Webinar - Call for Projects 2024 & Lessons learnt from Call for Projects 2023

Mitigation Action Facility

8 December 2023
Before We Start...

- Take a minute to take a survey and answer a few questions
- For that, follow the link published in a chat, or insert the following URL in the browser’s address panel:

  https://forms.office.com/e/4Kr4Rmm28f
Welcome to this Webinar

- Thank you for your interest in the New Call for Projects in 2024 of the Mitigation Action Facility!

- Goals for today:

  - Provide an overview of the Mitigation Action Facility
  - Elaborate on the Call for Projects 2024 – Call Process and Timeline
  - Share Lessons learnt from the Call for Projects 2023
  - Answer your questions and point to useful resources
The Mitigation Action Facility Webinar Team

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Structure of the Webinar

1. Technical overview
2. Mitigation Action Facility in a nutshell
3. Call for Projects 2024 – key features and timeline
4. Lessons learnt – Concept Phase of the Call for Projects 2023
5. Q&A
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Welcome to a Microsoft Teams event!

Control panel in the top right corner of your screen:

1. You are muted automatically
2. Submit your questions in the chat
Technical Overview - Subtitles

- Control panel in the top right corner of your screen:
  1. Click on 'More'
  2. Click on 'Language and speech' --> 'Turn on live captions'
  3. On the right side, click on the three dots ('...') to change caption language
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**Offer:**

**Solution**

Multilateral funding for a blend of technical and finance cooperation through bilateral projects selected in annual calls, demonstrating that climate finance can effectively catalyse transformational change and enhance carbon-neutral development.

**Political relevance**

Alignment and implementation support for Breakthrough Agenda, Nationally Determined Contributions (NDCs), Long-term Strategies and UNFCCC processes.

**Proven Success**

In 2023, more than 300 project concepts were submitted from 105 countries, indicating the Facility’s ongoing success in attracting the best mitigation projects from around the world.

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**Building on experience from the NAMA Facility (2013-2022)**

- 668 Million € committed
- 1.6 Billion € leveraged
- 47 projects selected
- 25.5 Million people benefitting
- 9.7 Million tons CO2 reduced
Priority Sectors

• Energy, transport and industry contribute 67% of annual global emissions.

• Global emissions must be halved by 2030 to tackle the climate emergency.

• Cross-sector projects linked to priority sectors are also supported.

- Energy: Renewable energy supply, integration and storage, energy efficiency
- Transport: Land transport, shipping, aviation, e-mobility, charging
- Industry: Heavy and light industry, production processes, product use
How the Facility works

Annual Calls for Projects for implementation in ODA-eligible countries focused on the 3 priority sectors providing:

- Competition based project selection
  - Country-driven projects
  - Diversity of delivery partners
  - Increased quality and innovation

Technical Assistance to enhance policies & enabling environment

- Technical Assistance
  - Developing capacity in countries
  - Policy support
  - Enabling environment
  - Transformative impact

Financial mechanism to support the significant mobilisation of climate finance

- Financial Mechanism
  - Unlock public & private investment
  - Scaling and replicating solutions in countries
  - Sustainability beyond project
Why apply for funding?

- No debt burden
  - 100% of funding is grant-based
- Open to all
  - Open to all ODA-eligible countries & no accreditation requirement for Applicants
- National ownership
  - Projects are country-driven & linked to NDCs, national development strategies & plans
- Project Support
  - Extensive advice at all phases of project cycle including provision of funding support for detailed proposal development
- Technical assistance & financial support
  - Up to EUR 25 m available per project for technical assistance and financial cooperation to support ambitious mitigation projects
- Flexibility
  - Meeting needs of individual projects, acknowledging dynamic country/sector contexts & socio-political & economic uncertainties
- Networking potential
  - Frequent exchanges on cross-cutting topics (e.g. financial mechanisms, monitoring, gender) between projects
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Key Features

Three priority sectors – energy, transport, industry – and support to cross-sectoral projects linked to one of the priority sectors

Continued focus on the implementation of Nationally Determined Contributions (NDCs), as well as emphasis on LTS, the United Nations Framework Convention on Climate Change (UNFCCC) processes, global cooperation (NDC Partnership)

Overall funding volume of the Call of up to EUR 100 million as well as an upper funding volume of EUR 25 million per project

Provision of a grant-based funding for projects that combine technical assistance and financial cooperation targeting market-based, sustainable and scalable financial mechanisms

A simplified application process featuring a competition of Project Concepts, preceding the submission of Project Outlines

Our motto:
Continuous action, consistent impact
Key Features

Our motto: Continuous action, consistent impact

- A limit of **10 Project Concepts per Applicant** including its regional representations and/or subsidiaries.

- An upper limit of **up to 25 Project Concepts selected to proceed into the Project Outline Phase** in which further, more detailed, elaboration of the project needs to take place.

- Tailored support in the Outline development provided to a small number of Project Concepts (out of the 25 selected for the Project Outline Phase) submitted by Applicants that have limited previous experience with the Mitigation Action Facility.

- Piloting modality for novel technologies.

