##### FINANCEMENT CLIMATIQUE INTERNATIONAL

**The Luxembourg Government**

**Ministry of the Environment, Climate and Sustainable Development**

**Luxembourg NGO Proposals**

*Version July 2021*

1. Grant Program information

Luxembourg is one of the largest per capita donor of international climate finance in the world. For the period 2014-2020, Luxembourg, a country with some 590,000 inhabitants, has made available 120 million EUR for mitigation, adaptation and land-use action (including Reduced Emissions from Deforestation and forest Degradation, “REDD+) in developing countries. For the period 2021 through 2025, Luxembourg will significantly increase international climate funding to 200 million EUR. The international climate finance funds are new and additional funds, provided by Luxembourg on top of its official development aid (about 1% of gross national income in 2018).

Luxembourg funds projects and programs in line with its Strategy on International Climate Finance (ICF Strategy). ICF key recipients are the Green Climate Fund, implementing agencies to channel bilateral support, multilateral organizations, dedicated climate impact funds (either directly or through the Luxembourg EIB-Climate Finance Platform) and the International Climate Finance Accelerator.

* 1. **Purpose**

As part of the ICF initiatives, Luxembourg has reserved a budget of EUR 5 million per year (2021-2025) for projects in developing countries submitted by NGOs or not-for-profit organizations accredited in Luxembourg.

This important NGO funding envelope builds on the rich experience Luxembourg’s not-for-profit sector has gained over the years in international aid and development cooperation. The funding aims to contribute to the global goals relating to mitigation and adaptation for the Paris Agreement, by supporting projects aiming to decrease GHG emissions, increase resilience to the adverse impacts of climate change and variability in vulnerable developing countries, and by supporting efforts to build adaptive capacity.

* 1. **Application period**

For the time being, NGOs may submit funding proposals at any time. MECDD may in the future re-organize and streamline the current open fund application process (grants) and move toward biannual calls for proposals (Calls for Proposal on NGO executed International Climate Finance or “CFP”). When that happens, MECDD will regularly issue notifications on its website regarding ongoing and future calls. The MECDD plans two calls per year, according to the availability of budgetary funds. Applicants are advised to consult the MECDD website regularly. Applications submitted outside a submission window will not be considered.

* 1. **Funding themes**

The Luxembourg government prioritizes activities relating to mitigation, adaptation and enhancing natural habitats and nature-based solutions with a focus on REDD+. Overall, the proposed activities must aim at containing the rise in global average temperatures at well below 2°C (and, ideally, at 1.5°C) above pre-industrial levels; and/or increase the ability to adapt to the adverse impacts of climate.

Activities must be compliant with the ICF Strategy and target any one or more of the following themes:

|  |  |
| --- | --- |
| **Thematic Area** | **Type of activity** |
| **Natural Capital, Biodiversity, and Land-Use** | * Conserving, restoring, and enhancing natural ecosystems, including forests, grasslands, peatlands and coastal wetlands, and their ecological services * Preventing deforestation and forest degradation * Targeting biodiversity-rich afforestation and reforestation campaigns * Using renewable energy sourcing and energy efficiency measures to enhance nature and biodiversity investments * Implementing organic agricultural systems, agroforestry, sustainable forestry, sustainable aquaculture, as well as natural carbon farming practices aiming at sustainably built fertile topsoils * Developing climate-friendly sustainable agricultural technologies and practices that do no harm to the environment or threaten the integrity of ecosystems and that contribute to long term resilience of communities * Building resilience with nature-based solutions in infrastructure planning, design, and implementation |
| **Clean Air and Water Resources** | * SME businesses RE supply side/EE demand side improvements (outdoor air pollution) * Clean energy access, RE/demand side EE for households, small businesses, sustainable tourism * Small land and water-borne vehicle fuel efficiency, electric vehicles, bicycle infrastructure * ‘Smart Cities’ transport solutions; * Wastewater management with GHG reductions, energy recovery & ecosystem protection * Clean cooking and heating (indoor air pollution) * Clean water access with RE/EE conservation measures |
| **Resource Efficiency and Waste Management** | * Reduce, Reuse, Recycling (“3 Rs”) activities, including along supply- and value chains across economic sectors; * Shifting to regenerative, carbon-absorbing production and adoption of healthy, predominantly plant-based diets (that are affordable, accessible and delicious; * Promotion of plant-based alternative protein products or food products; * Measures to reduce food waste and loss; * Waste prevention (including plastic waste) and responsible consumption, including reduced indirect energy use; * Waste management with direct GHG reductions like landfill gas capture and utilization; * Waste management with adaptation components in the field of flood management and ecosystem protection. |
| **Community based Adaptation and Resilience** | * Early warning systems and access to accurate local weather information * Emergency disaster risk management preparedness * Community-level capacity building for resilience * Improved flood management planning * Resilient housing * Water efficiency programs, addressing climate impacts on water resources and reducing energy use for pumping and treating * Access to RE/EE for diversified livelihoods, distributed energy * Saving and insurance solutions for climate related financial risk reduction |
| **Support for the transparency requirements of the Paris Agreement** *(Reserved for Luxembourg’s Climate Dialogue Partners)* | * Prepare institutional, legal, and financial frameworks to enable the preparation of NDCs * Creating reporting formats * Greenhouse gas (GHG) inventories * Develop technical capacities for tracking progress in the implementation of NDCs |
| **Leveraging and Mainstreaming Climate and Sustainable Finance** | * Fostering sustainable financial market development and products with the aim of implementing Art. 2, para (1)c of the Paris Agreement[[1]](#footnote-1) * Supporting de-risking financing solutions, aggregation and collective investment vehicles, project preparation facilities for financing for RE/EE/land use/natural capital/low carbon and resilient infrastructure and climate finance solutions to attract private capital * Climate results-based finance, REDD+ participation, readiness support for using of cooperative approaches under Art. 6 of Paris Agreement * Support for putting in place carbon pricing regulations, taking into account the “polluter pays” principle and social equity; carbon market readiness support for higher NDC ambitions in line with the [San José Principles](https://cambioclimatico.go.cr/press-release-leading-countries-set-benchmark-for-carbon-markets-with-san-jose-principles) |
| **Climate change induced migration** | * Development of systems, infrastructure, plans, programs, and policies to support adaptive capacity for rural communities for internal migration or relocation of coastal communities or households in response to climate hazards. * Resettle/ give access to protecting facilities to exposed population that lives in vulnerable areas and providing housing in safer areas to decrease the number of people living in vulnerable areas. * Support climate migrants’ primary health care needs by providing water, sanitation and medicines. * Development and implementation of urban planning and sustainable development plans for cities affected by flooding that include displacement of population. * Programs providing targeted training to develop the skills that are required for migrants to adapt in their new places of residence. * Provide shelter, including communal areas in transit centers and reception centers. |

