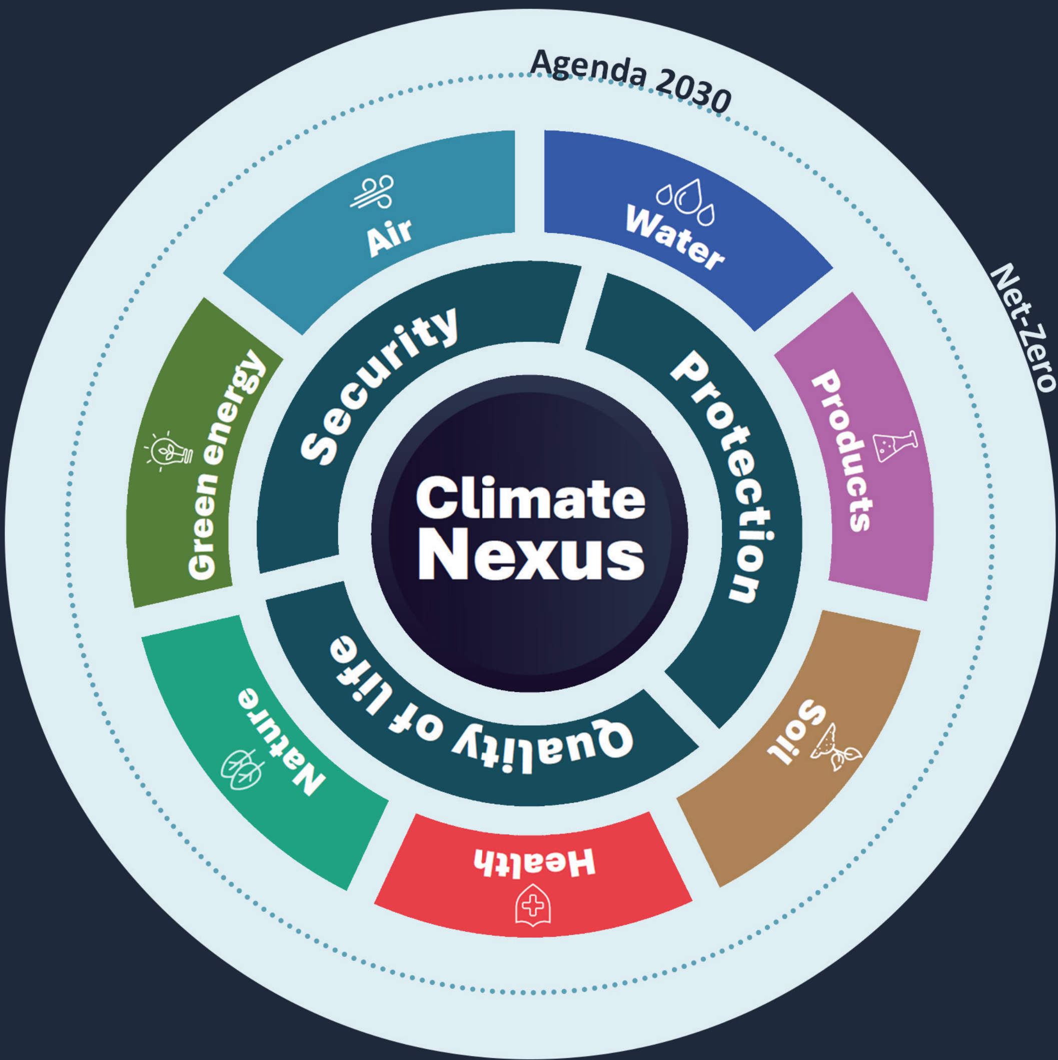
Luxembourg International Climate Finance Strategy 2026-2030



Annexes | Version 1.0
Juin 2026

THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of the Environment,
Climate and Biodiversity

Annexes

Eligibility and Selection Criteria

Eligibility

The strategy supports initiatives, programs and projects that are chosen based on clear, coherent and transparent eligibility and selection criteria. Eligibility is thereby assessed in the following steps.

