IKI Small Grants

International Calls

Call 2022/2023

Application guidelines

This document guides you through the different steps in the application platform. Please make sure to always read through the explanations here first before you fill out the platforms´ boxes.

Content

List of figures

1. Introduction

This document serves as a guideline for applicants under the IKI Small Grants programme. It provides essential information and explanations for the different sections of the online application platform. It is crucial to follow this guideline when developing an IKI Small Grants project concept.

Applicants will get an overview of

- how to develop an IKI Small Grants project,
- the procedures to be followed and instruments to be used,
- the administrative and legal requirements.

Please find the most important terms concerning an IKI Small Grants project in the glossary at the end of this document.

Applicants are encouraged to seek assistance from third-party organisations for drafting their application if needed.

Applications must be submitted in English. Official documents of the organisation (e.g. accounting guidelines) and register entries must be translated into English. A notarised translation is not required.

We highly recommend uploading and submitting your application with a reasonable time buffer to avoid increased internet traffic on our server close to the deadline which can result in technical problems, especially in the last hours before the deadline.

General information on how to draft a project proposal for IKI Small Grants

First and foremost, the project concept should follow a well-structured and results-oriented project planning to be easily and properly understood in the review process. This structure facilitates the project monitoring as well as efficient project steering by the implementing organisation and the grant donor.

The results-oriented writing of a project concept and its monitoring is crucial as a basis for the general learning process in every project implementation. It helps to identify whether the set objectives can be achieved with the chosen approach and activities. In addition, unintended (indirect) effects that occur during project implementation can be tracked. Monitoring thus enables project steering: it helps to identify strengths and weaknesses of the project and enables continuous adjustments and improvements. Therefore, these guidelines provide guidance on how to develop such a results-oriented project.

The project will be monitored by the GIZ's IKI Small Grants team in Berlin and Bonn, by relevant units located at our headquarters in Eschborn and the GIZ field structures in the project countries. Monitoring reports must be submitted regularly to the IKI Small Grants team, informing about the progress of project activities and indicators.

Please follow the guidelines carefully when developing and drafting your proposal to ensure the highest possible quality of your project concept and consequently improve your chances of being selected for funding.

We look forward to receiving your application!

2. Project data

2.1 Project title

How to define a project title?

The project title should be **concise and informative:** What is the project´s main objective? It should be short (50 to 80 characters) and easily understandable. The unique selling point of the project should be highlighted (e.g. special method). The title may contain the region of implementation and/or the target group. Please avoid abbreviations or acronyms in the title.

Examples:

- *On farm conservation of indigenous plant species in Mayuge District*
- *Eco-friendly bricks for affordable, resilient housing*
- *Trees for Lebanon*
- *Women cooperatives promoting clean cooking stoves*
- *Locally manufactured E-Bikes with rental system for peri-urban communities*

For further examples please visit our IKI Small Grants website[1].

2.2 Country of implementation

The country of implementation must be an ODA-eligible country[2], at the time of submitting the application.

Please note that, except for the Ukraine, proposals for projects in countries that are official or potential candidates for EU membership are not eligible for IKI Small Grants[3], as they are addressed by other funding programmes.

2.3 Additional country / countries of implementation

If you plan to implement your project in more than one country, select the additional country or countries. They must be ODA-eligible countries as well. Projects with a global focus will not be funded.

2.4 Project duration

The minimum duration of the proposed project is twelve months and the maximum three years.

After closing the call, the submitted proposals will undergo a selection process and the submitting organisations will be informed of the results in due time. Please be aware that this selection process covers a timespan of several months. For this reason, your project should start by the **first quarter of 2024** at the earliest. Please also be aware that funding may only be approved for projects that have not yet started.

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[1] https://iki-small-grants.de/projects/

[2] DAC List of ODA Recipients: https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-of-ODA-Recipients-for-reporting-2022-23-flows.pdf

[3] List of EU candidates and potential candidates not eligible for funding: Albania, Moldova, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina, Georgia, Kosovo

2.5 Are there any seasonal aspects that define the project start, e.g. rainy season, planting period?

As project start dates may need to be adjusted at a later stage, we kindly ask you to specify whether the project start depends on any seasonal aspects, e.g. rainy season / planting period. If yes, please briefly explain and indicate possible starting dates or time frames for a project start.

2.6 IKI funding area

IKI Small Grants only supports projects that contribute to the four IKI funding areas of mitigating greenhouse gas emissions, adapting to the impacts of climate change, conserving natural carbon sinks / REDD+, and conserving biological diversity. Please visit the IKI website for further information: https://www.international-climate-initiative.com/en/issues. For project examples please also visit the IKI Small Grants website: Projects | IKI Small Grants (iki-small-grants.de).

Please note: Select only **one area of support** even if your project may contribute to other areas as well.

2.7 Year established

Please state the year when your organisation was established. Only organisations which have existed for at least **three years** are eligible for funding.

3. Legal-financial information about your organisation

Besides the project's evaluation GIZ also conducts a legal and commercial background check of the applicant organisation. Hence, this chapter outlines different aspects this evaluation focusses on.

3.1 Legal entity / juridical person status

The direct beneficiary of the grant must be a corporation (legal entity / juridical person), i.e. it must have an independent and verifiable legal personality. This can be assumed if the recipient is legally independent and has legal competence and capacity. Having rights and obligations means that the recipient has the legal capacity to conclude contracts in its own name. Therefore, natural persons (although these also have their own legal personality) and partnerships or associations that do not have legal capacity cannot be taken into consideration as direct recipients of financing, even if they sometimes act as executing agencies for public-benefit projects.

Register extracts, statutes, or articles of association, but also other proofs according to the respective requirements of the relevant legal regulations of the country of registration can serve as evidence of legal status. For example, laws, foundation deeds, registration information, decrees and tax numbers may be submitted. In these cases, which differ from country to country, it may be necessary for the GIZ to obtain an extract from the relevant statutory regulation.

Applicants must also indicate in the relevant section of the (online) project application platform if they are a non-profit organisation. IKI Small Grants classifies a non-profit organisation (NPO, generally also known as a not for profit organisation, charitable institution, or non-business entity), as an organisation dedicated to the promotion of a particular social cause. Economically, it is an organisation which uses the surplus of its income to promote its objective, rather than distributing its income to the shareholders, managers, or members of the organisation.

For profit organisations must clearly demonstrate that the proposed project pursues strictly non-profit objectives and does not generate any income (see chapter 4.4 for more information).

Finally, we ask applicants to specify through which law(s) their organisation has been registered. This information can be found in most cases in the registration documents themselves.

3.2 Accounting

Financial statements

All recipients must keep accounting records. Their bookkeeping must enable a third-party expert to gain an overview of the company's business transactions and financial situation within a reasonable amount of time.

Every applying organisation must submit a copy of their annual financial statements of the last three available financial years. These statements must be **dated** and **signed** and should be a scanned document. If your financial statements are subject to external audits, then these must be submitted. External financial audits must be signed by the auditor and contain his or her findings.

As a minimum standard, annual financial statements must contain detailed information on the income/revenue and expenses of the organisation (income statement). It is not sufficient to submit an overview of i.e. the balance sheet, a bank statement, or an output from an accounting software.

The currency and the reporting period must be clearly visible in the financial statements. The reporting period of a financial statement must correspond exactly to one year. Please let us know, if this is not the case because for example the reporting period has changed.

If the financial statement of the last year is not available yet, the financial statements from the fourth-last, third-last and penultimate year can be submitted. Financial statements older than 4 years cannot be considered. The financial statement of the current year cannot be submitted either, as the year has not yet been completed and therefore cannot cover a complete year.

Financial statements must be submitted as scans of the original documents including authorised signatures. Normally, computer-generated documents with digital signatures or a mixture of computer-generated and scanned pages cannot be accepted. Screenshots of software applications are not acceptable.

The income/revenue information in the budget template must correspond exactly to the information in the financial statements (see chapter 12.3).

General advice: Deliberate misstatements may lead to exclusion from the selection process. Each financial statement is checked and compared to the information made in the budget template (see chapter 12.3).

Accounting software

Organisations must use a software-based accounting system that meets their respective national standards. Please note Excel does not qualify as a valid accounting software. In addition, dedicated accounting staff should be employed by the organisation. If no qualified personnel are employed, a set of risk-minimizing measures will be utilised by GIZ as part of the grant agreement.