* 1. **Excluded activities**

Luxembourg applies a negative list for certain project activities and technologies either because these are deemed incompatible with 2°C objective or because of risks to environmental integrity and sustainable development.

Please consult the ICF Strategy for more information and a detailed list of activities and technologies excluded from financing.

* 1. **Climate Finance Additionality**

Applicants are encouraged to seek and specify co-benefits in terms of adaptation and sustainable development and in accordance with the UN Sustainable Development Goals. However, all measures should – in principle and primarily – target climate change objectives. Exceptions may apply (in the language of the Rio Markers: where climate change is a ‘significant’ as opposed to a ‘principal’ objective only), but only in very limited circumstances. Even then, as a principle, climate finance can cover only those parts of the measure that show a clear and direct link with the climate outcome. For more details on which activities can qualify for funding and to what extent, please refer to Luxembourg’s ICF Strategy.

* 1. **Eligible applicants**

Both the accreditation status and the pre-existing experience of the applicant are eligibility requirements.

* + 1. **Accreditation**

The NGO-dedicated funding window with MECDD is open to Luxembourg based NGOs which are accredited with the Ministry of Foreign and European Affairs ([MAEE](https://maee.gouvernement.lu/fr.html))[[2]](#footnote-2) or – in exceptional cases –NGOs that have received special accreditation from MECDD prior to any funding application being made (“**Eligible Applicant**”). As part of the accreditation process, MAEE (or MECDD, if applicable) examines, among others, the validity of the constitutional documents of the organization, the financial health, and the governance details in place. Loss of the MAEE accreditation status renders an applicant ineligible to submit a funding proposal and is deemed a termination event for any grant agreement concluded. Non-accredited entities are advised to apply for accreditation status directly to the MAEE.

* + 1. **Pre-Existing Experience**

An Eligible Applicant needs to be able to present:

|  |
| --- |
| * Proof of **previous climate change activities** (at least three projects or studies carried out in the climate field/five years' experience in the climate field). * **Field experience in the** host country or association with local organizations, associations or experts. * **Qualified staff or access to qualified expertise** * **Financial capacity** to mobilize sufficient (co-) funding, where needed[[3]](#footnote-3) |

* 1. **Geographic scope and focus**

The MECDD specifically encourages NGO activities to be implemented in Luxembourg’s climate dialogue partner countries (currently Cape Verde, Senegal, Mali, Burkina Faso, Niger, Nicaragua, El Salvador, Laos, Vietnam, and Rwanda), lower income countries as well as in least developed countries (LDCs) and small island development states (SIDS) more generally.

Adaptation measures should focus on countries and regions with high vulnerability to climate change. Assistance in transition countries and newly industrialized countries (NICs) is conditional on exceptional mitigation benefits, the transformational nature of the underlying climate finance concept and/or the high levels of private co-funding that will be leveraged through the measure. See further under selection procedure, section 3 below).

The information on geographic scope and focused in summarized in table 1.

**Table 1: Geographic scope of funding**

|  |  |
| --- | --- |
| Mitigation and REDD+ | Adaptation |
| *All ODA-eligible countries* | |
| * Support for LDCs and SIDS encouraged * Support for transition countries or newly industrialized countries, NICs[[4]](#footnote-4)) conditional on exceptional and/or transformational mitigation benefits | * Support primarily for countries with high vulnerability to climate change * High vulnerability is assumed for LDCs and SIDS |
| Luxembourg’s climate dialogue partner countries:[[5]](#footnote-5)  Cape Verde, Senegal, Mali, Burkina Faso, Níger, Nicaragua, El Salvador, Laos, Vietnam and Rwanda | |

* 1. **Funding Thresholds and Co-Funding**

The financial proposal must not exceed 500,000 EUR in total or 100,000 EUR per year over a maximum 5-year funding period. Applications for support not exceeding 300,000 EUR and/or a funding period not more than 3 years will be processed under the Simplified Evaluation Track, which may result in an earlier funding decision.

At this stage, co-funding provided by the applicant is not an eligibility requirement. However, contributions by the applicant of at least 20% of the total project costs are encouraged, and the level of co-funding made available by the applicant will be positively weighed during the selection process.