Step 1: Eligible Implementing Organizations

Luxembourg's ICF Strategy is open to a wide range of institutions, organizations and partners, capable of designing, implementing, and scaling climate-relevant interventions (see ICF Strategy, section 4.3. **Delivery Channels**). The applicants are expected to be **multi-lateral funds**, strategic partners of **global programs**, entities that help administer **bi-lateral programs**, including the Luxembourg development cooperation agency, Luxembourg based NGOs, and other partners in the framework of strategic collaborations.

Private sector actors, including corporations, may participate as implementing or co-financing partners within eligible structures, but Luxembourg will, as a rule, not engage directly with individual commercial entities as primary recipients of funding. However targeted public-private business partnerships may be considered and selected in line with applicable procurement rules. Priority is given to **organizations that can contribute to scalable and high-impact interventions**, including through financial structuring, partnership-building, or the development of project pipelines, that align with Luxembourg's comparative advantage in sustainable finance and international climate cooperation.

To ensure continuity, accountability, and effective use of public resources, support is provided exclusively to **established legal entities with appropriate governance structures, fiduciary capacity, and a track record** in delivering climate-related activities and services. Applicants must demonstrate the ability to manage funds transparently, operate in complex international environments (experience of at least 5 years), and deliver measurable climate outcomes. The lead implementing organization should be able to demonstrate necessary **technical and administrative competence** and have **experience in the target region**.

While the ICF Strategy maintains an inclusive approach to partnerships, it does not provide funding to individual people.

Step 2: Eligible Interventions

Step 2a: Climate Change Scope

Eligibility under the ICF Strategy requires that proposed activities demonstrate a clear and credible contribution to climate change mitigation and/or adaptation. Climate relevance is assessed in line with internationally recognized methodologies, in particular the **OECD DAC Rio Markers** for climate change. Activities qualify as climate-relevant where climate **change mitigation and/or adaptation** is either a **principal objective** of the intervention or a **significant and explicitly integrated objective**. This requires that the activity: clearly identifies climate change as an objective in its design; includes specific measures or components addressing mitigation and/or adaptation; and demonstrates a plausible and evidence-based link between the intervention and expected climate outcomes. Activities for which climate change is not an objective or where climate considerations are incidental or not operationalized, are not eligible for support. Where climate change constitutes a significant (but not principal) objective, applicants are expected to provide a concise justification describing how climate considerations are integrated into the intervention design and how climate-related results will be monitored.

For certain types of projects or programs in connection with sustainable financial products, the EU taxonomy of sustainable activities, sections climate mitigation and adaptation, may be used if applicable, or the national green taxonomy of the host country may be considered for relevance.

Step 2b: ICF Strategy Alignment

Activities should target and follow the three **Thematic Pillars**, outlined in section 4.2 of the ICF Strategy. Where feasible, activities are encouraged to contribute to multiple climate-related objectives, i.e. in addition to pursuing climate change mitigation and/or adaptation, they should aim at strengthening the resilience of communities, ecosystems and appropriate financial systems, in line with the integrated **Climate Nexus Approach**. Such **co- or multi-benefits**, however, are not a precondition for eligibility and will be further considered at the selection stage.

Step 3: Geographic Scope

Eligible activities must be implemented in countries that qualify for international climate finance support. This includes countries within **Luxembourg's designated Regional Focus Areas (RFAs)** (see ICF Strategy section 4.4), as well as other **countries eligible for Official Development Assistance (ODA) (or eligible for support from the Green Climate Fund)**, consistent with internationally recognized classifications.

Luxembourg's Regional Focus Areas (RFAs) constitute the primary geographic priority of the ICF Strategy. Activities implemented in these regions are expected to reflect Luxembourg's strategic engagement, partnerships, and long-term cooperation objectives. Activities implemented outside RFAs may also be eligible, provided they take place in ODA/GCF-eligible countries. Such activities should demonstrate **strong relevance to the ICF Strategy's objectives** and will be subject to enhanced prioritization criteria at the selection stage. This approach ensures both strategic focus and flexibility, enabling Luxembourg to concentrate resources where it has established partnerships and expertise, while retaining the ability to support high-impact opportunities in other eligible countries.

