FINANCE WEBINAR 2021

FUNDS FOR CLIMATE CHANGE PROGRAMS & ACTIONS

SWISS NGO DRR PLATFORM * HEKS * HELVETAS

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CLIMATE & DEVELOPMENT ADVICE

Agenda

- Short overview on climate finance
- Portrait of the German IKI – International Climate Initiative
- IKI selection and evaluation criteria
- Recommendations

Short overview on climate finance

Climate finance pledge of \$ 100bn per year - Implementation status (OECD, 2021)

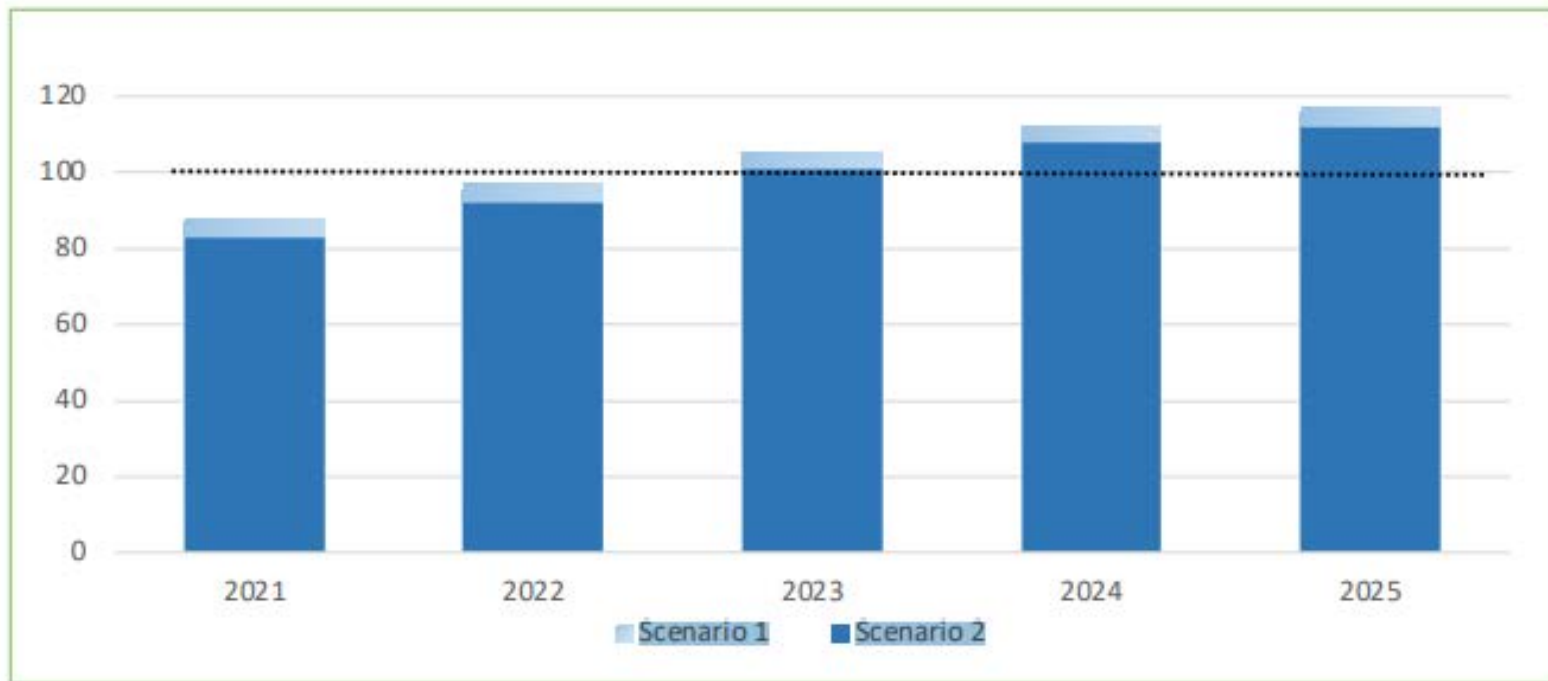
Figure 1. Climate finance provided and mobilised by developed countries in 2016-19 (USD billion)



Note: Figures for 2020 will not be available before 2022 due to time lags in the reporting of the necessary official activity-level data.
Source: (OECD, 2021^[3])

Climate finance pledge of \$ 100bn per year – Forecast (OECD, 2021)