Project applicants must also include information on third party funders involved in the project (where applicable). All project financiers shall sign a co-financing commitment letter specifying the amount (in Euros) they will commit for the implementation of the Luxembourg CFI project, including information specifying the type of the funding i.e. if it is provided as loan, equity a and/or grant. The commitment letter shall be signed by a person authorized to sign on behalf of the company/organization.

1. Submission procedure

The applicant shall submit a project proposal by filling out the project proposal submission template attached in annex 2 (“Project Proposal”). All word and/or character count limits stated in the submission template are obligatory (character count limits always meant without spaces). Annexes may only be provided with respect to a specific section in the Project Proposal, for which the template specifically foresees the option to add additional information in annex form. Also, the annex must not be used to extend the Project Proposal but rather to provide crucial supporting evidence (namely on experience of the applicant) as well as visualizations such as photos, pictures, charts and graphs, that will help evaluators assess the proposed activity.

The logical framework represents a separate annex to the Project Proposal. It shall include a concise description of key performance indicators (“KPIs”) on activity, output, outcome and impact levels. The KPIs mark a central element of the proposal, and they will allow the monitoring and evaluation of the climate mitigation and/or adaptation impact.

Please make sure that the Project Proposal, including the logical framework are factual, specific and realistic.

Full applications shall include the following elements:

* A cover letter conveying the applicant’s interest to participate in this call for Project Proposals (see the template in annex 1);
* The filled-out Project Proposal submission template in PDF and Word (see annex 2), including a separate and concise logical framework;
* A risk assessment and management template as per annex 3;
* A detailed itemized budget (see the template in annex 4) in Excel, with budget lines relating to the proposed activities. Numbers in the budget need to be rounded to two decimals;
* CV’s of key personnel that will be involved in the project;
* Confirmation of the application of the code of conduct as specified by the Messages et Images of the “cercle des ONG” Luxembourg[[6]](#footnote-6) (“Code of Conduct”);
* If the applicant partners with another organization, including any local NGOs, a draft partnership agreement or Memorandum of Understanding (MoU) with the partner organization, specifying the joint commitment to implement the project; detailing the respective tasks of each party synchronized with the logical framework and the budget; and ensuring full conformity with the Code of Conduct by all partners. Note that a copy of the final partnership agreement or MoU will also need to be included in the mid-term and final reports.

All documents can be in English, French, German or Luxembourgish language.

Proposals can be submitted at any time from the launch of the call until 1800hrs CET on the day of closing as indicated in each specific CFP. The proposal must be signed by the legal representative of the applicant and submitted at the latest, on the day the specific CPCC closes, either by hand or postal delivery, facsimile or by electronic mail to the following address:

*Ministère de l’Environnement, du Climat et du Développement Durable*

*L-2918 Luxembourg*

*Luxembourg*

*Fax: (+352) 400 410*

*Email: fce.ong@mev.etat.lu*

1. **Selection procedure and evaluation criteria**

The MECDD will review proposals as submitted and does not expect to contact applicants for further information. All applications received will usually be assessed within a period of 2-3 months (Simplified Evaluation Track, reserved for projects asking for funding of up to EUR 300,000) or 3-4 months (Enhanced Evaluation Track, reserved for funding from EUR 300,000) and applicants will be notified in writing whether its proposal was accepted or not.

Submitted proposals will first be assessed against the eligibility criteria, namely:

* Accreditation with the Luxembourg Ministry of Foreign and European Affairs (MAEE) or (in exceptional cases, with MECDD directly);
* Applicant has not submitted more than two projects to the same call for proposal;
* Applicant has no more than four current projects supported by the climate funds of MECDD;
* None of the interventions planned concern an activity from the Exclusion List of the ICF Strategy;
* Timely submission of the proposal before the relevant deadline (time of email submission or date of post stamp);
* Submission requirements are met (applicants must use the submission template, apply the necessary file formats (digital submission) and respect the word count ceilings);
* Amount of funding requested does not exceed the maximum possible funding;
* Funding will not be requested for a period longer than 5 years;
* Project activity implementation has not yet started.

All proposals found eligible will be evaluated and ranked according to the following selection criteria with the applied weightings:

* **Design of the project (35/100 point; minimum score needed: 21/100)**
  + Clear climate change problem statement; for adaptation projects a local climate vulnerability analysis;
  + Coherence and relevance of the proposed measures, direct link to remedy climate related problem;
  + Robustness of the logical framework clarity and strength of activities, outputs, climate outcomes and impacts;
  + Definition of appropriate, transparent, measurable and verifiable indicators;
  + Direct and indirect beneficiaries identified and quantifiable;
  + Stakeholder identified and engaged;
* **Target Country (-ies) and Responsiveness to Country Needs, SDG co-benefits (10/100 points, minimum score needed: 5/100)**
  + Measure to be implemented in Luxembourg’s climate dialogue partner countries;
  + Measure in line with country plans and priorities (NDC, National Adaptation Plans and other);
  + Sustainable development co-benefits identified, focus on gender equality;
* **Transformational Value (20/100 points, minimum score needed: 10/100)**
  + Innovative value;
  + Replicability and scalability;
  + Capacity building and empowerment of local partner;
  + Long-term sustainability of outcomes;
  + Exit strategy, continuity and capacity for mobilization of follow-up funding;
* **Efficiency of Measure, Budget, and Monitoring & Evaluation (20/100 points, minimum score needed: 12/100)**
  + Measure is efficient in the sense that the level of requested support is critical to implement the project. Proper explanation why the funding by the Luxembourg government is necessary;
  + Budgetary appropriateness;
  + Availability of co-funding and/or leveraged funding;
  + Risk factors and mitigation measures, environmental and social safeguards;
  + Quality Assurance;
  + Monitoring and Evaluation;
* **Feasibility, Management Skills (15/100 points, minimum score needed: 10/100)**
  + Experience of applicant (general and in-country);
  + Experience of staff (general and in-country);
  + Project management skills;
  + Clarity of implementation process and roles, and good governance.