Step 4: Alignment with National and International Frameworks

Eligible activities must be aligned with relevant national and international policy frameworks on climate change and, where applicable, biodiversity and ecosystem protection.

At national level, activities should be consistent with partner countries' climate and development priorities, including, as appropriate, **Nationally Determined Contributions (NDCs)**, National Adaptation Plans (NAPs), and other relevant sectoral or policy frameworks.

At international level, activities must support the objectives of the **Paris Agreement**, in particular by contributing to low-emission and climate-resilient development pathways.

Where relevant, activities are also expected to be consistent with the objectives and targets of the **Kunming-Montreal Global Biodiversity Framework**, including the conservation, restoration, and sustainable use of ecosystems and the enhancement of biodiversity-related benefits.

Particular attention should be given to approaches that generate co-benefits across climate mitigation, adaptation, resilience and biodiversity, including nature-based solutions. Alignment with these frameworks should be demonstrated through a clear articulation of how the proposed activity contributes to national priorities and internationally agreed goals. Where feasible, activities should reference specific targets, strategies, or commitments under these frameworks.

Step 5: Appropriate Funding and Financing Instruments

Eligible activities must be implemented through appropriate funding instruments, blended finance instruments, and market-based or other financing instruments, selected in accordance with the nature of the intervention and its intended outcomes (see ICF Strategy section 5.2).

Luxembourg may deploy a **range of funding instruments**, including, inter alia, grants, technical assistance, results-based finance, fiscal support, and other non-reimbursable or concessional forms of support. These instruments are typically used to build capacity, support enabling environments, de-risk investments, or deliver public goods.

In addition, Luxembourg may support or structure **blended finance instruments**, combining public and private resources to improve the risk-return profile of climate-relevant investments and to mobilize additional capital.
Where appropriate, Luxembourg may also engage through **market-based or other financing instruments**, aimed at establishing or strengthening revenue-generating models. These may include, inter alia, bonds, loans, equity or mezzanine finance, guarantees, or other repayable financial schemes.
The choice of an instrument should reflect the specific context and objectives of the intervention, including its stage of development, risk profile, and potential for financial sustainability or scale. For many interventions, in particular those involving investment or market-based approaches, the availability of co-financing is expected and may be required to ensure scale, leverage, and sustainability.
At the same time, Luxembourg retains the flexibility to provide full funding, including through grants or other funding instruments, where this is justified by the nature of the intervention, such as for capacity building, early-stage project development, or activities with high public good value and limited revenue potential.
Where support is linked to **carbon finance**, including the generation or transfer of emission reductions or removals, eligibility will be subject to additional screening requirements. This includes, inter alia, an assessment of compliance with applicable carbon market standards and rules, environmental integrity criteria, and the appropriate structuring of blending between climate finance and carbon finance. Such screening aims to ensure consistency with international frameworks and to avoid double counting, double claiming, or other integrity risks and strive to achieve global greenhouse gas reductions. Note that ICF funds can be used to support carbon finance projects in general but will not be used to purchase internationally transferred mitigation outcomes (ITMOs) to meet Luxembourg's or the EU's NDC.
The deployment of certain instruments, in particular blended finance and market-based or financing instruments, will typically take place through **qualified intermediaries**, such as multilateral or bilateral development finance institutions, funds, or other specialized entities (e.g. the European Investment Bank). Such intermediaries are expected to provide the necessary fiduciary, structuring, and operational capacity to manage and deploy funds effectively.

Step 6: Financial Additionality and Value Contribution

Eligible activities must demonstrate financial additionality and a clear value contribution from Luxembourg's support.
Financial additionality refers to the extent to which Luxembourg's intervention enables, accelerates, or enhances activities that would not occur, or would occur at a smaller scale or lower impact, in the absence of such support. This may include, inter alia, the provision of grants, concessional finance, risk-sharing mechanisms, technical assistance, or other forms of support that address market barriers or investment constraints. Activities are expected, where appropriate, to contribute to the mobilization of additional financial resources, in particular from the private sector, international financial institutions, or other public sources.
Luxembourg's **value contribution** may arise through its comparative strengths in sustainable finance, financial structuring, partnership-building, and innovation, including the development of financial instruments, platforms, or project pipelines that enable climate-relevant investments.
Applicants should demonstrate how Luxembourg's support contributes to the viability, scale, or impact of the proposed activity, including, where relevant, its catalytic effect in mobilizing further finance or enabling replication and scaling.