Figure 1. Annual Projections Towards the US\$100 billion goal



Source: https://www.oecd-ilibrary.org/finance-and-investment/climate-finance-and-the-usd-100-billion-goal_5f1f4182-en

Climate finance pledge of \$ 100bn per year – Forecast (OECD, 2021)

Table 2. Indicative composition of future ranges of climate finance provided and mobilised by developed countries based on two forward-looking scenarios (USD billion)

	Component	2021	2022	2023	2024	2025
Scenario 1	Public finance	70.5	77.7	85.3	91.1	94.5
	Export credits	2.6				
	Private finance mobilised	15.2	16.7	18.4	19.6	20.4
	Total	88	97	106	113	117
Scenario 2	Public finance	66.5	74.6	82.5	89.3	94.0
	Export credits	2.6				
	Private finance mobilised	14.0	15.0	16.0	16.5	16.6
	Total	83	92	101	108	113

Note: The components may not precisely add to the totals because of rounding. Future levels of climate finance are inherently uncertain. The scenarios presented here aim to reflect and illustrate such uncertainty. However, these scenarios may not span the full range of possible outcomes in a given year.

Source: OECD analysis of developed countries' and multilateral development banks forward looking stated intentions, pledges, or targets subject to assumptions, including to avoid double counting (see Table 1 and the Data sources and assumptions section).

Global climate finance architecture

Global Architecture of Climate Finance

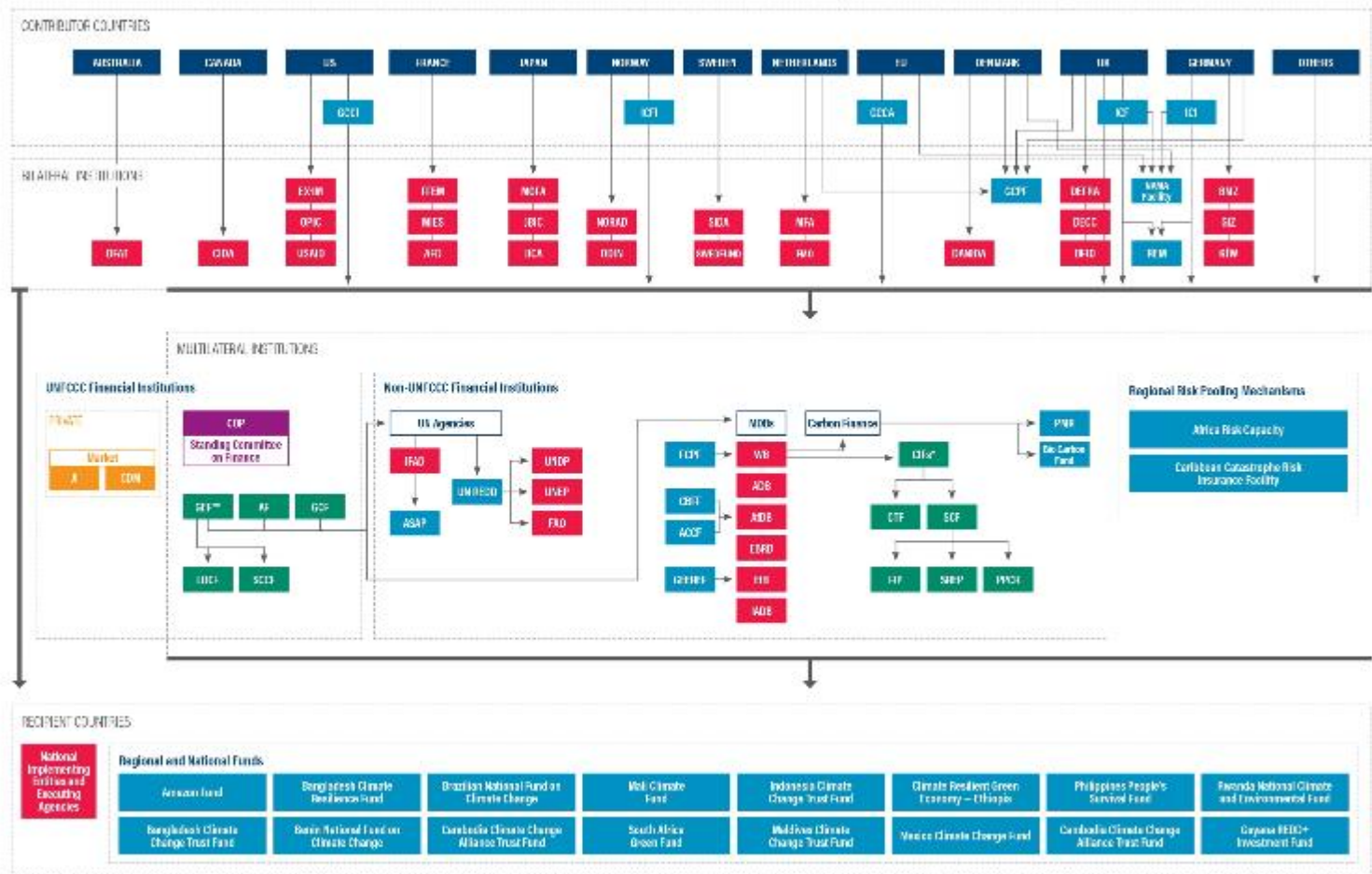
- LEGEND**
- Funds analyzed in this report
 - Implementing agencies
 - Funds not analyzed in the report