**Proposals that do not meet any minimum score will be disregarded for the purpose of any funding decision.**

**Projects that receive a score at or above the minimum score may be funded in principal, subject however to the discretion of MECDD. When making a funding decision, MECDD will also consider objectives beyond the specific project proposal, namely the availability of funds under the specific funding theme window in question, the composition of MECDD’s project portfolio at and its balance in terms of the variety of funding themes, geography, and other, as well as its fit with other countries’ donor policies.**

**In case MECDD evaluates several applications in parallel (such as when MECDD issues specific calls for proposals and receives multiple bids or else when it receives a variety of proposals around the same time), MECDD may rank the bids under consideration according to their score and decide in favor of the one (or those) with the highest score(s), always subject to the availability of funding and other considerations.**

**Any positive funding decision is preliminary and conditional on the conclusion of a support agreement. MECDD may – and often will – request further clarifications and may request project changes prior to the conclusion of a firm support agreement.**

Applicants whose projects are rejected may request details of the rejection decision. Any such request must be submitted in writing within one (1) month of the notification from MECDD.

1. **Confidentiality**

The Luxembourg government will treat your proposal confidentially, as well as any related information, data and documents received in confidentiality. Independent expert reviewers or evaluators are also bound by an obligation of confidentiality.

##### Annex 1: Cover Letter

**Call for Project Proposals**

To :

Ministère de l’Environnement, du Climat et du Développement Durable

4, Place de l'Europe

1499 Luxembourg

[Place, Date/Month/Year]

Dear Sir/Madam,

We the undersigned, ***[name of organization, include members of the consortium, if applicable]***, are ***[type of organization]*** based in ***[complete address of organization, including country location]***.

In response to the [open] [specific] call for project proposals [published on ……………], we would like to convey our interest to submit our proposal for funding to the Ministère de l’Environnement, du Climat et du Développement Durable. The total cost of the project being proposed is ***EUR [insert amount].***

We are available to discuss any details regarding our **project proposal** if required. Our contact details are as follows……

Yours faithfully,

***[Signature of the Applicant’s Representative]***

***[Name & Position of Applicant’s Representative]***

**Annex 2: PRESENTATION SCHEME**

##### FOR LUXEMBOURG NGO REQUESTS

*Applications (scheme and budget) are to be submitted by post and in electronic version by email to the Ministry of Environment, Climate and Sustainable Development, in the attn. From Mr. Henri Haine, postal address: L-2918 Luxembourg ("MECDD", "Ministère"). To facilitate the analysis of the financial part, the Ministry requests that the budget and financing plan, in Annex 4, also be submitted in the form of an Excel table. Email address: fce.ong@mev.etat.lu*

*The application can be written in one of the three administrative languages of the country (Luxembourgish, French or German) as well as in English.*

*Applications that are not complete or do not comply with the format will not be considered.*