Step 7: Safeguards

All supported activities must be designed and implemented in a manner that avoids harm, respects rights, and delivers positive outcomes for people, nature, and climate.
Applicants must demonstrate proportionate safeguards consistent with the list of safeguards set out in this Annex.

Selection Criteria

Eligible activities will be prioritized, ranked and selected based on their expected **climate impact and resilience**, **environmental integrity and co-benefits**, their **catalytic potential**, also with regard to the mobilization of additional public and/or private finance, their **transformational impact**, their **scalability**, their **responsiveness to country needs**, **country ownership** and **overall efficiency**:

- ***Climate Impact and Resilience:***
  Activities are expected to deliver meaningful and measurable contributions to climate mitigation and/or adaptation and integrate the Climate Nexus Approach, where feasible. This includes reducing or avoiding greenhouse gas emissions, enhancing carbon sinks, and/or strengthening the resilience of communities, ecosystems, and financial systems to climate risks.
- ***Environmental Integrity and Co-Benefits:***
  Activities should maintain high standards of environmental integrity and, where relevant, contribute to biodiversity conservation, ecosystem protection and restoration, and nature-based solutions. Priority may be given to interventions that generate co-benefits across climate mitigation, adaptation, and biodiversity (in line with the Climate Nexus Approach).
- ***Catalytic Effect and Mobilization of Finance:***
  Activities are assessed based on their ability to mobilize additional public and/or private finance, improve the risk-return profile of investments, and unlock financial flows that would not otherwise materialize. Particular attention is given to interventions that demonstrate a catalytic role in scaling finance beyond continued donor funding.
- ***Transformational Impact and Scalability:***
  Activities should have the potential to drive systemic change beyond the immediate intervention. This includes contributions to market development, policy or institutional strengthening, the creation of investment pipelines or platforms, and the potential for replication and scaling across sectors or geographies.
- ***Country Ownership and Needs:***
  Activities should be aligned with national priorities and strategies, including NDCs, adaptation and biodiversity plans, and respond to the needs of vulnerable countries and populations, in particular within Luxembourg's Regional Focus Areas (RFAs).
- ***Efficiency and Value for Money:***
  Activities should demonstrate a reasonable relationship between the resources deployed and the expected results, taking into account the complexity, risk profile, and innovation level of the intervention. Efficiency is not assessed solely on the basis of lowest cost, but on whether the intervention represents a defensible and proportionate use of resources relative to its expected climate, environmental, and catalytic outcomes. Higher-cost or higher-risk interventions may be justified where they enable innovation, address structural barriers, or unlock significant long-term benefits.

Enhanced selectivity for non-priority contexts

Activities implemented outside Regional Focus Areas (RFAs), or activities for which climate change is not the principal objective (Rio Marker "significant"), may be supported where they demonstrate exceptional outcomes in one or more of the following dimensions: environmental integrity (including biodiversity benefits), catalytic effect and mobilization of finance, or transformational impact and scalability. In such cases, applicants should provide a clear justification of the intervention's added value and its contribution to the ICF Strategy's overall objectives.

Exclusion List and Safeguards

Exclusion List

The following activities must not be financed, supported, or otherwise promoted and advanced, neither in whole nor in part, by and under Luxembourg's International Climate Finance Strategy 2026-2030:

- **Fossil Fuels Activities** involving the exploration, extraction, production, processing, refining, transport, storage, distribution, or use for energy generation of fossil fuels, including:
    - Coal, oil, or natural gas
    - Fossil fuel–based power generation or heat generation
    - Dedicated infrastructure for fossil fuels, including pipelines, LNG liquefaction or regasification terminals, storage facilities, and refineries
    - Equipment, services, or facilities whose primary purpose is to support fossil fuel activities.

- **Destructive Fishing Activities** including
    - Bottom trawling or bottom dredging
    - Blast fishing or poison fishing
    - Large-scale pelagic driftnet fishing
    - Any other fishing methods that cause significant and irreversible damage to marine ecosystems.