Alternatively, the accounting tasks can be outsourced. In this case, the requirements for accounting would have to be met by the contracted company.

Time recording

One requirement for organisations applying for a grant is the ability to clearly assign employee working hours to respective projects.

Therefore, an electronic or manual time recording system is required. If no traceable time recording exists, the recipient must sign and submit a self-commitment to create one before the grant agreement can be signed.

3.3 Internal and external controls

Internal controls are processes that ensure the achievement of an organisation's objectives in terms of operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies. As a broad concept, internal control involves everything that minimizes risks for an organisation. It serves to avert damage that might be caused by the organisation's own staff or malicious third parties. Measures may be undertaken independently of the internal control process in the form of retrospective controls, for example

by an internal auditing unit. Alternatively, they may take the form of preventive rules as an integral part of the internal control process.

The following principles form the basis of what we regard as an internal control system:

a) The principle of transparency: For processes, process-concepts (or process plans) must be established that enable an outsider to assess the extent to which employees work in conformity with these process-concepts. At the same time, process-concepts represents the expectations of higher management. This can take the form of accounting manuals, process descriptions and similar documents.

b) The principle of four-eyes: In a well-functioning control system no essential process should be carried out without countercheck. This means that a certain activity, i.e. a decision, transaction, etc., must be approved by at least two people.

c) The principle of functional separation: Executive tasks (e.g. processing purchases), booking tasks (e.g. financial accounting, stock records) and administrative tasks (e.g. stock management) that are carried out as part of a corporate process should not be performed by one and the same person.

d) The principle of minimum information: Staff members should only be provided with the information they need to perform their work (need-to-know principle). This entails that the organisation has measures in place that sensitive information such as salaries, personal details of employees and/or participants of events etc. is kept securely. This also covers the corresponding security measures for IT systems.

External controls describe an auditing procedure in which external auditing firms examine the quality assurance systems of auditees. External control is not performed by an internal staff member, i.e. one who works at the organisation to be audited, but by an external third party.

3.4 Compliance with the law and anti-corruption

Compliance with the law means that the potential recipient has not violated any laws (as far as it is known) for example, by evading tax payments or encouraging undeclared work. Corruption is the misuse of public or private sector positions of power or influence for private benefit. This may take the form of bribery, dispatch money, embezzlement, nepotism, blackmail, fraud, kickbacks, the exertion of unlawful influence, secret arrangements, and insider dealing. Anti-corruption covers all activities designed to prevent and combat corruption wherever and whenever it occurs.

Corruption is a major risk for development and so it is for cooperation projects in achieving their objectives and generating sustainable results. Preventing and combating corruption is therefore a major concern of German development cooperation.

IKI Small Grants provides measures to reduce the risk of corruption. As part of the application process, we will examine if your organisation, members of its executive bodies or executive managers have been subject of allegations or investigations concerning breaches of the law, corruption or other offences (e.g. fraud, embezzlement, breach of trust) in the last five years. If such allegations have been made, we will require information on what measures the organisation has taken as a consequence. Consequently, we will want to see evidence that an effective system for preventing and combating corruption has been established and that it is being implemented consistently.

Once the grant agreement has been concluded, GIZ reserves the right to audit or evaluate a project at any time (at GIZ´s own expenses). Regular financial and technical reporting during

project implementation is mandatory. IKI Small Grants promotes the transparent handling of funding: relevant project information, including financial information, will be published on the IKI Small Grants' website.

GIZ – as the commissioned organisation to implement IKI Small Grants – operates a multilingual whistleblowing portal, which can be used anonymously by project stakeholders to submit information on corruption and bribery: https://www.giz.de/en/aboutgiz/39089.html.

Furthermore, the implementation of additional corruption prevention measures can be included under capacity development measures (see chapters 10 and 12.2 of the application guidelines for further information).

3.5 Contract award procedure for supplies and services

If the beneficiary of a grant agreement purchases supplies and/or services financed by the grant agreement, the beneficiary must comply with the public procurement rules applicable in the country of registration or in the country of deployment. If national public procurement standards are more lenient than the GIZ standards[4] (as shown in Figure 1 below), the latter must be applied. If the beneficiary of the grant has its own procurement standards that are stricter than national or GIZ standards, these may be applied. Please note that proper documentation of the award documentation must be kept.

Estimated Contract value	Procedure
Up to EUR 1,000.00	Procurement is permitted without a tender procedure for the award of a contract but observing the principles of economic efficiency and cost-effectiveness.
Over EUR 1,000.00 and up to EUR 20,000.00	Request for at least three candidates to submit tenders
Over EUR 20,000.00 and up to EUR 200,000.00	a) Public invitation to tender, or b) Limited invitation to tender after competitive tender for participation, or c) Limited invitation to tender without competitive tender for participation

Figure 1: GIZ contract award standards

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[4] https://www.giz.de/en/downloads/Anlage%204a%20Procurement%20Guidelines.pdf

4. Project description

In this chapter, please provide a description of your project.

4.1 Initial situation in the target region

Please make clear how climate change or the loss of biodiversity have contributed to the current situation in the project region and its socio-economic background.

Describe the size of the project´s intervention area and number of people living there (if applicable). If land use management is planned, through agriculture or forestry for example, please also provide information on the **land tenure situation** (land rights, formal procedures to acquire or manage land etc.). You can refer to guiding questions such as:

- Who owns and uses the land (private person, community etc.)?
- Have communities owning or using the land, already agreed on the planned measures?

Please describe the problem you want to address in the project region and how it relates to the relevant IKI funding areas.

4.2 Target group and beneficiaries

The target group consists of individuals or institutional actors with whom the project will work and whom it wants to reach with its activities or results/outputs. They may be beneficiaries at the same time if they benefit from the intended project impacts. There may be also cases where the target group is not the beneficiary of the impacts. For example: the project supports school principals (target group) to introduce energy saving stoves for providing meals to students (beneficiaries).

Please mention in this section all target groups and beneficiaries you are planning to work with and describe how they participate in the implementation of the project. If the project targets several different target groups, please describe each of them individually. If possible, please also provide an approximate number of targeted people/beneficiaries. The approximate number of targeted people/beneficiaries will not have an impact on the project selection process and should therefore be as realistic as possible.

4.3 Brief description of the project including project approach and summary of activities

Please provide a clear summary of your project activities, mentioning its target groups and the changes they will undergo. Please explain your project idea and your approach to reach the intended outcome without listing project activities or outputs (for example with bullet points). Summarise your ideas focusing on concrete, tangible actions[5]. Please also highlight how the project will address the IKI funding area(s).

4.4 Non-profit character of the project

IKI Small Grants exclusively supports projects with a non-profit character. If any kind of profit is made, this income may only be used within the project and/or for non-profit purposes.

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[5] For examples on project descriptions please also visit the IKI Small Grants website: Projects | IKI Small Grants (iki-small-grants.de)

4.5 Governmental and public partners

To be able to fully understand your project concept, it is important to know whether and to what extent any government or public institutions are involved or cooperating in your proposed project. If applicable, please indicate your government partner organisation(s) on national, regional, or municipal level in the context of this project.
Explain how you will collaborate with these partners, what activities they will be involved in, and whether they have already agreed to collaborate. If available, please attach any letters of intent / memorandums of understanding (MoU) (Attachment L).

4.6 Embedding in policy framework

Please evaluate and indicate which national climate or biodiversity policies, (local) development strategies/plans or other policy frameworks your project might contribute to. Contributions may take place on the local, regional, or national level and include any kind of contribution.

4.7 Addressing conceptual priorities

Projects can directly or indirectly support different conceptual priorities. IKI Small Grants explicitly encourages projects which contribute to one or more. Please indicate if and how your project contributes to conceptual priorities described in the funding information.

5. Project concept – results oriented project planning

This chapter comprises the technical guidelines for an IKI Small Grants project application and the basics of a structured project planning that enables efficient project implementation, monitoring, and evaluation.

5.1 Overview on results-oriented project planning

With the projects you are planning and implementing, you are working towards a specific goal – a change you want to see in a social or environmental cause. This objective and the steps planned to achieve it should be clearly reflected in the proposal. Thus, the design of IKI Small Grants projects should be based on the **concept of a results chain** as shown in Figure 2.