|  |  |  |  |
| --- | --- | --- | --- |
| 1. | Presentation of the NGO, applicant for funds | | |
| 1.1. | Name of the company | Name of the NGO primarily responsible |
| 1.2. | Contact details of the NGO | Address:  Telephone number:  Fax number:  E-mail:  Bank account number or CCP and BIC code: *number to which the Ministry will have to pay its financial contribution to the project* |
| 1.3. | Person(s) actually responsible for the design and management of the project | Name(s), position(s) and contact(s) |
| 1.4 | Other requests for funding for the project or similar projects in the same locality:   * current projects * projects of the last 5 years | Limit the response to 1000 characters. |
| 1.5 | Expertise of the NGO | Limit the response to 1000 characters.  Describe your skills and expertise that will be used to carry out this project.   * *Project management skills, experience working with public funders.* * *Evidence of previous climate activities (at least three projects/studies in the climate field or five years of experience in the climate field in developing countries)* * *Field experience in the host country or association with local organizations, associations or experts.* |
| 2. | Presentation of the project | | |
| 2.1 | Title of the project or programme and duration | Indicate the title of the project.  Duration: Number of months, number of years. If possible, start date and end date of the project.  Indicate expenditures that exceed the duration of the project (e.g., design and evaluation/audit). |
| 2.2 | Project reference within the NGO | Reference number |
| 2.3 | Country and region and detailed location | Name of the country in which the project will be carried out. Exact location of the project (region, municipality, villages, etc.). If possible, present in the annex a precise geographical map, internet link, GPS coordinates, allowing the exact identification of the location. |
| 2.4 | Targeted climate objectives | Limit response to 1000 characters.  Identify the funding theme applicable.  Is the climate objective the **main objective** or only a significant objective of the proposed activities[[7]](#footnote-7)?  What other objectives are reasons for carrying out the project? | |
| 2.5 | General description of the activities | Limit response to 1000 characters. A summary page of the project may be attached as an annex, not exceeding 1000 characters. |
| 2.6 | Context, issues and direct link to climate change | Limit response to 2000 characters.  Describe the problematic situation to which a solution must be found. Description of the specific development challenges of the target population. Identification and analysis.  Describe in detail the link between the issue and climate change.  **For adaptation projects**:   1. Identify the expected climate changes, the risk of occurrence and the expected impacts (and the time horizon, short and long term). Describe the vulnerability of beneficiaries and target population to climate change. By which tool is the vulnerability analyzed? The analysis must be based on robust data and studies[[8]](#footnote-8). Mention which factors, other than climate factors, contribute to the vulnerability of the target population and their development challenges. 2. Demonstrate precisely how the activities intend to respond to the vulnerabilities identified in the climate vulnerability analysis. Describe how each component/activity of the project will reduce the impacts or vulnerability of the target population. 3. Establish a direct and clear link between climate vulnerability and the activities of the proposed project. The activity must articulate in detail how it addresses the identified climate vulnerabilities. Indicate which project alternatives you have considered. |
| 2.7 | List of specific activities with concrete results and specific indicators of results. | Limit response to 2000 characters.  Complete the following sections according to the climate orientation of the proposed activities (as per the funding themes under Luxembourg’s ICF Strategy). The section serves as a summary for the logical framework, which has to be submitted as a separate annex. |
| **List the proposed activities in** sufficient detail. |
| **List the concrete results of the proposed activities**.  You can use the logical framework method to determine what the results of the proposed activities are and how these results will lead to change to achieve the climate objective and solve the indicated problem. |
| **For each result, identify** specific **indicators** to verify project results and impact. Describe how these indicators will be objectively verified and identify sources of verification. These result indicators will be monitored.  Examples of indicators: see MECDD climate financing strategy section 3 of the ICF Strategy |
| 2.8 | Risks and backups  *Environmental and social risks*  *Gender risks*  *Human rights risks* | Limit response to 1000 characters.  Identify potential risks and risk mitigation measures, special focus are human rights, environmental and social risks.  (For REDD+ projects in particular, describe whether the REDD+ safeguards recommended by the UNFCCC[[9]](#footnote-9) are taken into account in the preparation and operation of the project.)  Specify the applicant NGO’s and partner’s gender policy. For details see the Luxembourg ICF Strategy 2021-2025.  Specify how the applicant NGO and its partners will ensure compliance broadly with the principles of human rights and non-discrimination, from the design phase throughout implementation.  **Fill in the Risk Assessment and Management template in Annex 3 for key risks.** |
| 2.9 | Project beneficiaries | Limit response to 500 characters.  Identification of the target population (qualitatively and quantitatively). Who are the beneficiaries of the project?   * Qualitative elements: socio-economic and cultural categories and characteristics (women, children, ethnic group, farmers, traders, etc.). What are the criteria for selecting beneficiaries? * Quantitative elements: number of direct beneficiaries, indirect beneficiaries. |
| 2.10 | Other stakeholders involved | Limit response to 500 characters.  Degree of involvement of stakeholders (institutional actors, local authorities, beneficiaries of the intervention, or others) in the design and planning of the project, planning process and stakeholder consultation. Has an analysis of the parties involved been carried out? Please provide description. |
| 2.11 | Host country strategy | Limit response to 1000 characters.  To what extent does the project fit into a development plan/programme of the[[10]](#footnote-10) partner country or region? Is it aligned with their NAMAs, NAPAs, NAPs, NDCs?  Is the project being implemented in a coordinated manner with other partners? |
| 2.12 | Compatibility with sustainable development objectives 2030 | Limit response to 1000 characters.  Does the project contribute to the achievement of other 2030 Sustainable Development Goals[[11]](#footnote-11) (SDGs)? Describe them briefly.  On which target of objective 13 (climate) of the 2030 SDGs will the project act[[12]](#footnote-12)? |
| 3. | Project governance. | | |
| 3.1 | Role of the NGO requesting funds in the project | Describe the specific roles for implementation, management and coordination. Limit response to 500 characters. |
| 3.2 | Name of the main NGO partner, responsible for implementation in the field | Name  Website (if available) |
| 3.3 | Contact details of the main NGO partner and person(s) in charge | Address:  Telephone number:  Fax number:  E-mail:  Name and contact of the person in charge |
| 3.4 | Expertise of the main NGO partner | Limit the response to 1000 characters   * Proof of previous activities in the climate field. * Field experience in the host country or association with local organizations, associations or experts. * Capacity of the partner(s) in project management * Previous collaboration with the NGO requesting the climate fund |
| 3.5 | Role of the main NGO partner in the project and coordination | Limit the response to 500 characters. |
| 3.6 | Other partners involved in the implementation with respective roles | Limit the response to 1000 characters. |
| 4 | Budget | | |
| 4.1 | Budget for the proposed activities | Demonstrate that the budget is appropriate for the implementation of the activities. Structure the budget according to the proposed activities. Provide the necessary information to justify the budget. |
| 4.2 | Co-financing | Mitigation projects: Can the NGO or local partner mobilize co-financing? Justify the answer. If so, the local contribution must not come from a developed country donor. |
| 4.3 | Financial arrangement | Describe the financial package (budget, financing plan) in Annex 4. |
| 5 | Monitoring and evaluation | | |
| 5.1 | Monitoring of project implementation and reporting to the MECDD | Limit the response to 1000 characters.  How will monitoring be implemented?  How and by whom is on-site monitoring organized (by the local partner and/or the decentralized structure of the Luxembourg NGO)?  How many visits are planned during the duration of the project? (1 visit/year with a maximum of 2 people is eligible)  Is any external monitoring being considered?  What is the frequency agreed with the partner for the submission of reports*?* |
| 5.2 | Analysis of the climate impact of the project and report of the impacts carried out at the MECDD | Limit the response to 1000 characters.  Describe the evaluation of the project's climate impacts in relation to the indicators (see section 2.7). How will monitoring the evolution of climate impacts be organized and integrated into MECDD reporting? |
| 5.3 | Evaluation and audit | Limit the response to 500 characters.  Is an internal evaluation planned for this project?  Is this evaluation conducted jointly by the NGO and the local NGO partner in the field?  Is a peer review (i.e. other NGOs) considered?  It should be noted that for projects lasting more than three years, a mid-term evaluation is mandatory. (For the mid-term evaluation, the NGO may choose the type of evaluation and the modalities of its implementation: internal participatory evaluation, evaluation with external consultant, peer evaluation. A detailed analysis of the project's progress must be carried out (more in-depth than a normal monitoring mission) and quality information should be produced to enable decisions to improve the implementation of the project's continuation.  Is an external evaluation and audit of the project planned for projects with a scope of more than 100,000, - EUR/year? Attach details. |
| 6 | Transformation and sustainability | | |
| 6.1 | Appropriate technologies | Limit the response to 500 characters.  Does the project implement technologies appropriate to the local context? | |
| 6.2 | Capacity building and knowledge dissemination | Limit the response to 1000 characters.  Does the project include capacity building and *knowledge* and/or awareness raising activities at the level of beneficiaries as well as at the level of ministerial institutions and/or government authorities and/or other activities that aim to encourage an enabling environment? |
| 6.3 | Durability  *Social sustainability*  *Economic sustainability*   * Dura | Limit the response to 1000 characters.  How does the project plan to make the results contributing to its objective sustainable? How does the project demonstrate that it is sustainable in the long term?  Does the project take into account the local socio-cultural environment?  Does the project generate recurring cost (operation/maintenance costs)? If so, who pays for these costs?  Is the project likely to produce sustainable economic and financial benefits? If so, will these benefits be so sustainable as to allow the project (partially or fully) to continue to produce the expected benefits for a reasonable period after the end of the project? |
| 6.4 | Gender integration | *Limit response to 800 characters.*  Briefly describe how gender responsiveness considerations are integrated within the proposed activities and how the intervention actively contributes to gender equality. |
| 6.5 | Exit strategy | Limit the response to 1000 characters.  Is there a funding strategy beyond prolonged NGO support (e.g. handing over parts or all of the project to local authorities, finding other donors, integrating the project into an existing mechanism)?  Is there an exit strategy at the NGO and/or partner level? |