- **Conversion or Degradation of Natural Ecosystems Activities** that result in the conversion, degradation, or significant impairment of high-value natural ecosystems, including:
    - Conversion of primary forests;
    - Conversion of natural forests into plantations or other land uses; Degradation of natural forests, including tropical or high conservation value forests;
    - Conversion, drainage, reclamation, or significant degradation of wetlands, including peatlands, mangroves, marshes, and floodplains;
    - Activities that directly cause the destruction or substantial impairment of critical habitats, high conservation value areas, or legally protected or internationally recognized areas of biodiversity importance.

- **Harmful Biological or Chemical Interventions** involving:
    - Introduction or spread of invasive alien species
    - Use, production, trade, or release of substances subject to international bans or phase-outs, or otherwise recognized as highly hazardous under international conventions, where such use is incompatible with those conventions.

- **Radioactive Resources and High-Risk Extractive Activities** involving
    - Extraction of radioactive materials for energy generation
    - Production or use of radioactive materials, except for medical or safety purposes
    - Deep-sea mining.

Activities not explicitly listed above will also be deemed ineligible where they are of a **substantially similar nature or effect to the excluded activities**.

Safeguards

All activities supported under Luxembourg's International Climate Finance Strategy 2026-2030 must be designed and implemented in a manner that avoids harm, respects rights, and delivers positive outcomes. Applicants must demonstrate proportionate safeguards consistent with the following:

- **Environmental Integrity:**
    - Avoid significant adverse impacts on ecosystems, biodiversity, and natural habitats
    - Apply the mitigation hierarchy (avoid – reduce – restore / recycle – offset)
    - Do not convert or degrade critical habitats or high conservation value areas

- **Social Inclusion and Equity:**
    - Respect the rights, dignity, and livelihoods of affected communities
    - Promote equitable benefit sharing, including for women, youth, and marginalized groups
    - Do not engage in involuntary resettlement where affected individuals or communities hold or may hold tenure claim. Where they do not, still avoid involuntary resettlement, wherever possible; where unavoidable, mitigate impacts fairly.

- **Indigenous Peoples and Local Communities:**
    - Where Indigenous Peoples or local communities are present, ensure free, prior, and informed consent (FPIC) where applicable
    - Recognize customary rights, tenure, and governance systems Enable meaningful participation in design, implementation, and benefit sharing

- **Labor and Working Conditions:**
    - Comply with applicable labor laws and core principles of the International Labour Organization
    - Prohibit child labor, forced labor, and discrimination Provide safe and healthy working conditions

- **Governance, Transparency, and Accountability:**
    - Ensure transparent decision-making and financial management
    - Establish accessible grievance redress mechanisms Ensure integrity in procurement and prevent fraud and corruption

- **Cultural Heritage:**
    - Avoid damage to cultural heritage
    - Respect tangible and intangible cultural values and practices

- **Climate and Environmental Co-Benefits:**
    - Demonstrate consistency with long-term climate goals
    - Avoid maladaptation or environmental trade-offs
    - Where possible, deliver co-benefits for biodiversity and ecosystem resilience

Implementation and Proportionality:
Safeguard requirements shall be proportionate to risk and scale. Applicants must provide a Safeguards screening and, where relevant, an environmental and social management plan (ESMP) Higher-risk activities may require additional due diligence and independent review.

Safeguards Risk Management and Monitoring:
Applicants must establish and maintain systems to identify, assess, manage, and monitor environmental and social risks throughout the lifecycle of the activity. All activities must undergo an initial Safeguards screening to identify potential environmental and social risks. Activities shall be categorized proportionately (e.g. low / moderate / high risk). The level of Safeguards due diligence and monitoring shall correspond to the risk category.