* The Climate Risk Index is developed by the World Bank

** GEF serves as secretariat for all the non-UNFCCC funds except the CCF

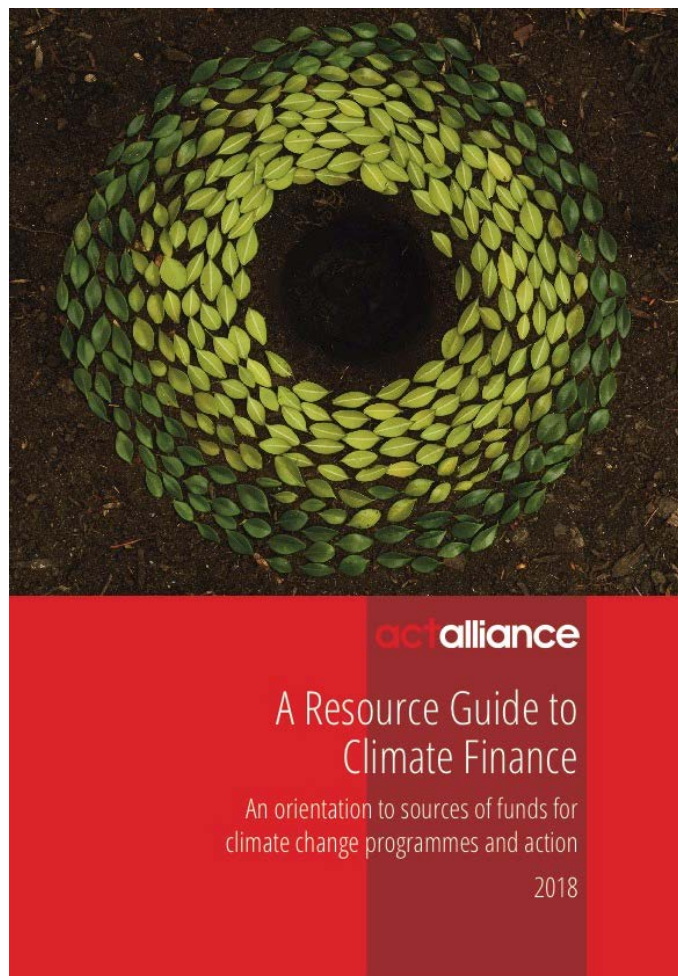
Note: The color code is indicative and does not represent geographical boundaries. It only indicates fund initiatives.

Source: Adapted from various sources (2011 and 2012)



An NGO guide to climate finance

actalliance.org/wp-content/uploads/2018/06/ENGLISH-quick-guide-climate-finance.pdf



ACT Resource Guide to Climate Finance (Published in 2018, English & Spanish version)

- Covers more than 60 funds, including
 - Multilateral climate funds
 - Bilateral climate funds
 - Non-governmental climate funds
 - Regional & national climate funds
- Shortly describes funds (background, eligibility, regional and thematic focus, conditions & funding procedures, contact details & assessment of relevance for NGOs)
- Provides guidance and will be updated in future in form of a web-based climate finance navigator, hosted by Christian Commission for Development, Bangladesh

GCF – Green Climate Fund: Limited access for NGOs, CIDSE study finds (2021)

CSOs are disadvantaged to become accredited as Implementing Entities.