**Annex 3: RISK ASSESSMENT AND MANAGEMENT TEMPLATE**

|  |  |  |
| --- | --- | --- |
| RISK FACTORS AND MITIGATION MEASURES | | |
| Please describe financial, technical, operational, and macroeconomic/political risks, environmental and social risks, gender discrimination risks, child labor risks and working condition risks, human rights risks as well as potential exposure to money laundering/terrorist financing (ML/TF), sanctions, prohibited practices, and other risks that might occur as part of implementing the project and that might prevent the project/program objectives from being achieved. Also describe the proposed risk mitigation measures. Insert additional rows if necessary. | | |
| Selected Risk Factor 1 | | |
| Category | Probability | Impact |
| Select | Select | Select |
| Description | | |
| Describe the risk. | | |
| Mitigation Measure(s) | | |
| Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level? | | |
| Selected Risk Factor 2 | | |
| Category | Probability | Impact |
| Select | Select | Select |
| Description | | |
| Describe the risk. | | |

*Note: For probability: High has significant probability, Medium has moderate probability, Low has negligible probability*

*For impact: High has significant impact, Medium has moderate impact, Low has negligible impact*

*Prohibited practices include abuse, conflict of interest, corruption, retaliation against whistleblowers or witnesses, as well as fraudulent, coercive, collusive, and obstructive practices, as well as those activities that would fall within the Exclusion List as specified by Luxembourg’s ICF Strategy 2021-2025.*

**Annex 4: PRESENTATION SCHEME FOR BUDGET**

|  |
| --- |
| **FINANCIAL ARRANGEMENT** |

The applicant needs to complete the *budget outline* and *financing plan and present it separately in an excel sheet based on the template below*.