Stakeholder Engagement and Disclosure:
Applicants must establish a stakeholder engagement plan proportionate to risk. Affected stakeholders shall be informed in a timely, accessible, and culturally appropriate manner.
For activities with identified risks, applicants must prepare appropriate documentation, including an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP) and/or a Safeguards Plan outlining mitigation measures, responsibilities, and timelines.
The relevant Plan shall define measurable safeguards indicators (including on biodiversity condition, livelihood outcomes, grievance resolution). Regular monitoring must be conducted and documented throughout implementation. Where risks materialize or conditions change, applicants must apply adaptive management, updating mitigation measures accordingly.
The Plan shall also include a project-level grievance mechanism, accessible to affected stakeholders. Grievances must be recorded, addressed in a timely manner, and tracked to resolution. Serious or systemic issues must be escalated to MECB.

Reporting and Verification:
Applicants shall provide periodic Safeguards reporting proportionate to risk level. Higher-risk activities may be subject to independent review or third-party verification. Material incidents (e.g., environmental harm, rights violations) must be reported promptly.

Institutional Capacity:

Applicants must demonstrate adequate institutional capacity to implement safeguards, including
- Defined roles and responsibilities
- Access to qualified expertise
- Training where needed

Where capacity gaps exist, capacity-building measures shall be included in the activity design.

Key Performance Indicators (KPIs)

In the framework of its Results Monitoring activities, Luxembourg's ICF Strategy 2026–2030 tracks **10 Key Performance Indicators (KPIs)** (see Table A-1 in this Annex), which are aggregated across individual projects, programs or other initiatives to measure progress with respect to overall outcomes.

There is **one cross-cutting KPI** which measures climate mitigation benefits achieved, enabled or mobilized through the respective interventions; and there is a set of **three KPIs for each outcome** of the ICF Strategy.

A **set of KPIs concerning Outcome 1** (Empowered, climate-resilient local communities and institutions), measures the number of direct and indirect beneficiaries with enhanced capacities for climate adaptation and/ or mitigation achieved through the respective interventions, as well as the number of direct beneficiaries belonging to vulnerable groups (women, youth, people with disabilities, Indigenous Peoples and Local Communities (IPLCs) etc.).

Another **set of KPIs concerning Outcome 2** (Intact, climate-resilient terrestrial, intertidal and aquatic ecosystems) measures the areas of land- or seascapes under enhanced and effective protection, conservation and/ or sustainable use and management in response to climate variability and change, as well as the presence of local indicator species.

Outcome 3 (Accessible and effective financial systems, intermediaries, and instruments that mobilize and channel finance towards climate adaptation and mitigation), in turn, is measured via a **set of KPIs** that concern financial system stakeholders and financial instruments, enabling or strengthening climate adaptation and/ or mitigation, as well as the volume of private climate finance mobilized.

Partners may, of course, formulate more **specific outcome indicators** at the level of their respective projects, programs or other initiatives, but while there can be indicators that cover aspects unique to an intervention, there must also be indicators that fall under each of the overall outcome-KPIs (and that are measured in the same unit in order to allow for comparison and aggregation at portfolio level).
If one or several overall outcome-KPIs are not covered in the framework of an intervention, further explanations must be provided.
A comprehensive review of all outcome-KPIs taken together also allows for an analysis of the depth of the Climate Nexus Approach in the framework of a specific intervention or in a given context (with eventually high values for certain KPIs and low values for other KPIs indicating potential Climate Nexus trade-offs; or with eventually high values for several, interlinked KPIs indicating potential Climate Nexus synergies).

Results Monitoring occurs annually and - alongside Financial Monitoring and Strategic Engagement Monitoring - feeds into evaluation and learning processes and informs adaptive management to improve strategic coherence.

Table A-1: Key Performance Indicators (KPIs)

Cross-Cutting	
KPI 1: Volume of mitigation benefits (tCO_2e avoided, reduced, removed) achieved through the project/ measure (annually and over time); and/ or enabled through the project/ measure (indirect benefits); and/ or mobilized (indirect realization)	This indicator includes all greenhouse gas emissions (i.e. emissions captured in CO_2e emissions of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluoro-carbons, perfluorocarbons, and sulphur hexafluoride (SF_6) that are avoided, reduced or removed via the intervention in question (with the specific, commonly approved, methodologies being laid out in detail and with the benefits being estimated ex ante and confirmed ex post, both annually and cumulatively over the intervention period); and/ or all mitigation benefits that are enabled through the intervention; and/or all mitigation benefits that at are mobilized through the intervention; they can be disaggregated by gas, sector or any other category, relevant in a given context.