CSOs are disadvantaged to access GCF finance by high technical and organisational barriers

There are opportunities, particularly a rising demand for CBA-projects

It is easier for CSOs to access funds as Executing Entity



Y

Thomas Hirsch
Climate &
Development
Advice

Co-funded by the
European Union



Further sources of information

- UNFCCC Secretariat's climate finance data portal:
<https://unfccc.int/climatefinance?home>
- NDC Partnership's Climate funding navigator:
<http://ndcpartnership.org/initiatives-navigator#open-funds-and-initiatives>
- Others:
 - Climate Policy Initiative:
<http://www.climatefinancelandscape.org>
 - <https://climatefundsupdate.org> (Heinrich Böll Foundation)
 - <https://www.e3g.org/showcase/international-climate-finance/> (E3G)

Portrait of the German IKI – International Climate Initiative

IKI – History and funding purpose

- Established in 2008 by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety
- Considers itself as integral part of the international climate and biodiversity protection policy
- Aligns its funding with UNFCCC and Paris Agreement, Convention on Biodiversity, New Urban Agenda, Agenda 2030/SDGs, Montreal Protocol
- Supports implementation of NDC Partnership, Bonn Challenge (reforestation) and New York Declaration on Forests (counter forest loss)
- Approximately 800 projects funded with over 4.5 billion € between 2008 - 2020
- IKI Secretariat is a unit of the Ministry (BMU). It operates through ZUG (Future-Environment-Society), a non-profit company
- Contact: iki-secretariat@z-u-g.org, www.international-climate-initiative.com

IKI – Funding windows

- (Annual) **thematic call**, next one in 2022, grant volume per approved project 5-30m €, annual grant volume about 160m €, project duration 4-6 years
- Annual **country calls** (12-15m € grant volume per project, 2-4 projects per year); calls launched in close cooperation with the government of the partner country
- Annual **medium grants call**, next one in 2022, 300,000 – 800,000 € grant volume per project, eligible: German non-profit applicant with 1-2 partners legally registered in Global South, 2-3 years project duration
- Annual **small grants call**, next one in early 2022, 70-200T€ grant per project, eligible: small not-for-profit organisations in Global South; in addition, special budget line for capacity development
- More information: <https://www.international-climate-initiative.com/en/project-funding/information-for-applicants>

Thematic call: Eligibility criteria and landscape of partners

- **Eligible** for funding as implementing organisation (lead applicant or consortium member):
 - NGOs, universities, research institutions, commercial enterprises
 - International or multilateral organisations (development banks, UN agencies etc)
 - Not eligible: Governments
- **Landscape of partners:**
 - About 180 implementing partners so far
 - International/multilateral organisations over-represented
 - UNDP, UNEP, giz, WWF, and some nature conservation organisations over-represented
 - Organisations from non-environmental sectors under-represented
 - Organisations from Global South under-represented
 - From Switzerland: for instance IUCN, WWF

ICI – Thematic priorities

- **Mitigation of GHG emissions**, particularly in countries with a high potential for greenhouse gas reduction, e.g. newly industrialising and middle-income countries;
- **Adaptation to the impacts of climate change**, especially in vulnerable countries and regions;
- **Conserving carbon sinks with a focus on REDD+**, especially in countries and regions that are particularly inclined to work on carbon storage and biodiversity;
- **Conserving biological diversity**, particularly in countries and regions with a rich biodiversity and/or visible commitment under the Convention on Biological Diversity
- **For each call, specific thematic priorities** under those main priorities are defined