There are numerous levels at which results can be achieved. In the context of IKI Small Grants, results include outputs, outcome, and impact. Long-term and overarching development results a project contributes to are called impact[6].

Direct, short- and medium-term results are called **outcome**. They can be subdivided into (1) change in the target groups' circumstances, (2) change in the target group's behavior, and (3) change in attitude or skill level.

Specific project results or goals are also known as **outputs** (e.g. a new policy). Each project usually has several outputs, all of which contribute to achieving the overarching or main project goal - the project **outcome**.

Certain **inputs** like human, financial and material resources are required to implement project **activities** that are the basis for achieving the intended results. Importantly, a project is always a joint effort between partners and target groups. Therefore, IKI Small Grants uses a definition of outputs that is not limited to the mentioned resources, but rather **incorporates their use by partners, target groups, and other beneficiaries.**
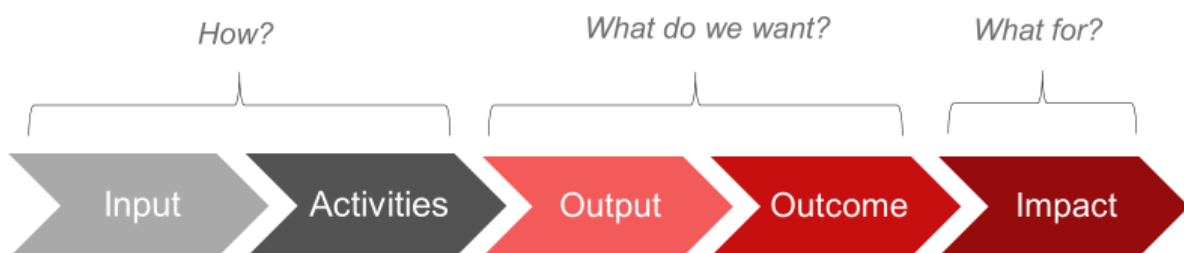
Results chain

Figure 2: Concept of a results chain

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[6] Individual (small-scale) projects usually do not aim at this level, which is why impacts are not included in the IKI Small Grants project applications. Nevertheless, the level of project impact can be addressed in the parts of the proposal where you describe the wider socio-political context of your project.
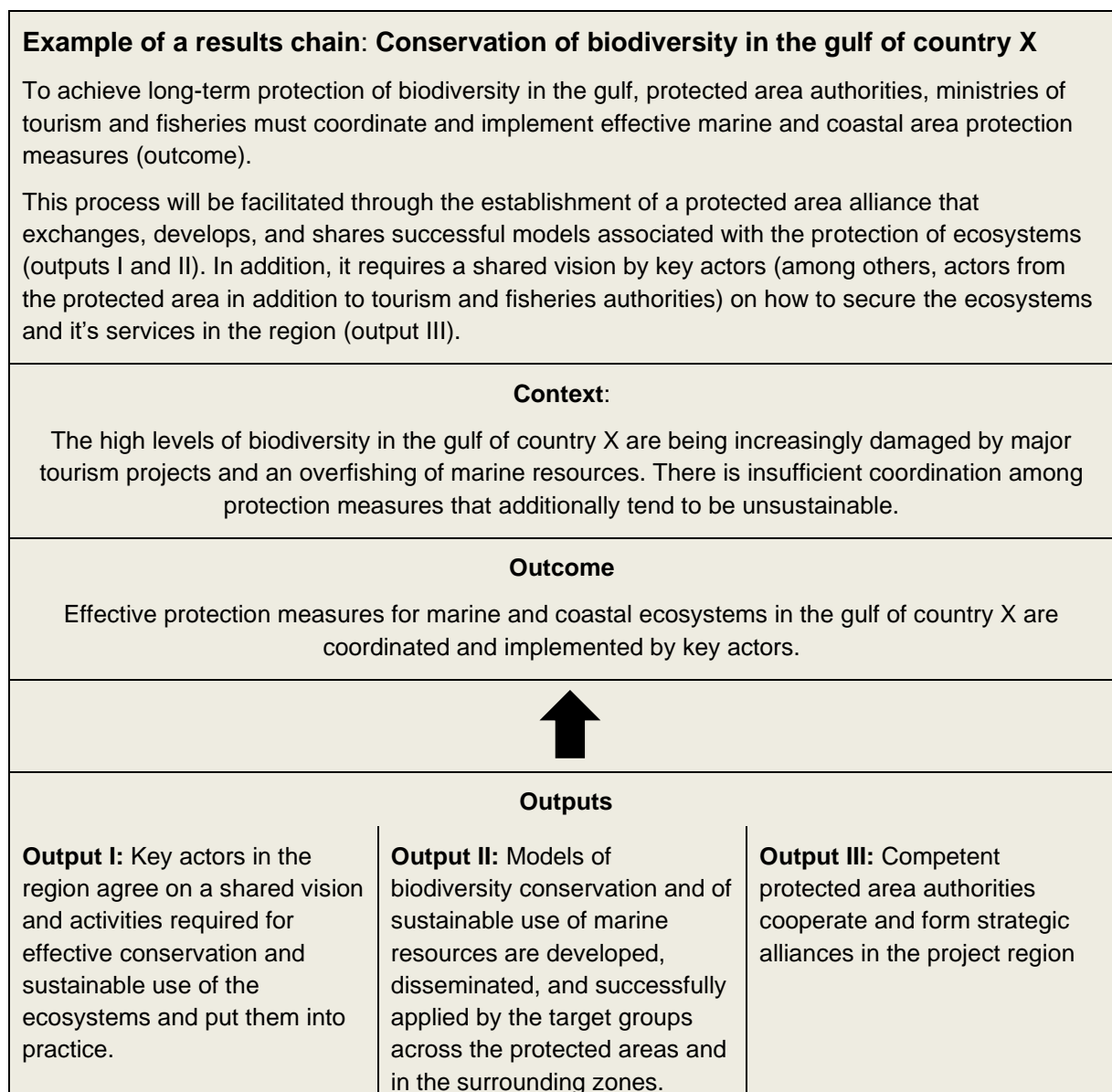
5.2 How to define outcome and output

The **outcome** describes intended changes that can be directly attributed to the project and result from the achievement of the planned outputs. It should be plausibly demonstrated that the activities and outputs – meaning the products, goods or services produced by the project – contribute to the attainment of the outcome.

In this context you should clearly demonstrate what specific added values do you expect at the end of your project for the target groups/ project region.

Outputs are specific products, goods, and services (e.g. studies, databases, mapping, management plans, regulations, or standards) created through the implementation of several project **activities**. The implementation of activities requires certain **inputs**, like expert days, material, or other resources.

The following example in Figure 3 illustrates how the results chain can be applied in project planning. When designing a project proposal, it is important to incorporate the causal relationships between intended activities, outputs, and outcome.

Example of a results chain: **Conservation of biodiversity in the gulf of country X**
To achieve long-term protection of biodiversity in the gulf, protected area authorities, ministries of tourism and fisheries must coordinate and implement effective marine and coastal area protection measures (outcome).
This process will be facilitated through the establishment of a protected area alliance that exchanges, develops, and shares successful models associated with the protection of ecosystems (outputs I and II). In addition, it requires a shared vision by key actors (among others, actors from the protected area in addition to tourism and fisheries authorities) on how to secure the ecosystems and it's services in the region (output III).

Context:
The high levels of biodiversity in the gulf of country X are being increasingly damaged by major tourism projects and an overfishing of marine resources. There is insufficient coordination among protection measures that additionally tend to be unsustainable.

Outcome
Effective protection measures for marine and coastal ecosystems in the gulf of country X are coordinated and implemented by key actors.