**BUDGET TEMPLATE**

| **Headings** | **Amount (EUR)** | **Total per heading (EUR)** |
| --- | --- | --- |
| **1. Outside of host country** |  |  |
| 1.1. Acquisition of services |  |  |
| 1.2 Personnel expenses |  |  |
| 1.3. Acquisition of movable property |  |  |
| 1.4. Communication and awareness costs |  |  |
| 1.5 Administrative costs (max. 7%) |  |  |
| **2. In the host developing country (DC)** |  |  |
| 2.1. Acquisition of services  *Examples:*   1. *Banking services* 2. *Training fees* 3. *Installation of accounting program* 4. *Office rental* 5. *Insurances* 6. *Charges (gas, electricity)* 7. *Communication costs (telephone, fax, internet)* 8. *Transport costs* 9. *Etc.* |  |  |
| 2.2. Personnel expenses  *Examples:*   1. *Coordinator (xxxx EUR/month x 36 months)* 2. *Etc.* |  |  |
| 2.3. Acquisition of movable property  *Examples:*   1. *Office equipment (papers, notebooks, pens, etc.)* 2. *Office equipment (telephone, fax, computers)* 3. *Vehicles* |  |  |
| 2.4. Acquisition of real estate  *Examples:*   1. *Purchase of a building* 2. *Purchase of land* |  |  |
| 2.5. Valued local real estate contribution  *Examples:*   1. *A valued land* 2. *A valued building* |  |  |
| 2.6. Training and awareness costs |  |  |
| 2.7. Communication costs |  |  |
| **3. Unforeseen costs** (calculated only on 2.) **outside and in the DC** |  |  |
| 3.1 Unforeseen (ceiling: 5% of total 2.) |  |  |
| 3.2 Inflation and exchange rate risk (same ceiling) |  |  |
| **4. Framework expenditure outside and in the DC** |  |  |
| 4.1. Design costs |  |  |
| 4.2 Monitoring costs |  |  |
| 4.3. Audit costs |  |  |
| 4.4 Valuation costs |  |  |
| TOTAL |  |  |

The budget outline is to be broken down over the number of years in the project and must include a final column "TOTAL by budget line".

In the case of a project lasting more than one year, it is to be spread over 2 years and is considered as a multiannual project. If the project is spread over more than one calendar year, a distinction must also be made per calendar year.

If different currencies are used, the budget plan must contain the corresponding value in euros.

(If applicant NGO finances part of a project carried out by other donors, it may choose either a breakdown of all expenditure according to the co-financing percentage of each donor, or distribution at the source of accounting documents between the various donors.

Once the funding method has been chosen, the NGO must respect it throughout the project.)

1. **Excluding Host Countries (outside of developing country)**

*This heading includes all expenses related to the implementation of the project incurred outside a developing country, in particular, Luxembourg.*

1.1 Acquisition of services

Acquisition of service provision means a **one-off** service on the project, of a person with **professional skills especially required for the** successful completion of the project.

*Total expenditure related to the implementation of the project incurred outside a developing country for the acquisition of services (professional expertise, architectural or engineering work, use of any other professional capacities not available at NGO level) necessary for the project and not available in the DC*

* 1. Administrative expenses

Administrative or indirect costs may not exceed 7% of the total amount to cover the administrative costs of the project or action incurred by the institution. Indirect costs include maintenance, paper, photocopying, postage, telephone, heating, furniture, insurance and other necessary expenses.

1.3 Personnel expenses

*Total expenditure for salaries and related costs for staff engaged in the project, according to an employment contract under Luxembourg law concluded with the Luxembourg NGO responsible for the implementation of the project. (Note: The personnel in question may work on the project site).*

*If the contracts are concluded with non-Luxembourgish and non-accredited NGOs, these costs will have to be borne by the "other donors".*

*Expatriation-related costs (i.e. for security, furniture, cleaning, tuition fees, insurance, etc.) are eligible for co-financing only in the form of a* ***monthly subsistence allowance*** *that can be added to the expatriate's ordinary salary. However, the amount of this bonus must not exceed* ***the amount*** *granted as a resettlement bonus to expatriates under Cooperant status.*

1.4. Acquisition of movable property

*Total expenditure for the acquisition of movable assets necessary for the implementation of the project.*

**2. In the beneficiary developing country or any other developing country**

*This heading includes all expenditure related to the implementation of the project incurred in the beneficiary developing country, i.e. the country in which the project is carried out, or in any other developing country.*

**For items 2.1, 2.3, 2.4, estimates are to be attached for acquisitions exceeding 25,000 euros per budget line.**

2.1 Acquisition of services

*Total expenditure related to the implementation of the project incurred in the beneficiary country or any other developing country for the acquisition of services (professional expertise, architectural or engineering work, use of any other professional capacities not available at NGO level) necessary for the project.*

2.2 Personnel expenses

*Total expenditure on salaries and related costs for staff engaged in the project in the beneficiary country or any other developing country under an employment contract with the local partner.*

2.3 Acquisition of movable property

*Total expenditure for the acquisition, in the beneficiary country or any other developing country, of movable property necessary for the implementation of the project.*

2.4 Acquisition of real estate

*The cost of acquiring real estate, land or construction on the project site and necessary for the completion of the project.*

2.5 Valued local real estate contribution

*Value, according to an officially recognized expertise or a notarial deed of sale (on certified translation into French, German or English of this deed), of property - land or building - constituting a local contribution taken into account as such in the budget.*

*In the case of a donation of land or a building, the following documents are required:*

1. *A true copy of the title deed indicating the name of the legal owner.*
2. *A true copy of the deed of donation to the partner NGO duly signed by the owner and notarized.*
3. *A true copy of the official certificate issued by the authorized local government authority declaring the value of the land.*

*The value of the land eligible for co-financing is limited to the area used for the construction or project.*

**3. Unforeseen costs**

*This heading allows the NGO to provide, where appropriate, a reserve for the occurrence of costs not foreseeable at the time of project design, either directly related to the project or due to economic fluctuations. N.B.: These unforeseen costs should only be calculated on the costs listed under heading 2.*

*The NGO may use the unforeseen costs, within reasonable limits, if they are intended to cover additional expenses relating to activities planned in the project. However, it must justify its use at the time of the intermediate/final reports.*

*If the NGO wants to mobilize unforeseen costs to finance activities not initially planned in the project, it must inform the MECDD in advance.*