Outcome 1 Empowered, climate-resilient local communities and institutions	
KPI 2: Number of direct and indirect beneficiaries of technical assistance or infrastructure, equipment and services with an enhanced capacity for climate adaptation and/or mitigation, disaggregated by gender, age (youth/adult), and vulnerability status	This indicator includes all direct and indirect beneficiaries of technical assistance or infrastructure, equipment and services who demonstrate an enhanced capacity for climate adaptation and/or mitigation. Enhanced capacity refers to improved knowledge, skills, or ability to apply climate-relevant practices, technologies, or approaches in planning, implementation and/or management. Where feasible, capacity improvements should be assessed through pre- and post-intervention evaluations or other appropriate proxies (in particular, the local climate vulnerability context of the beneficiaries needs to be described and a clear link between the enhanced capacity and the expected reduced climate vulnerability of the beneficiaries needs to be established). Data under this indicator should be disaggregated, to the extent possible, by gender (female/ male/ other), age (including youth, 15-24 years), and vulnerability status. Beneficiaries in vulnerable situations include, inter alia, women, youth, members of Indigenous Peoples and Local Communities (IPLCs), persons with disabilities, and any other groups facing structural inequalities.
KPI 3: Number of direct and indirect beneficiaries of financial products and services with an enhanced capacity for climate adaptation and/or mitigation, disaggregated by gender, age (youth/adult), and vulnerability status	This indicator includes all direct and indirect beneficiaries who access financial products and services that support climate adaptation and/or mitigation. Financial products and services may include, inter alia, grants, concessional or commercial loans, guarantees, insurance products, payments for ecosystem services, carbon-related revenues, or other climate-relevant financial mechanisms. Access refers to the ability of beneficiaries to obtain and use such financial products or services for climate-relevant investments, activities, or practices. Where feasible, data should also capture the volume and type of finance accessed and the extent to which it is applied to climate adaptation and/or mitigation purposes (in particular, the capital sensitivity of the beneficiaries, i.e. how the capital made available helps them engage in a certain activity, and how material this activity is for their enhanced capacity for adaptation an/ or mitigation need to be explained). Data under this indicator should be disaggregated, to the extent possible, by gender (female/male/other), age (including youth, 15-24 years), and vulnerability status. Beneficiaries in vulnerable situations include, inter alia, women, youth, members of Indigenous Peoples and Local Communities (IPLCs), persons with disabilities, and any other groups facing structural inequalities.
KPI 4: Number of direct beneficiaries from vulnerable groups (women/ youth/ members of Indigenous Peoples and Local Communities/ persons with disabilities etc.) who are engaged in climate adaptation/ mitigation decision making	This indicator includes all direct beneficiaries who belong to vulnerable groups and who actively and meaningfully participate in climate adaptation and/or mitigation decision-making processes, including planning, implementation and/or evaluation. Meaningful participation refers to the opportunity to contribute to, influence, or co-determine decisions, rather than passive attendance or consultation. This may include participation in formal or informal governance structures, committees, or community-based decision-making processes. Beneficiaries in vulnerable situations include, inter alia, women, youth (15-24 years), members of Indigenous Peoples and Local Communities (IPLCs), persons with disabilities, and any other groups facing structural inequalities.