ICI – Project portfolio

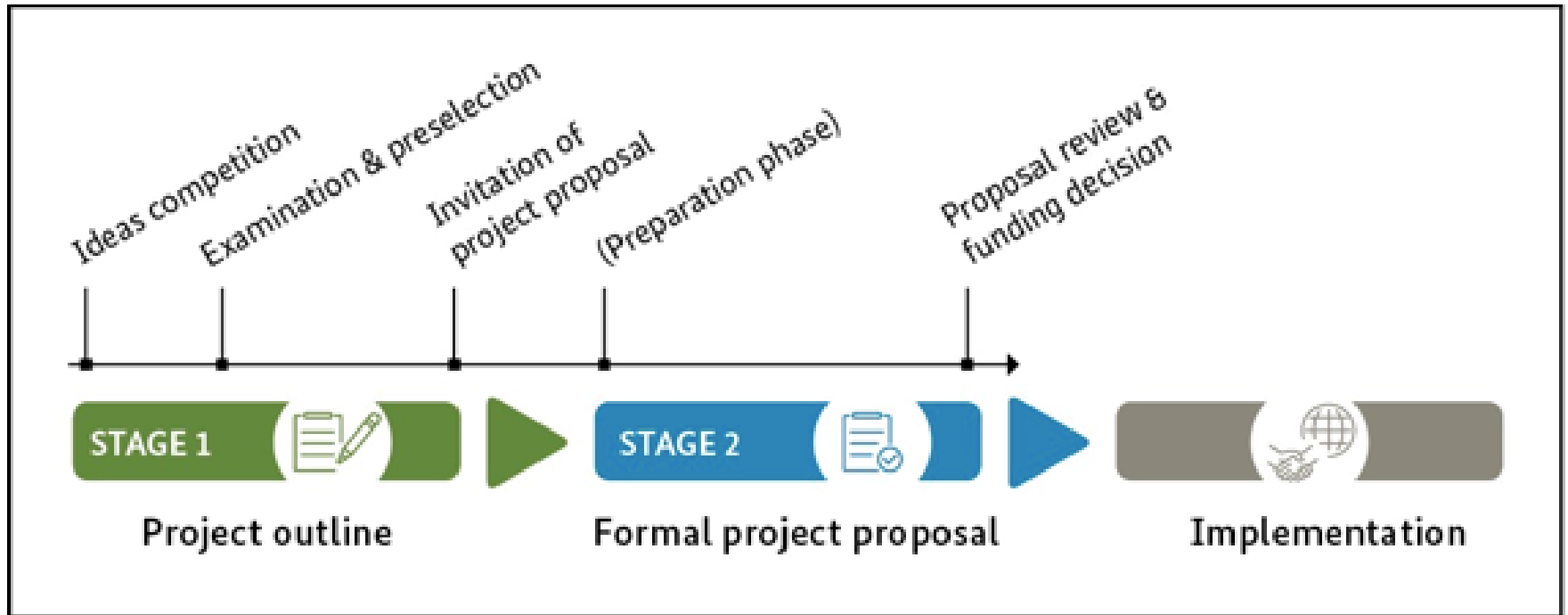
- ICI shows all projects on a map, you can filter by country or priority, and you will find specific information on each project here: www.international-climate-initiative.com/en/projects
- Projects categorised in bilateral, transnational and worldwide projects

Application procedure: Project outline

- **Launch of calls** once per year (published on IKI website and in IKI newsletter). In Q2 of 2022, the thematic call will be launched in the second quarter of the year.
- **Calls open** for 2-3 months
- **Application forms** available for download after easy registration; **application guidelines** provided throughout the year; IKI secretariat offers **webinars** for interested applicants to explain the calls and technicalities; questions can also be submitted via email
- **Final application** to be uploaded to the IKI application platform
- **Length of application** and of every section strictly limited; annexes allowed; information on applicant and reference projects required
- Thematic call: app. 7 + 13 pages; Medium grants call: app 5 + 5 pages

IKI selection and evaluation criteria

IKI – Application and selection process



Formal application procedure 'Thematic call'



Pre-selection process led by P. Behrens, Head of IKI Secretariat; Evaluation of concept notes using exclusion criteria and quality criteria (see IKI website); Pre-selection by ZUG, in consultation with BMU units; shortlisted outlines evaluated by external consultants

Decisive selection phase, led by N. Gorissen, director general, BMU; based on preselection results & strategic considerations. Final decision by Minister.
Final approval upon presentation of full proposal



ICI – Formal exclusion criteria

- No timely submission on the online platform
- No need for funding
- Not classified as an ODA-eligible country
- No conformity with the thematic funding priority
- Amount of funding too high or too low
- Funding period over 8 years
- **Programme implementation started before program outline submission**
- No links to national/regional policies
- No results-based monitoring applied (output, outcome, impact)
- Funding of excluded program activities, goods or services
- Non-consideration of the IKI safeguards

IKI – Formal quality criteria (should be explicitly addressed and met in your outline)

- Program has **ambitious goals** and is designed to deliver measurable results.
- Program offers a new approach or a completely **new solution for a region**.
- Program is **linked to the local implementation landscape**.
- Program **strengthens disadvantaged populations** and promotes **gender equality**.
- **The programme responds to the question of how the programme's results are to be maintained** and developed after the end of the funding period.
- Among the implementing organisations, the **distribution of tasks and roles and the allocation of the overall budget are consistent**.
- The implementing organisations' **own financial participation and own contributions**, as well as the sum of additional financial resources (co-financing) are **appropriate**.
- The **proportion of funding** allocated to national organisations of the partners is **appropriate** (>50% in Global South).