3.1 Contingencies

*The amount that the NGO wishes to set aside to cover possible expenses that are unpredictable at the time of project design, but necessary for the implementation of the project as provided for in the project document. This amount is capped at 5% of all costs listed under heading 2.*

3.2 Inflation and exchange rate risk

*The amount that the NGO wishes to set aside for possible additional expenses, due to inflation and exchange rate fluctuations during the implementation of the project. This amount is capped at 5% of all costs listed under heading 2.*

**4. Framework expenditure**

*This heading covers the total costs related more to the management of the project than to the execution of the project itself: these are the costs resulting from the identification, planning, design and organization of the project as well as the costs resulting from the monitoring, evaluation and control of the project during or after its implementation. N.B.: for the headings below, the following expenses are taken into consideration:*

* *return economy class travel*
* *vaccination and other similar medical expenses related to travel to a developing country*
* *visa fees*
* *accommodation costs on-site (on the basis of invoices, not a per night at a flat rate)*
* *local transport costs*
* *daily allowance, covering small local expenses, equal to or less than that fixed by the Government in Council Regulation of 21 December 2001 fixing the allowances provided for in Articles 20(1), 22 and 23(1) of the Grand-Ducal Regulation of 5 August 1993 on travel and subsistence expenses and on removal allowances for civil servants and State employees: fixed flat-rate per diem, to be reviewed according to the country.*

4.1 Design costs

*Total costs related to project identification, planning, preparation and organization work that was carried out before the submission of the application to the MECDD. These costs must be accurately reflected in the budget of the project document and supported by the relevant invoices, as they were incurred by definition before the co-financing request was submitted.*

4.2 Monitoring costs and reporting of results to the MECDD

*Total costs related to the monitoring of the project during the duration of the project. Example: field visit by a representative of the NGO responsible for the implementation of the current project.*

4.3 Audit costs

*Total costs related to the control carried out by a representative of the NGO responsible for the implementation of the project (internal audit) or by an independent expert (external audit), during or after the implementation of the project. This heading may include costs related to the financial audit of the project.*

4.4 Valuation costs

*Total costs related to the evaluation carried out by a representative of the NGO responsible for the implementation of the project (independent internal evaluation) or by an independent expert (external evaluation), during or after the implementation of the project.*

*The purchase of audio-visual equipment (video or photographic camera) for the design/monitoring/evaluation of the project is not eligible for co-financing, but may be included in the reimbursement of administrative costs.*

**Total**

*Total of all sums of costs entered under the various headings 1 to 4.*

**FINANCING PLAN**

**To be broken down by the number of years of the project**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Institutions | **Year 1**  **(euros)** | **Year 2**  **(euros)** | **Year 3**  **(euros)** | **Year 4**  **(euros)** | **TOTAL**  **(euros)** |
| 1 | Share of international climate financing by MECDD |  |  |  |  |  |
| 2 | Share of approved NGOs (mitigation project) \* |  |  |  |  |  |
| 3 | Share of other sources of funding (if available) |  |  |  |  |  |
|  | Total cost (1+2+3) |  |  |  |  |  |

*\*During the pilot phase of the MECDD's CFI international climate financing program, no co-financing from the NGO is required.*

*\*\* After the pilot phase of the CFI program, the end of which will be defined after consultation between MECDD and NGO representatives, co-financing for mitigation projects may be requested from the NGO and cannot be covered by foreign donors.*

1. This may include a large range of products and services from supporting legislation on reporting obligations, green and sustainable taxonomies, labels, rating systems, standards, funds, bonds, loan facilities, and guarantee facilities. [↑](#footnote-ref-1)
2. <https://maee.gouvernement.lu/en.html>. Consult p. 6 of following link: <https://cooperation.gouvernement.lu/dam-assets/espace-ong/agrément-et-conditions-générales/20180705-CG-relations-MAEE-ONGD.pdf> [↑](#footnote-ref-2)
3. Financial health and the ability to mobilize donor funds for co-financing is checked by MAEE during accreditation through financial statements. If requested the financial health can be documented through financial reports, providing an overview of fundraising activities, expenses and, in general, financial conditions. The financial reports and balance sheets of the last three general meetings of the association or, for the foundations, of the Board of Directors approving the annual financial statements. [↑](#footnote-ref-3)
4. NICs can only be financed under special conditions: if they can demonstrate high added value for the climate (GHG reduction), a very high transformation character and can mobilize very significant co-financing (leverage effect). [↑](#footnote-ref-4)
5. List is subject to change. [↑](#footnote-ref-5)
6. http://cercle.lu/wp-content/uploads/2018/02/Guide-messages-et-images-interactif.pdf [↑](#footnote-ref-6)
7. See the new OECD DAC RIO marker definitions for guidance: DCD/DAC(2016)3/ADD2/FINAL with indicator tables. [↑](#footnote-ref-7)
8. New or existing studies or studies by credible individuals/institutions, IPCC, National Adaptation Plan of Actions, National Adaptation Planning documents, academic documents or scientific literature that highlight risks and impacts. [↑](#footnote-ref-8)
9. Decision 1/CP.16 (Cancun): "The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention", Appendix I. [↑](#footnote-ref-9)
10. P.ex. Nationally determined contribution (NDC), climate strategy, low emission development strategy, low carbon sectoral policies. [↑](#footnote-ref-10)
11. http://www.un.org/sustainabledevelopment/sustainable-development-goals/ [↑](#footnote-ref-11)
12. http://www.un.org/sustainabledevelopment/climate-change-2/ [↑](#footnote-ref-12)