⬆

Outputs		
Output I: Key actors in the region agree on a shared vision and activities required for effective conservation and sustainable use of the ecosystems and put them into practice.	**Output II:** Models of biodiversity conservation and of sustainable use of marine resources are developed, disseminated, and successfully applied by the target groups across the protected areas and in the surrounding zones.	**Output III:** Competent protected area authorities cooperate and form strategic alliances in the project region

Activities		
(activities are displayed here in a very shortened form compared to the proposal)		
A I.1 Training of staff on protected area management and the use of associated tools	A II.1 Conducting analyses and systematisations on issues of restoration, tourism, sustainable fisheries, and alternative sources of income	A III.1 Training of protected area authorities on advisory and negotiation processes in 6 workshops
A I.2 Implementing workshops for exchange of experiences	A II.2 Identification of success factors, assessing transferability	A III.2 Development and implementation of participatory and consultative processes at the municipal level
A I.3. Conducting impact analyses and standardisation of the biodiversity monitoring systems	A II.3 Creation of specialised units within administrative offices and integration into development strategies	A III.3 Preparation of zoning plans for marine areas in coordination with fisheries authorities
A I.4 Establishing conditions for the formation of an alliance of protected area authorities, i.e. equipment is made available, the administrative centre is expanded into a training institute, an operational plan is adopted and implemented		A III.4 Facilitation of the development of a shared vision by the protected area, fisheries, and tourism authorities

Figure 3: Example of a results chain

5.3 How to define project activities

In addition to the formulation of suitable outputs, project proposals also describe the activities that are planned to achieve the outputs and their respective indicators. Approximately 3 to 6 activities should be formulated for each respective output.

The activities should be presented with high level of detail and therefore described with at least 5 to 10 sentences and address questions such as:

- Who does what?
- Which means/ materials/ resources are used for the activity?
- Who is the target group? Is it clear who is affected by this activity? If applicable, how large is this group.

The timeframe and content of activities should be reasonably limited so that the implementation status/delay of activities can be recognised at an early stage and countermeasures can be taken if necessary. Activities should always be presented in a way, that their progress can be easily monitored in the narrative reports.

A set of activities connected to a project output should always be **budgeted** in a transparent manner. Realistic planning and budgeting are key for a successful implementation of the project activities.

The duration (including starting and end month) for all planned activities must be graphically illustrated in a so-called **Gantt chart** (also called logical framework - see chapter 11 for further information). Therefore, consistent numbering of activities is crucial to connect the project proposal with the Gantt chart and to understand the logical sequence of the project results chain.

5.4 How to define project-specific indicators

An efficient monitoring- and evaluation system is important for both the implementing organisation and for the donor to assess the progress and success of a project. It also enables the flexible adjustment of activities if this should be necessary during the project implementation.

An indicator can be described as a reference point against which changes over time can be assessed. Therefore, "project-specific indicators" need to be developed and described in the project proposal. **One or two indicators** must be defined for the **outcome** and at least **two indicators** for each **output**. All of them must fulfil the SMART-criteria as described in the box below (Figure 4).

Criteria for SMART indicators

Indicators for the outcome and each output must meet the following criteria:

- *specific*, i.e. defined unambiguously and precisely.
- *measurable,* i.e. provide measurement constructs (quantitative measures or descriptions of qualitative conditions) and methods of data collection/sources of verification.
- *achievable,* i.e. it should be possible to reach the target value of the indicator with the available resources and under the prevailing conditions.
- *relevant*, i.e. the information provided by the indicator should be of relevance to describe the outcome and outputs.
- *time-bound*, i.e. equipped with a timeframe and achieved no later than by the end of the project.

Figure 4: Criteria for SMART indicators

A **baseline** needs to be established **for each indicator** as well. The baseline describes the initial situation before the project has started. This can be either the status of the indicators introduced at the beginning of the project or the expected conditions that would exist without the project implementation ('business-as-usual' - scenario). In addition, **target values** must be defined for each indicator to describe the status to be achieved by the end of the project. A realistic timeframe for the achievement of the output and the fulfilment of the indicator as well as suitable means of verification are also part of an efficient indicator.

Figure 55 shows an example for an output with an associated indicator.

Example of an output with indicator and means of verification

Output I:
The value and services provided by ecosystems are considered in national policies and planning processes in relevant ministries.

Indicator I.1:
Number of national governmental and non-governmental organisations that, by 10/2021, include biodiversity information generated by the project in their strategy papers or reports.

Unit	Baseline value *(start of project)*	Target value *(end of the project)*	Months to achievement by 10/2021
Number of national governmental and non-governmental organisations	0	*5 organisations, including at least 2 governmental organisations*	
Means of verification:			

Reports and strategy papers from: environment ministry, agriculture ministry, finance ministry, Global Forest Alliance (...) that explicitly refer to the project database.

Figure 5: Example of an output with indicator and means of verification

Note: Changes to defined goals (outcome and outputs) and project-specific indicators after the grant agreement has been signed require prior approval by GIZ's IKI Small Grants team.

6. Impact on gender equality

To address the interaction between climate change, biodiversity loss and gender, the IKI is working towards gender justice as a central factor. The [IKI Gender Strategy](#) provides a high-level framework for supporting and fostering gender justice. This strategy aims to promote gender-transformative approaches within international climate and biodiversity co-operation while embedding gender-responsive processes as a minimum standard at project level.

There is significant potential for IKI Small Grants projects to actively contribute to the reduction of existing gender-specific disadvantages and to improve the sustainability of the projects. In addition, a gender-responsive[7] approach reduces the risk of (unintended) adverse effects on the target group. Thus, it is mandatory for all applicants to reflect on their measures regarding their impacts on the equality of women and men and to incorporate gender-responsive or gender-transformative measures in their projects[8].

Proposals that follow a gender-responsive or gender-transformative approach, are working on structural discrimination or are submitted by women's/LGBTQI* rights organisations, cooperatives or networks are explicitly encouraged in the IKI Small Grants Funding Information and will be considered with priority.

All applicants should:

- reflect on how women and men are differently affected by the problem the project is addressing and how they can be part of the solution.
- reflect on how the project could address gender-specific disadvantages, inequalities, and discrimination, but also the potentials of women (e.g. improve access to resources and decision making, sensitize about gender roles, etc.)
- describe the gender expertise of their organisation/team members (e.g. experience with gender-related projects, cooperation with a women's rights group, a gender expert in the team, etc.)
- consider collecting sex-disaggregated data in their monitoring and reporting
- reflect on the risk of unintended negative impacts (e.g. exclusion from decision taking processes) of the project activities on women and respective mitigation measures

Please note that the abovementioned steps are highly recommended to all applicants.

Projects that particularly focus on gender issues should in addition (among other aspects):

- briefly describe the role of women within their society/ the targeted sector (target group, beneficiaries) and critically review current power structures between women and men
- reflect gender aspects at least in the activities or where applicable in the outputs, the outcome or even in the project title
- describe how women are involved in the planning and implementation of the project

Further, women (rights organisations, gender experts) should be consulted or involved in the conception of the project or activities.

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[7] See glossary for more information on the terms "gender-responsive" and "gender-transformative"
[8] The Gender Action Plan (UNFCCC) https://unfccc.int/topics/gender/workstreams/the-gender-action-plan
Gender equality in German development policy. Cross sectoral strategy (BMZ)
https://www.bmz.de/en/publications/type_of_publication/strategies/Strategiepapier340_02_2014.pdf

6.1 Formulation of gender-responsive indicators

An indicator can be described as a reference point against which changes over time can be assessed. For a project with a focus on gender it is important to measure changes in the situation of men and women during the implementation of the project. A gender-responsive indicator aims to reflect an understanding of gender roles and inequalities to encourage equal participation, including equal and fair distribution of benefits. It requires that activities are first designed to reflect an understanding of inequalities and gender roles, before it can measure equal and fair distribution of benefits.

Thus, gender indicators can be based on either

- *quantitative*, sex-disaggregated statistical data or
- *qualitative* changes (e. g. judgements and feelings, or perception) which can be verified through focus group discussions, surveys, interviews, etc.

Gender sensitive indicators are:

- disaggregated by sex: indicator findings are reported separately for men and women. This requires sex-disaggregated data collection
- gender specific: the indicator measures an initiative that is targeted at women, such as a women's cooperative.
- implicitly gendered: the indicator addresses an issue which is of specific relevance to women and girls, such as safety of public transport.
- chosen by women rather than men: the indicator is chosen by female community members/project staff and reflects the specific needs and priorities of women.

7. Risks to the success of the project

This section shall describe **external risks** that may have an impact on the successful completion of the project. This section **shall not** describe the general or specific situation of the project region (e.g. general impacts of climate change are normally not considered to be a project risk).

There are **different types** of risks: Technical, political, economic, nature-related, or social risks. Their occurrence may negatively influence the implementation, i.e. the planned execution of activities and the creation of project results.

