

The Mitigation Action Facility: A Learning Hub for Climate Action

A Leading Player in Driving Sectoral Decarbonisation

The ongoing climate crisis requires urgent action to avoid further negative impacts on our planet and societies. Developing countries and emerging economies play a significant role in climate change mitigation, preventing additional emissions as they industrialise while achieving the benefits of sustainable development. Including these countries in global efforts towards carbon-neutral developments requires industrialised nations to support them with technical and financial assistance for their mitigation projects. As a result, transformational sector-wide shifts will contribute to limiting the global temperature rise.

As a strong agent against climate change and for the empowerment of its partner countries, the Mitigation Action Facility renders a valuable contribution to the Paris Agreement. Countries can meet their Nationally Determined Contributions (NDCs) to the Paris Agreement through implementing mitigation actions. A set of policies and actions countries undertake to reduce greenhouse gas emissions, mitigation actions act as building blocks to fulfil NDCs. From the projects presented in Calls, the Mitigation Action Facility selects the most promising and provides financing support to foster implementations.

Project Spotlight: Brazil Industrial Energy Efficiency

With the support of the Mitigation Action Facility, the project aims to promote industrial energy efficiency investments in the state of São Paulo in Brazil and through that deliver a transformative push to the country's energy efficiency market. *PotencializEE*, as the project is called in Portuguese, focuses on industrial small- and medium-sized enterprises (SMEs), the supply chain for energy efficiency (including energy service companies, consultants and suppliers) and on public and private financial institutions.



Two auditors inspect efficiency of industrial equipment
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Vision and Calls for Projects

The Mitigation Action Facility was founded in 2012 jointly by Germany and the United Kingdom. In 2015, Denmark and the European Commission joined the programme as new donors, as well as the Children's Investment Fund Foundation (CIFF) in 2021. The Mitigation Action Facility has earmarked EUR 668 m in funding to hold open competitive Calls for applications and select projects. So far, the Mitigation Action Facility has conducted nine Calls. As of December 2022, the portfolio includes 47 projects. Calls are open to all sectors and all Official Development Assistance (ODA)-eligible countries.

In 2021, the Mitigation Action Facility launched the Ambition Initiative – Round Two, the most recent Call, which targets especially ambitious projects that aim to enhance their country's NDCs (more rapid or higher GHG reduction) while contributing to green recovery efforts from the Covid-19 pandemic. The Call, like the first round, especially reiterates the need for alignment with global partnerships, like the NDC Partnership and extends the scope to cover novel technologies. The Ambition Initiative Calls also feature higher upper funding volumes of EUR 25 m per project and offers disbursement of additional budget for highly successful projects. At COP27 in 2022, four projects were selected from Ambition Initiative - Round Two project outline submissions.

The ambition criteria are:

1. Potential for Transformational Change

Applicants must prove that their project goes beyond gradual changes, is embedded in national strategies, and incorporates government commitments and national ownership. The Mitigation Action Facility provides funds for a financial mechanism (e. g. revolving funds, loan subsidies, grants) and targets public and private leverage. It also supports projects through technical means (e. g. capacity building workshops for institutions involved, regulatory frameworks, technical assistance), enabling a catalytic effect that leads to scaling up and replicating initiatives.

2. Mitigation Potential

Each initiative must prove its potential for direct and indirect impacts that satisfy the objective of climate protection. Emissions reductions must be substantial and sustainable.

To illustrate the transformational potential of projects, the Mitigation Action Facility's Theory of Change represents projects as building blocks for the implementation of the NDC. As a results model, the Theory of Change outlines the projects' concepts through an overview of all necessary actions and their possible outcomes. It also provides a framework for improving monitoring, evaluation and continuous learning and bolsters the unique

Project Spotlight: The Gambia Grid-Connected Solar

"The Gambia- Investing in Grid-Connected Solar" aims to support financing of grid-connected renewable energy Independent Power Producers (IPPs), which will be supplying renewable electricity based on solar PV into six regional electricity grids. The project, based on the mitigation action, "Rural Electrification with Renewable Energy in the Gambia" and a grid-connected solar feasibility study, will generate approximately 30-40,000 MWh of electricity from solar PV and increase renewable energy's share in regional grids to 43 per cent. Annual emissions reductions of at least 7200 tCO₂ have been anticipated.



Individual walking past solar panels at facility © UNDP

values of each individual project and the Mitigation Action Facility as a whole. The Theory of Change establishes cooperative networks with agile and participatory agendas. Through these characteristics, the Mitigation Action Facility supports projects that enable an interlocking of regulatory and financial interventions and effectively empowers developing economies.

3. Financial Ambition

Each initiative must establish significant private sector participation and considerable public budget contribution. Only the conjunction of both establishes the interplay of regulatory restructuring and private incentive that accelerates transformation.

A Knowledge and Learning Hub

The Mitigation Action Facility functions as a Knowledge & Learning Hub that builds upon knowledge and learnings across all its activities generated through monitoring and evaluation. Therefore, it monitors the progress of partner countries' projects to enable evidence-based decision-making, improving outcomes at project level and learning from successes and challenges at the portfolio level.

The Mitigation Action Facility therefore collects and gathers learnings, makes available and disseminates them and facilitates their reuse and adaptation. Such practices will help build the capacity of future applicants, set examples for other governments and inspire others to raise ambition and replicate strategies and techniques.

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Published by: Mitigation Action Facility
Technical Support Unit
Köthener Straße 2–3
10963 Berlin
Germany

Mail to: contact@mitigation-action.org

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