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IKI Small Grants for funding institutions

Strengthening locally-led climate and biodiversity action

How does IKI Small Grants support funding institutions?

Financing for international climate and biodiversity action too often fails to address and reach the local level. IKI Small Grants is part of **Germany's International Climate Initiative (IKI)**. Besides directly funding local projects and action through global calls for proposals, IKI Small Grants also supports national **funding institutions** in ODA-eligible countries. With this support, institutions execute their **own call for proposals for locally-led projects** to achieve their national climate and biodiversity targets, such as in Nationally Determined Contributions or National Biodiversity Strategies and Action Plans. The projects receiving these small grants can represent different sectors and target groups, including civil society, schools, local municipalities, start-ups, researchers and even individuals.



Figure 1: Funding institutions in November 2024

The funding institutions that receive support from IKI Small Grants manage all aspects of the call for proposals themselves – from planning and selecting to implementing and monitoring locally-led action. They know how to implement climate and biodiversity measures through local projects, actors and networks. Our partners appreciate this **level of autonomy** and **ownership**. Using this type of **enhanced direct access**, the institutions working with IKI Small Grants can build their reputation as reliable partners for transparent and effective channelling of national or international climate and biodiversity financing to the local level.

How much funding is available? What are the terms?

The selected funding institutions receive up to **950,000 euros** each for their own calls for proposals for locally-led climate and biodiversity action. The institutions do not need to be accredited but are expected to meet the following **requirements**:

Programme	IKI Small Grants
Objective	IKI Small Grants empowers local actors and funding institutions to drive climate and biodiversity solutions, bridging the gap in global funding to reach impactful, community-led projects
Volume and duration	Up to EUR 950,000 per funding institution for approximately three years of implementation
Target groups	Funding institutions in partner countries and small grant recipients as beneficiaries
Implemented by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Commissioned by	The German Federal Government as part of its International Climate Initiative (IKI)

- Based in an ODA-eligible country and older than three years,
- Average annual turnover no lower than 500,000 euros,
- Need internal and external control mechanisms to comply with national accounting principles,
- Experienced in working with or interested in expanding their portfolio to small actors, particularly in the non-profit sector,
- Experienced in managing grants and forwarding funds,
- Experience in implementing similar calls for proposals advantageous,
- The selected institutions are expected to further develop their internal safeguard and gender management systems, if necessary.

What additional support do funding institutions receive?

IKI Small Grants places strong emphasis on **capacity development**. Partner institutions can use approximately 5% of the grant amount for **self-organized** capacity development measures. For the duration of the project, institutions also receive technical support from the IKI Small Grants team and from dedicated **GIZ focal points on-site**.





Funding institutions can receive **additional technical assistance** in four key areas:

- I) Managing calls for proposals management
- II) Internal gender & safeguard management
- III) Project upscaling & sustainability
- IV) Training for small grants recipients.

They also benefit from GIZ's bilateral and global networks.

Example I: Palli Karma-Sahayak Foundation (PKSF) Improved flood resilience for vulnerable communities in Bangladesh (with potential for upscaling)



1,250 households are better protected through **1,200** metres of flood protection structures

The project protects selected communities vulnerable to seasonal flooding in Bangladesh's Haor region. It identified and selected villages particularly affected by poverty and with a high proportion of women. PKSF partnered with local NGOs to work in these communities to plan and build flood protection structures. Using traditional construction methods, local labourers from the communities installed a total of 1,200 metres of green buffer zones. The NGOs raised awareness for climate change, biodiversity, and gender equality in the local communities. Bangladesh's Economic Relations Division of the Ministry of Finance recognized the potential of the project approach for other regions, and PKSF plans to incorporate the experience from this pilot in a project proposal for the Green Climate Fund.

Example II: National Development Bank (NDB) Farmers adapting climate-smart technologies in Botswana



Solar-powered pumps replaced 32 diesel pumps **preventing 770 tons of CO₂ emissions annually**



25 hectares of improved with modern irrigation systems **conserving over 1,600 cubic metres of water per hectare**

Through a call for proposals, NDB awarded local farming businesses and smallholder farms the means to install solar energy solutions, introduce efficient water usage approaches, and controlled farming environments for increased resilience, such as greenhouses. Farmers received subsidies amounting to 65% of total funding. In total, 55 projects received support from NDB. These projects have achieved various impacts. The environmental benefits include saving approximately **825 litres of diesel per**

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hectare monthly, preventing 770 tons of CO₂ emissions annually, and conserving over 1,600 cubic metres of water per hectare through efficient irrigation. Additionally, LED lighting has **saved 30,000 kWh of energy each year**. In terms of social impact, **45% of beneficiaries are women-led businesses, and 7% are led by youth**, fostering inclusivity and empowerment. This collaboration strengthened NDB's climate finance capacity and reputation in applying for **Adaptation Fund** accreditation. With a 250% oversubscription rate for project proposals, NDB is committed to expanding sustainable agriculture initiatives. Building on this project's success, it further aims to address high demand for climate solutions in Botswana's agricultural sector.

Example III: National Fund for Environment and Climate (FNEC)

Advancing Benin's National Adaptation Plan locally



2,918 beneficiaries now apply climate smart agricultural practices

Through a national call for proposals, FNEC selected five civil society organisations and their project ideas that enhance climate-smart agricultural practices, reduce conflicts between farmers and nomadic herders through collaborative natural resource management and improve community forest ecosystem management. All five projects combined managed to protect or conserve **2,822.5 hectares** of ecosystem areas, and **2,918 beneficiaries** in five intervention areas now apply climate smart agricultural practices. Due to high demand, three projects will be replicated in other communities. Through this and other collaborations, FNEC matured as a funding institution and mobilized an additional **10 million dollars** in financing for locally-led adaptation action from the **Green Climate Fund** in 2023 and nearly **3 million dollars** from the **Adaptation Fund** for locally-led food security interventions.

More on the selection procedure, eligibility criteria, technical and capacity development assistance on www.iki-small-grants.de:



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