Please describe these risks and the possible impact on the project and present a strategy to minimise the identified risk. Ideally, the elements of your strategy are reflected as activities in the respective outputs.

The extent of a given risk (high, medium, low) and the degree to which it can be influenced by the project management (high, medium, low) shall be stated.

Example 1: Inflation of the local currency

Your project is implemented in a country with a high inflation rate. This poses an economic (financial) risk to your project budget since it may result in higher costs and therefore insufficient funds.

Your assessment concludes that this risk for the successful implementation of your project is **high** (**extent**) since you might lose up to half of the project budgets value due to inflation. However, you can influence the impacts of the risk at a **high degree**. Your **strategy** is to reduce costs by making an evaluation of the relevant markets to get better offers for the needed sources.

Figure 6: Example for risk assessment (I)

Example 2: Lack of maintenance capacities for solar energy installations

Your project plans to replace fossil fuels (which run a generator) with solar panels. However, your project is in a region with few service providers for regular servicing of the installation. You consider this as a risk for a sustainable use of the solar energy installations (*Technical risk*).

Your assessment concludes that this risk for the successful implementation of this part of project is **medium** (**extent**) and that your **degree** of influence is **high**. Your **strategy** is to acquire robust and low-maintenance types of solar panels. Furthermore, you coordinate with other users of solar energy in the area, so that you can synchronise interventions by technicians. This should lead to an acceptable level of maintenance by the service provider and reasonable maintenance costs.

Figure 7: Example for risk assessment (II)

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8. Safeguards system and guiding questions

IKI Small Grants uses the safeguards system of the Green Climate Fund (GCF), which is based on the IFC Performance Standards. The safeguards system is a tool for avoiding, minimizing, and mitigating harm to people and the environment during the implementation of a project. Therefore, applicants must assess whether the implementation of a project itself has the potential to cause harm, respectively negative impacts. **Negative impacts on individuals, groups, or the environment must be avoided. IKI Small Grants recipients are therefore obliged to adhere to the IKI Small Grants safeguards system.**

During the planning process of a project, seven "Performance Standards" must be assessed. The assessment results are to be documented in the relevant section of the online application platform. Once a potential risk has been identified it has to be described and appropriately monitored. Management instruments to mitigate risks have to be included in the project concept (e.g. indicators or activities such as mitigation; a desk study elaborating on potential risk or a safeguards workshop).

Please refer to the [IFC Performance Standards on Environmental and Social Sustainability](#) in various different languages for comprehensive guidance about how to identify and assess potential project risks. The guiding questions further below will also help you to assess risks for each Performance Standard.

Selected organisations without institutional safeguards system or in-house expertise may receive guidance from the IKI Small Grants team to further sharpen the risk assessment and mitigation strategy.

Please note: Safeguards risks identified by your organization do not have a negative impact on your chances in the project selection process! They need to be properly addressed in the project concept.

By adhering to the different performance standards, the project is obliged:

- To promote non-discrimination, equal opportunities, and safe working conditions for all workers as well as to avoid forced labour. This applies to direct workers, contracted workers, and supply chain workers. (Performance Standard **"Labour and Working Conditions"**)
- To avoid, or as far as possible, to minimise negative impacts for human health and the environment. This includes air, soil, and water pollution, the emission of greenhouse gases, and the use of non-renewable resources. The sustainable use of resources should be supported. (Performance Standard **"Resource Efficiency and Pollution Prevention"**)
- To avoid or at least reduce possible health risks as well as safety/security risks for the local/affected population, which could result from project-related activities, project equipment and project-related infrastructure. Compliance with relevant international and regional human rights standards/conventions is required. This is particularly relevant in conflict and post-conflict settings. (Performance Standard **"Community health, Safety, and Security"**)
- To minimise negative social and economic impacts resulting from land acquisition or restriction of land use. Resettlements as part of the project are not eligible under IKI Small Grants. (Performance Standard **"Land Acquisition and Resettlement"**)

- To protect biodiversity, to use ecosystems sustainably, to support the sustainable management of biological resources, and to promote the integration of nature conservation and development priorities. Avoiding negative impacts for biodiversity and ecosystems are a priority. If negative impacts cannot be completely avoided, they have to be minimised or ecosystems have to be restored as far as possible. Project activities with a significant negative impact for biodiversity and ecosystem services requiring biodiversity offsets, are not eligible under IKI Small Grants. In addition, the introduction of invasive species[9] is not permitted. (Performance Standard **"Biodiversity Conservation and Sustainable Management of Living Natural Resources"**)
- To minimise potential negative impacts for Indigenous Peoples or Local Communities (IPLC) and other marginalised groups in their respective territories regarding their rights, their cultural identity, and their access to and use of land/resources. Project activities, that have the potential for direct negative impacts on the rights and/or the access to and use of traditional land require free, prior, and informed consent (FPIC) by the affected groups before the start of the project. During the project duration, a continuous participation of and consultation with these affected groups must be guaranteed. (Performance Standard **"Indigenous Peoples and Marginalised Groups"**). The same standards must be applied if the project affects persons with disabilities.
- To protect and conserve cultural heritage and to promote equitable sharing of cultural heritage benefits. (Performance Standard **"Cultural Heritage"**)

Note: Any changes to the significance of risk for any safeguards performance standard during the project implementation must be communicated immediately to the GIZ's IKI Small Grants team.

Guiding Questions for the Safeguards Assessment

Performance Standard 2: Labour and Working Conditions
Might the project possibly…
- cause workers' rights to be violated (working hours, wages, healthy and safe working environment, right to association of workers or to unionize, according to national legislation and international labour standards)?
- tolerate or promote discrimination or impede equal opportunity?
- permit child labour, which is illegal, dangerous or endangers the child's right to an education?
- permit or facilitate forced labour (work carried out under threat of violence or punishment)?

Performance Standard 3: Resource Efficiency and Pollution Prevention
Might the project possibly…
- result in energy, water, and other resources being used inefficiently?
- not apply technically / financially feasible methods for more efficient use of resources (according to Good International Industry Practices)?
- emit a high amount of GHG emissions?
- produce hazardous or non-hazardous waste and/or not apply technically and financially feasible measures for pollution prevention (according to Good International Industry Practices)?
- result in hazardous materials being used?
- result in pesticides being used?

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[9] "Animals, plants or other organisms introduced by man into places out of their natural range of distribution, where they become established and disperse, generating a negative impact on the local ecosystem and species" (IUCN). This global data base can be of further help: GISD (iucngisd.org)

Performance Standard 4: Community Health, Safety, and Security

Might the project possibly…

- cause risks to the health and safety of the affected population, for example because Good International Industry Practice (GIIP) is not (sufficiently) considered in infrastructure projects or the population is exposed to hazardous materials?
- cause conflicts with, or human rights abuses by, security personnel or park rangers?
- expose the affected population to communicable diseases by project workers (including indirect and supply chain workers)?
- expose the affected population to water-based diseases?

Performance Standard 5: Land Acquisition and Resettlement

Might the project possibly…

- directly or indirectly disadvantaging the affected population in their access to land, the use of land, or their property rights through project activities or land acquisition?
- increase the risk of resettlement? Here, the possibility of the project exerting economic or social pressure on these groups to resettle must also be considered.

Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

Might the project possibly…

- transform or negatively affect natural habitats or critical habitats (habitat conversion, degradation, fragmentation)?
- implement activities in protected areas or internationally recognized areas (UNESCO World Cultural Heritage, UNESCO Biosphere Reserve, Ramsar Sites)?
- introduce new alien or invasive species that are not yet established in the country or region?
- negatively impact the access to ecosystem services for local communities?
- purchase primary products that are produced in regions where the risk of significant transformation of natural or critical ecosystems is high?

Performance Standard 7: Indigenous Peoples and Marginalised Groups

Might the project possibly…

- negatively influence the formal or customary rights of indigenous or marginalized local groups through its activities?
- have a negative impact on the cultural identity and traditional way of life of these groups through its activities?
- risk not sufficiently consulting indigenous or marginalized groups regarding planned measures that may have an effect as mentioned above?

Performance Standard 8: Cultural Heritage

Might the project possibly…

- negatively impact cultural goods or a limitation of access to cultural goods for local communities?
- result in a commercial usage of cultural heritage (e.g. traditional and/or local knowledge, innovations, spiritual or holy places)?