Outcome 2 Intact, climate-resilient terrestrial, intertidal and aquatic ecosystems	
KPI 5: Area of terrestrial and intertidal ecosystems under enhanced and effective protection, conservation and/ or sustainable use and management in response to climate variability and change (m2/ ha as a result of the intervention and m2/ ha after a relevant number of years after the intervention)	This indicator includes all landscapes (e.g. forests, grass lands, shrub lands, woodlands, wetlands, water bodies, watersheds, oases, urban green and blue spaces) that have been improved from a nature perspective and that present inherent climate mitigation and adaptation benefits. Relevant activities may reduce and reverse natural resource degradation, protect and enhance natural habitats and their ecosystem services, and therefore provide nature benefits to dependent communities (nature-based solutions). This indicator does not include terrestrial areas managed as offsets for other project-related impacts. Production landscapes (e.g. plantations, agriculture areas etc.) may be included where practices are applied that result in demonstratable benefits to nature, while not involving conversion of natural habitats.
KPI 6: Area of intertidal and aquatic ecosystems under enhanced and effective protection, conservation and/ or sustainable use and management in response to climate variability and change (m2/ ha as a result of the intervention and m2/ ha after a relevant number of years after the intervention)	This indicator includes all seascapes (e.g. ocean and coastal zones, including wetlands, deltas, mangroves, and reefs) that have been improved from a nature perspective and that present inherent climate mitigation and adaptation benefits. Relevant activities may reduce and reverse natural resource degradation, protect and enhance natural habitats and their ecosystem services, and therefore provide nature benefits to dependent communities (nature-based solutions). This indicator does not include aquatic areas managed as offsets for other project-related impacts. Production seascapes (e.g. aquaculture areas) may be included where practices are applied that result in demonstratable benefits to nature, while not involving conversion of natural habitats.
KPI 7: Number of local indicator species per m2/ ha present in a protected, conserved and/ or sustainably used and managed ecosystem	This indicator includes selected local indicator species that reflect changes in ecosystem condition, biodiversity, or climate resilience within the relevant ecosystem. Indicator species may include plants or animals and should be defined at program/ project level based on ecological relevance (e.g. keystone species, climate-sensitive species, or species of ecological or socio-economic importance). Where feasible, data should be collected relative to baseline conditions and monitored over time to capture changes in presence, abundance, or density (as this data collection may be difficult and costly, this indicator needs to be assessed in relation to practicability and data availability). Data may be disaggregated by any category relevant in a given context.

Outcome 3 Accessible and effective financial systems, intermediaries, and instruments that mobilize and channel finance towards climate adaptation and mitigation	
KPI 8: Number of financial intermediaries and other financial system stakeholders demonstrating enhanced capacity to design, implement, and/or scale climate adaptation and/ or mitigation finance solutions	This indicator includes financial intermediaries and other stakeholders of the financial system (e.g. financial institutions, funds, regulators, or other relevant actors) that demonstrate enhanced capacity to design, implement, or scale financial solutions supporting climate adaptation and/or mitigation and/or resilience. Enhanced capacity may include, inter alia, the development or deployment of new financial products, the integration of climate-related criteria into investment or lending decisions, or the execution of climate-relevant transactions. Where feasible, capacity improvements should be evidenced through practical application and sustained over time (and against a baseline market analysis with a description of the respective gaps, barriers etc. and how they are overcome by the support). Also, where feasible, instruments, frameworks, or policies should be designed to promote integrated climate outcomes, including mitigation, adaptation, and biodiversity co-benefits.
KPI 9: Number of financial instruments, project preparation facilities, platforms, frameworks, or policies supported, building the financial system that enables or strengthens climate adaptation and/or mitigation	This indicator includes all supported financial products or services, results of preparation activities, governance and enabling environment initiatives that have a direct effect on strengthening the mobilization of financing and the financial system for climate adaptation and/ or mitigation.
KPI 10: Volume of private climate finance mobilized (EUR)	This indicator measures the volume of private climate finance mobilized (in EUR) as a result of the intervention. Private climate finance includes financial resources provided by private sector entities (through loans, guarantees, co-financing structures, credit lines, vehicles, or other) for activities that support climate adaptation and/or mitigation. Mobilized finance refers to private finance that is directly attributable to the intervention, including through co-financing, parallel financing, or financial structures that catalyze private investment. (Methodologies used for calculating the volume of private climate finance mobilized should take into consideration OECD DAC, MDB approaches and orientation from the UNFCCC Standing Committee on Finance and should be approved by the MECB before application in the framework of a given intervention) Where feasible, data should be disaggregated by adaptation and mitigation and reported in accordance with internationally recognized methodologies. Where also feasible, mobilized finance should be disaggregated by mitigation, adaptation, and cross-cutting or nature-based activities, including those generating biodiversity or ecosystem co-benefits.

We reserve ourselves the right to make changes to this document, if necessary.