IKI – Standard indicators (should be explicitly addressed and met in your outline)

- **Reduction indicator:** Reduction in greenhouse gas emissions and increase in carbon storage (as **tonnes of carbon dioxide equivalent**) in the project/programme area.
- **Adaptation indicator: Number of people the programme directly assists** with adaptation to climate change impacts or ecosystem conservation.
- **Ecosystem indicator: Ecosystem area (in hectares)** that is improved or protected by the programme's activities.
- **Policy indicator: Number of new or improved policy frameworks** for managing climate change and/or conserving biodiversity.
- **Institution indicator: Number of new or improved institutionalised structures or processes** for managing climate change and/or conserving biodiversity.
- **Methods indicator: Number of new or improved methodological tools** for managing climate change and conserving biodiversity.

IKI – Strategic considerations

IKI is a means to support the achievement of the Paris Agreement and the CBD, as well as BMU's negotiation strategy in international climate policy. => Assumed informal criteria in the call's final selection process:

- **Preference for projects in countries which play an important political role in the year grants are awarded (eg, COP presidency, chairing a negotiation group, etc.)**
- IKI is considered by BMU as a flagship funding instrument, ie, proposed **projects should have a unique design:**
 - Impact orientation: high economies of scale, lighthouse character
 - Transformative, highly innovative character
- Pressure on IKI to award **more grants for projects with a strong focus on vulnerable groups (especially Indigenous People) and/or a gender-responsive approach**

Evaluation matrix

Assessment Category			Achievable result
Alignment with funding priority			10%
Feasibility			17.5%
Transformative potential			15%
Possible synergies			5%
Capacity/expertise			15%
Political relevance			10%
Risks/Safeguards			10%
Sustainability			12.5%
Budget			5%

Evaluation process for shortlisted projects

- Evaluation matrix with 30-40 questions
- 0-3 scores per question, to be provided aligned with defined benchmarks (high expectation level)
- Specific expectations of ministry's specialists to be factored in, too
- Each project to be independently assessed by 2 external evaluators
- Background information on the donor landscape and the expertise of the consortium to be provided, too (part of the external evaluation)
- External evaluators suggest a ranking of shortlisted projects
- Final decision taken by the Ministry

Recommendations

General recommendations for the preparatory phase

- **Thematic call:** Make an internal call for proposals; provide specific criteria in your call (based on the information provided in the IKI guidelines; pre-select project ideas which are fit for purpose
- **Medium grants call:** Find first a German partner; this may even happen before the call is launched.
- **Small grants call:** If appropriate at all, select possible partners which may qualify for the call, before the call is launched. You can even start to develop a project idea in beforehand
- **Country call:** probably not applicable for Swiss organisations

Recommendations to raise your chance to be selected

- Meet the **objectives of the selected funding priority** extremely well; use buzz words you pick from the description of the funding priority in the call; if your outline is considered little relevant with regard to the objectives of the funding priority, you are out
- Develop an **appealing narrative** (including addressing the political context/relevance -> momentum)
- Show a strong and **convincing theory of change** (including transparent premises and hypotheses) and an intervention logic/work streams that closely build on the Theory of change
- Be very clear with regard to **outcome and outputs** (including quantifiable indicators) and be **bold with regard to your ambition**
- **Transformative potential** and/or a high **innovation** level are critical for success
- **Build a strong consortium**, involve **local partners**, select **focal countries**

Country selection

- Only ODA countries are eligible
- Preferably take countries from the list of Germany's 60 development partners:
<https://www.bmz.de/en/countries/36778-36778>
- Preferably select countries where BMU has strong relations (look at IKI project list) or political interests; argue with synergy potential

Application process management

- Set up a detailed roadmap
- Provide the involved team with very clear guidance so that they follow strictly the IKI criteria
- Develop the proposal, thinking from the goal
- Ensure that all consortium partners have clearly defined roles and proved expertise (country/topic) in the area of their responsibility
- Try to get Letters of Intend that show support of government authorities in the country of implementation

Thank you very much for your attention!

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