9. Ensuring sustainability and upscaling

The aspects of sustainability and a potential to upscale the project and/or the projects results is crucial for IKI Small Grants.

Therefore, the project results should be anchored in an appropriate way in the country or region of implementation. As part of the concept, please elaborate if and how the structures established by the project can prevail and continue to exist after the project ends.

How could the project structures be used in the future? What will be done with the results? How can a broader impact be achieved?

The aim is to disseminate successful concepts, approaches and methods beyond the individual project a) to new level (vertically, for example: providing advice at government level in order to achieve changes in legislation based on successfully tested pilots at the local level), b) to a new unit at the same level (horizontally, for example: replicating the successful pilot in another province) and/ or c) to a new context/ in a new sector (functionally). Those aspects should be addressed in the project concept right from the beginning.

Ideally a follow-up financing or independent continuation of the activities is part of the concept and the continued existence of the structures created by the project is secured.

The approaches and results of the project should be replicable (possibly also in other contexts) and the project should have a high multiplier effect. A multiplier effect can be achieved by sharing the project results and/or methods with the public (e.g. networks) or relevant stakeholders.

This means it should be possible to replicate the projects results easily and the project itself should have components which aim at spreading the projects´ methods and findings. The projects results should be effectively shared with relevant stakeholders and target groups outside the projects area of direct influence.

In any case, a good project concept should contain elements that ensure that the project results also benefit a broader interested target group outside the project target group, the implementing agency, and the donor. The project concept should describe the methods used to achieve continuation and present a consistent knowledge management and information strategy for a broader public.

The implementing organisation should also keep in mind, that IKI Small Grants projects should always try to contribute in some way to the national climate protection and/or national biodiversity goals.

10. Capacity assessment and measures

Capacity development is an integral part of IKI Small Grants: In addition to providing funding for projects at local level, IKI Small Grants aims to strengthen its project implementers and tapping potentials. Jointly with GIZ, each applicant identifies individual needs for capacity development on an organisational level – from acquiring specialist knowledge, skills, and management expertise to optimising organisational processes.

In addition, GIZ country offices may provide technical or administrative assistance in implementing the selected projects. The goal is to support the development of our implementing organisations with GIZ staff and networks, to become stronger agents of change for climate and biodiversity action worldwide[10].

The capacity assessment and the suggestions of capacity development measures is a **prerequisite** for the selection of applicants. Therefore, capacity development measures must be developed in this section.

IKI Small Grants aims to support organisations in achieving their self-set objectives. Consequently, this chapter is not designed to assess whether your organisation is qualified to implement the suggested project. Its purpose is to get to know your organisation and provide you with the appropriate and desired support in case you have been selected. Therefore, we ask you to reflect on and tell us about:

- ▪ Your **organisation's ambition**. What does your organisation aspire to achieve in the future?
- ▪ Your organisation's key **strengths** that you may build on, as well as your **opportunities.**
- ▪ The main **challenges and constraints** that your organisation and your employees face further developing your organisation.
- ▪ **Desired change** you would like to see in your organisation.

Based on your organisation's capacity assessment, in the next sub-chapter you should describe possible measures that will lay the foundation for your organisation's individual **capacity development package[11]**.

The areas for capacity development need to be well explained, appropriate and address your development potentials as well as limitations. Please be aware the organisations must be able to carry out the project without depending on these capacity development measures. The measures listed in the project proposal cannot be a prerequisite for the project implementation (such as, for example, basic accounting courses).

10.1 Capacity development package

The capacity development package consists of two parts:

(a) **Self-organised capacity development measures financed through the capacity building budget of the grant agreement**:

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[10] For further information on the IKI Small Grants approach on capacity development please visit the section Capacity Development our IKI Small Grants Website https://iki-small-grants.de/about/
[11] Examples for capacity development packages of ongoing projects are available on our IKI Small Grants website under https://iki-small-grants.de/projects/ and https://iki-small-grants.de/about/

Suggested measures must be budgeted in the second tab of the IKI Small Grants Budget (see chapter 12.2) under Capacity Development and listed in the Gantt chart (see chapter 11). The estimated cost of these measures should not exceed EUR 10,000. If the project is selected for funding, the capacity development budget and measures will be reviewed, reflected and, if necessary, adjusted together with the IKI Small Grants team.

For each measure, please explain:
- how many of your staff members will participate?
- how will the measures help the organisation? To which objective will they contribute?
- who offers such trainings in your area? (if known to you)
- if possible and applicable, how will the created capacity be retained over time in your organisation (e.g. by sharing acquired knowledge with the whole team)

(b) Individually tailor-made support which includes possible additional capacity development measures supported by GIZ and its partners:

In this section we ask you to describe which additional tailor-made support your organisation requires, which did not fit in the budget or rationale of package (a). Please be aware that if your project is selected for funding, these suggestions will be reviewed and discussed with the IKI Small Grants team.

In chapter 6.6 of the application platform, you can name further **additional aspects relevant in the context of capacity development** if necessary. Here you may share any concerns and questions or provide additional information regarding the organisation's general experience with or interest in capacity development measures, e.g.: Does your organisation have an internal strategy for capacity development? Has your organisation ever sought and received (external) support for capacity development? Please note that providing additional information or sharing your concerns is optional and will not have any adverse impacts on the selection of your proposal.

11.   IKI Small Grants Gantt chart

A Gantt chart serves as a tool for developing a timetable for the implementation of activities and for monitoring the progress on direct project results, indicators, and milestones. Milestones are specific reference points that mark major events/progress in a project timeline. They may indicate an intermediate deadline, the conclusion of a main activity, or of a set of related activities (see chapter 5.). Consequently, a milestone does not have a timeline but marks a specific point in time.

All direct project results, indicators, milestones, and activities formulated within the project proposal and their duration and/or month of achievement must be present in the Gantt chart. The outcome does not need to be equipped with a timeline. Please name the activities in the Gantt chart according to their title (not the whole description) used in the online application form.

The use of the IKI Small Grants Gantt Chart is mandatory. Please make sure that the template is submitted as an Excel file and filled in completely.

An example of a project Gantt chart is displayed below:

Figure 8: Example of a Gantt chart

12. IKI Small Grants Budget

The budget document is separated into four tabs: Project Budget, Capacity Development, Revenue and How to fill in project budget (figure 9).
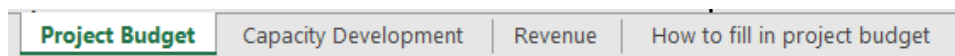

Figure 4: Budget tabs

Filling in the **Project Budget** and **Revenue** tabs is mandatory and failure to do so might result in an unsuccessful application. All applicants have the possibility of budgeting a maximum amount of up to 10,000 euros for self-organised capacity development measures in the **Capacity Development** tab.

If your project is selected for funding, we reserve the right to adjust the budget and capacity development measures in consultation with you.

Note: Please do **not make any changes to the general format** of the budget template! The information entered will be read out automatically.

Note: Please also make sure **that all three tabs are filled in**.
If the format has been changed and/or not all tabs have been filled in, this may lead to an exclusion of your project proposal. If you have any problems filling in the budget template, please contact our support: IKI-Small-Grants@giz.de

12.1 First budget tab - Project Budget

All calculations and monetary amounts must be listed in euros. The total share of the project budget financed by GIZ must be in the range between **EUR 60,000 and EUR 200,000.** The funding volume **may not exceed the applicant's average annual revenue of the last three years.**

The forwarding of funds is not permitted, this includes the awarding of grants (for example through a call of proposal) and other financial instruments such as micro loans.

When awarding contracts for supplies and/or services to be financed from the grant, the recipient shall observe the regulations for public procurement which apply in the recipient's country. In any case procurements must comply with the provisions in Annex 4a (Grant Agreement - Procurement guidelines), which form a constituent part of the grant agreement. As stated under chapter 3.5 of these guidelines, if the beneficiary of the grant has its own procurement standards that are stricter than national or GIZ standards, these may be applied.

The contract award procedure, including but not limited to all decisions, shall be documented in accordance with the template provided as Annex 4b (Grant Agreement - Procurement documentation template), which forms an integral part of the grant agreement. Both documents can be retrieved via Financing: Contract management and contract processing (giz.de) → GRANT AGREEMENT for non-German recipients (for contracts signed from October 2022).

12.1.1 Staff

Under the section 1. Staff list only expenditures for internal staff that have a regular employment contract and are assigned to the project. The Applicant (Recipient) has to make a clear distinction with regard to staff costs and costs for external services/experts.

Differences, especially in terms of vouchers/supporting documents, are described in Annex 3a Financial Guidelines for Grant Recipients 10/2022 - p. 12 onwards.[12]

Staff expenditures include:

- Gross salary incl. employer's contribution (salaries must be in line with local profession standards)
- Other regular salary components defined by contracts
- Severance payments upon termination of a contract provided they are a requirement under employment law (and not part of a contractual agreement) and provided they are listed only as the part corresponding to the working hours actually spent on the project. Severance payments that are not based on applicable employment law are not eligible.

Please state the function and role of each employee within the project in the first column (description/category of expenditure) and estimate his or her working time (in percentage) for the project. Do not include names or academic qualifications in the description.

Evidence must be provided for personnel expenditures in the form of monthly or annual payslips/payroll journal. If staff is partially financed - a time sheet must be submitted. For example, traceability is not ensured if information on payslips is not comprehensible or personnel expenditure for project staff exceeds amounts paid to other employees disproportionately. In order to ensure a complete documentation, the records and originals of supporting documents (e.g. payslips, timesheets, calculation of salary costs) need to be kept at the recipient's premises.

12.1.2 External services

Please list only external staff that are not employed by your organisation, but whose services are commissioned via a service contract (e.g. advisors/consultants on technical matters, translations and IT services etc.).

The requirements for the award of contracts for goods and services as stated under chapter 3.5 must be observed.

All estimated expenditures for a service contract including incidentals, e.g. travel expenditures of the subcontractor, must be budgeted in the project budget's 'External services' column.

12.1.3 Transportation / travel costs

Travel expenses and per diems are eligible for funding but must be directly attributable to the project. Please list only the travel expenditure of your own staff / employees and participants (trainings/ workshops) in this budget category. Travel costs of external service providers e.g. external experts shall be budgeted under the External services budget.

The document, **IKI Small Grants – Travel Allowances**, lists the maximum per diems and overnight allowances valid for travel to ODA-eligible countries. This budget line (like all the others except of the administration costs) will be settled against evidence.

Budgeting of travel expenditures:

Please budget travel expenditures based on an average amount per trip and the number of trips. If possible, summarize national travel as well as international travel in two separate

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[12] https://www.giz.de/de/downloads/Annex%203a%20Financial%20Guidelines.pdf

budget lines. A disaggregated depiction, broken down into transport, accommodation, additional expenses of subsistence and other expenses is not required at this stage.

The requirements for the award of contracts for goods and services as stated under chapter 3.5 must be observed.

When calculating travel costs for the use of private vehicles or vehicles of the organisation, please apply a distance calculation of a maximum EUR 0.30 per kilometre instead of fuel and other costs and note that a driver's logbook has to be kept.

12.1.4 Procurement of materials and equipment

The use of all items and assets during the project duration needs to be earmarked for the specific purpose of the project as outlined and approved in the project proposal. GIZ will decide on further use of items and assets after the completion of the project. Please note that printing costs for booklets, flyers etc. should also be listed under this budget line.

The requirements for the award of contracts for goods and services as stated under chapter 3.5 must be observed.

Items and assets with an individual value above EUR 800 need to be inventoried.

12.1.5 Other costs / consumables

Other costs for materials and equipment which cannot be clearly allocated to the other budget lines, such as publications (e.g. in journals or magazines) or IT license can be listed in this category. Please note if a translator is hired to accompany events and/or training courses, this translator must be listed under External services.

Miscellaneous purchases and consumables necessary to maintain standard operation, such as detergents, screws, lamps, or paper, must also be included in this category. Please name budgeted expenditures precisely and show clearly and in detail how they have been calculated. The requirements for the award of contracts for goods and services as stated under 3.5 must be observed.

12.1.6 Administration costs

A percentage may be entered for administration costs (such as office rent, telephone, internet, stationary, etc.) if it would be disproportionately time-consuming to work out specific project-related administration costs and provided that the lump sum appears to be set at an appropriate level. By contrast, imputed costings such as risk premiums or depreciation/amortisation are not eligible as they are not associated exclusively with the project. Administrative overhead costs must be reasonable and plausible and shall under no circumstances exceed 12% of the direct expenditures (budget category 1-6). Please note that in the case of an audit the administrative overheads must be explained in a comprehensible way.

6. Administration costs	Admin costs must be plausible and reasonable. It must not include expenditures claimed as direct expenditures in sections 1-5. See our guidelines for further details. Maximum rate for calculation of administration: 12 %
Administration costs (on budget lines 1-6)	%

Figure 10: Administrative overhead costs

The percentage of administrational costs needs to be entered in the highlighted field in the project budget.

12.1.7 Own funds / third party financing

Own or third-party funds are not a requirement for funding but are nevertheless greatly appreciated and encouraged. Please note, that GIZ will be unable to finance partial costs within one budget line (except for staff costs – see chapter 12.1.1).

Please note that the absence of own or third-party funds will not be detrimental to your application.

12.1.8 How to budget trainings and events

The costs for trainings and events need to be split across several budget lines. Venue rent, resource persons and rented equipment as well as hired catering should be listed under *External services*. Purchased food and drinks as well as any training materials or tools need to be listed under *Procurement of materials and equipment*. Travel costs for external participants and DSA in addition to participants accommodation should be listed as part of *Transportation / travel costs*.

12.2 Second budget tab - Capacity development

The self-organised capacity development measures addressed in the application form (see chapter 10) in the sections *Capacity development needs* and *Capacity development package* (Part 1) must be budgeted in the second budget tab. Please note the fill in guide in chapter 12.4.

In total, a defined maximum amount of up to EUR 10,000 can be made available for the internal self-organised capacity development of the recipient. These funds can be considered as additional resources independent of the grant itself. As mentioned before, the capacity development measures must have a not-for profit purpose like the overall project.

Primarily, intangible assets will be funded in the context of capacity development. However, also tangible assets are financed if they are appropriate and strengthen the applicant organisation. The purchase of specific software might be approved in exceptional cases (if trainings on the software are part of the project activity).

Capacity development measures **must not be a prerequisite** for project implementation (such as basic accounting courses).

Examples of self-organised trainings might be:

- leadership training
- good governance training
- conflict management training
- anti-corruption sensitization
- fundraising and proposal writing
- presentation and negotiation techniques
- advanced language courses
- public procurement law
- national budget and grant law
- internal control systems
- carbon accounting methods
- methods of efficient networking

12.3   Third budget tab – Revenue

In this tab the applicant organisation must provide information on its annual revenue for the last three years. Filling in the information for this tab is mandatory for all applicants.

As a first step, applicants will have to select the starting month of their reporting periods, the last year of their reporting as well as the currency they use in their financial reporting (**red circles**).

Figure 11: Third budget tab - Revenue

The second step is to enter the revenue of the last years as well as the page numbers in the financial statements where the revenue can be found (**orange square**).

The income/revenue information in the budget template must include all income regardless of the source or type of use. Some organisations differ between operational income and income from grants or restricted and unrestricted income. Both must be included

The box in the **blue triangle** is shown as red, as seen in this example, if the requested financing amount exceeds the permitted maximum. As stated in the funding information, the funding volume shall not exceed the average annual revenue of the last three years.

The template should not be altered in any other way as this might lead to false information and possibly an unsuccessful application. Please contact us via IKI-Small-Grants@giz.de if you have problems with the drop-down menus.

12.4   Fill in guide for the budget

Please be aware, that the information provided below only serves as an example and that we would require more extensive details in the description fields.

| | | | | Date: | 23.10.2022 | | | |
| | | | | Name of the Recipient: | Fundacion Test | | | |

Please fill in the name of your organisation and the date of preparation/finalisation

Description	Output	Amount	Unit (e.g. person, vehicle, room, unit, ...)	Quantity	Unit (e.g. months, days, trainings, unit, ...)	Eligible up to in EUR
1. Staff (Job Title) *(Note: This budget line will be settled against payslips and, if partially financed, against payslips and time sheets.)*						
Program coordinator (specialisation, description if applicable)	I-III	30%	people	12	months	XXX
Program officer (specialisation, description if applicable)	I-II	100%	people	24	months	XXX
2. External services (type / content of service)						
Economist for the XXX (describe tasks or responsibility)	I	1	Contract	40	Contract	XXX
Legal Expert for the XXX (describe tasks or responsibility)	I & III	2	Contract	35	Contract	XXX
3. Transportation / Travel Costs						
National project related travels (Workshop, Event, Site)		2	person	5	trips	XXX
4. Procurement of materials and equipment						
Laptop	I-II	1	unit	1	unit	XXX
Dissemination Materials	III	500	posters	1	unit	XXX
5. Other Costs / Consumables						
Translation / interpretation	III	1	unit		lations	XXX
Subtotal - direct costs						

Only for '1. Staff', please input if full time (100%) or less

Please connect the expenses to the outputs of your application form

Please input the single unit cost, in this case: 1 month, full time. The calculation will take

Please provide as much information as sensible when describing the expenses

Please fill these fields as seen here (1 & unit), should a breakdown in 'Amount' and 'Unit'

Figure 12: Fill in guide for the budget

13. Eligibility of expenditures

13.1 Expenditures must be necessary for the project

The fundamental eligibility requirement is that expenditures are indispensable for the achievement of the project results. The expenditures must be essential for the performance of the project in question. Please always ask yourself if the intended expenditures are necessary for the implementation of the project.

13.2 Expenditures must be incurred during the eligibility period of the project

All expenditures must be incurred within the implementation period (defined in the grant agreement) of the project. This is the case when the related goods, equipment, services, works or activities have been used in connection with the project and thus became due during the implementation period of the project. The implementation period is set out in the grant agreement.

The fact that a legal commitment has been made (e.g. signature of a legally binding contract or issuing a purchase order) is not sufficient for the expenditures to be eligible. This means that the expenditures should relate to activities performed during the implementation period of the project.

Recipients should be prepared to demonstrate that expenditures have been actually incurred, for instance, in the case of a financial audit. During an audit, auditors will check all the supporting documents related to the project and the relevant dates (i.e. distribution lists, logbook, employment/service contracts, reports on end of works, post-distribution monitoring report, but also payment vouchers, bank statements, tender files including not accepted bids not accepted, or derogation forms signed at applicable level, etc.).

GIZ may have the projects audited at its own expense at any time by an independent chartered accountant commissioned by GIZ, by its own experts or by its own audit authority.

13.3 Expenditures must be identifiable and verifiable

The expenditures must be:

- recorded in the accounting records of the recipient,
- in accordance with the accounting standards of the country of registration of the recipient and its usual accounting practices,
- backed by supporting evidence (e.g. invoices, receipts, contracts, time sheets, etc.).

The recipient does not have to provide those supporting evidence with the final report, but it must keep them available at GIZ's request or in case of audits. Indirect expenditures (administrative overheads) do not need to be backed by supporting evidence during audits if prior approved by GIZ.

13.4 Expenditures must be reasonable, justified and comply with the principle of sound financial management

This principle means that the project funds must be used in accordance with the principles of thrift, efficiency and effectiveness.

- The principle of thrift requires that the resources used in the pursuit of an activity be made available in due time, in appropriate quantity and quality and at the best price.
- The principle of efficiency refers to the best relationship between resources employed and results achieved.
- The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

Throughout the project, the recipient will have to make sure that these principles are respected. At the end of the project, in cases where these principles could not be respected, the recipient will have to justify the reasons and the impact on the results. If no valid justification can be provided, expenditures may be declared ineligible.

13.5 Reimbursement of non-eligible expenditures

Finally, please note that GIZ will only pass judgement as to the actual eligibility of expenditures at the liquidation stage (winding-down phase). All expenditures that do not meet the eligibility conditions will be declared ineligible and disallowed accordingly. The overpaid amount will need to be reimbursed by the recipient.

The mere fact that certain expenditures are included in the project budget does not automatically make them eligible, as this cannot overrule the otherwise applicable eligibility conditions.

The following examples of expenditures are not eligible:

- Expenditures, which cannot be supported by original supporting evidence (examples mentioned under 13.3),
- Expenses without proof of payment,
- Unused discounts and rebates,
- Expenditures incurred outside the period covered by the grant,

- Insurance not required by law,
- Expenditures that cannot be clearly attributed to the project,
- Expenses that result in later refunds (e.g. rent deposit),
- Expenses for first-class flights.

This list is not exhaustive.

14. Glossary

Applicant The organisation that submits the project proposal through the online application platform but is not yet selected for IKI Small Grants funding.

Baseline A baseline serves as a reference value for an indicator. Comparing a current value of the indicator with the baseline reveals the changes achieved by the project.

Gantt chart Project planning instrument for scheduling the implementation of activities as well as the attainment of milestones, outputs, and outcome.

Gender A social and cultural construct, which distinguishes differences in the attributes of men and women, girls, and boys, and accordingly refers to the roles and responsibilities of men and women. Gender-based roles and other attributes, therefore, change over time and vary with different cultural contexts. The concept of gender includes the expectations held about the characteristics, aptitudes, and likely behaviours. This concept is useful in analysing how commonly shared practices legitimize discrepancies between sexes.

Gender-responsive Gender-responsive means taking gender norms, roles and relationships into account and actively addressing the resulting gender-specific disadvantages, inequalities and discrimination, but also the potentials. Existing gender-specific needs, priorities, power relations, problems and potentials are acknowledged and highlighted, and the corresponding findings are integrated into the design, implementation and evaluation of strategies and measures.

Gender-transformative The gender transformative approach seeks to actively examine, challenge and transform the underlying causes of gender inequality rooted in inequitable social structures and institutions.

It aims at addressing imbalanced power dynamics and relations, rigid gender norms and roles, harmful practices, unequal formal and informal rules as well as gender-blind or discriminatory legislative and policy frameworks that create and perpetuate gender inequality. By doing so, it seeks to eradicate the systemic forms of gender-based discrimination by creating or strengthening equitable gender norms, dynamics and systems that support gender equality.

Means of verification An appropriate source for an indicator including a concrete means of verification is determined in the project planning phase and provides the basis for the data that is to be reported for the indicator and for its verification.

Milestone A defined interim result based on a traceable and predefined result, product, service or output to be achieved on schedule and/or in adequate quality.

Outcome The actual goal of the project, i.e. the intended changes related to mitigation of greenhouse gas emissions, adaptation to the effects of climate change or the conservation of biological diversity that can be directly causally attributed to the project. Moreover, this includes the transformation in processes that intermediaries and target groups undergo when using project results or outputs.

Outputs Products, goods or services, and their use by project stakeholders/participants, produced or provided as a result of the implementation of project activities. The combined use of the project's outputs contributes to the attainment of the project outcome.

Project-specific indicators	Project-specific indicators serve as contractually binding benchmarks for measuring goal attainment and hence, project success. They specify the outcome and outputs of IKI Small Grants projects.
Recipient	The formally selected organisation which receives funding through a grant agreement or any other official financing instrument
Result	Denotes a change that results from the IKI Small Grants project. Results may be intended or unintended, expected, or unexpected, positive, or negative. Results may occur from the start of the project and throughout its entire duration and continue to evolve after its conclusion.
Results-based monitoring	Regular and systematic observation and documentation of project progress and effects based on the → project-specific indicators and the → standard indicators. The project's success can be measured based on (1) what has been done (monitoring of activities and outputs) and (2) what changes have occurred by what has been done (outcome and impact).
Safeguards (system)	Ecological and social principles, (minimum) standards and criteria for project planning and implementation. The IKI Small Grants Safeguards system is a tool to avoid and mitigate harm to people and the environment during the implementation of a project. Therefore, applicants have to assess whether the implementation of the project has the potential to cause harm respectively negative impacts during the planning and execution phase of their projects.
SMARTness	The acronym SMART includes five criteria, that an indicator has to fulfil in order to be a valid monitoring-instrument: It has to be **S**pecifically (unambiguously) formulated, **M**easurable, **A**chievable, **R**elevant as well as **T**ime-bound.
Target group	Individual and institutional stakeholders that the project intends to reach, or which are the focus of the project´s outputs and outcome.