- Public and private actors invited to submit Project Concepts.
Call for Projects 2024

Project characteristics:

• In one of three priority sectors, or a cross-sector linked to one of the priority sectors;
• Alignment with NDC Partnership Plans;
• Country-driven and embedded in national development strategies;
• Used to leverage additional public and/or private capital investment;
• Funding must qualify as ODA-eligible for DAC list countries;
• Implementation ready; and
• Apply intersectional understanding of gender and social inclusion

Eligibility and ambition criteria for Concept Phase:

• More information can be found in General Information Document - Call for Projects 2024

Sign up for our newsletter to receive updates on the Call for Projects 2024 Webinar Series
Project Cycle

Project Concept Phase will be followed by an Outline Phase, Proposal Phase, and Implementation Phase.

More information can be found in the General information Document - Call for Projects 2024

Board of the Mitigation Action Facility
Mitigation Action Facility, Technical Support Unit
Applicants, ASPs, Implementation Organisations
Who can apply?

When
- Project Concept Phase
  - Submission of Concept
    - National Ministry ('Applicant')
      - Suggestion with regard to a legal entity serving as 'Applicant Support Partner' (for the DPP contracting) shall come latest at the Project Outline Phase
    - Legal entity ('Applicant')
      - Must demonstrate the endorsement of Ministries
  - or
    - Legal entity ('Applicant')

What
- Project Outline Phase
  - Submission of Outline
    - National Ministry ('Applicant')
      - Should suggest a legal entity as 'Applicant Support Partner' (for the DPP contracting)
    - Legal entity ('Applicant')
      - Must demonstrate the endorsement of Ministries
  - or
    - Legal entity ('Applicant')

DPP / Proposal Phase
- Contracting of DPP
  - National Ministry ('Applicant')
    - Is the contracting partner to the Facility Grant Agent for DPP
    - Implements DPP in close cooperation with national Ministries and Implementation Organisation(s) if different from Applicant / ASP
    - Needs to fulfill eligibility criteria (see GID)
  - Legal entity ('Implementation Organisation(s)')
    - Submits the Project Proposal to the Mitigation Action Facility
    - Will be the contracting partner to the Facility Grant Agent for the implementation, if the project is approved for implementation
    - Must demonstrate the endorsement of national Ministries
    - Needs to fulfill eligibility criteria (see GID and Annexes to GID)

Implementation Phase
- Contracting of Project Implementation
  - National Ministry ('Applicant')
    - Needs to fulfill eligibility criteria (see GID and Annexes to GID)
  - Legal entity ('Implementation Organisation(s)')
    - Implements project in close cooperation with national Ministries and other project partners
Who can apply?

- **National Ministry (Applicant)**
  - Suggestion with regard to a legal entity serving as 'Applicant Support Partner' (for the DPP contracting) shall come latest at the Project Outline Phase

- **Legal entity (Applicant)**
  - Must demonstrate the endorsement of Ministries

- **Legal entity (Applicant or Applicant Support Partner)**
  - Is the contracting partner to the Facility Grant Agent for DPP
  - Implements DPP in close cooperation with national Ministries and Implementation Organisation(s) if different from Applicant / ASP
  - Needs to fulfill eligibility criteria (see GID)

- **Legal entity (Implementation Organisation(s))**
  - Submits the Project Proposal to the Mitigation Action Facility
  - Will be the contracting partner to the Facility Grant Agent for the implementation, if the project is approved for implementation
  - Must demonstrate the endorsement of national Ministries
  - Needs to fulfill eligibility criteria (see GID and Annexes to GID)

- **Implementation Phase**
  - Needs to fulfill eligibility criteria (see GID and Annexes to GID)
  - Implements project in close cooperation with national Ministries and other project partners
Who can apply?

Legal entities that could act as Applicants, Applicant Support Partners (ASPs) and Implementation Organisations include national and international institutions and organisations, incl. commercial entities.

They need to comply with certain capacity and eligibility requirements.

The **public benefit purpose** is mandatory for each project, i.e.

1. An individual economic advantage, commercial benefit or profit cannot be generated with the use of the Mitigation Action Facility funds.
2. Only **reasonable costs** directly related to the project plus **reasonable overheads** can be covered by the Mitigation Action Facility funds.

Section 3.4, 4.1, 5.1.1, 5.2.2 and Annex 3 (GID)
## Assessing Projects

<table>
<thead>
<tr>
<th><strong>Mitigation potential</strong></th>
<th><strong>Financial mechanism</strong></th>
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<tbody>
<tr>
<td>Realistic, clear and well-substantiated calculations for direct and indirect emission reductions</td>
<td>Well-defined institutional set-up, clear rationale for the proposed mechanism, coherent phase-out concept</td>
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<tr>
<th><strong>Technical and economic viability</strong></th>
<th><strong>Barrier analysis</strong></th>
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<tbody>
<tr>
<td>Inclusion of the technological rationale, appropriate business model</td>
<td>Proper analysis of the targeted sector- or country-context as well as that of the project</td>
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Lessons learnt from CfP 2023

Interesting features of CfP 2023 Concepts:

- Focus on hard to abate industries: cement, steel, chemical, maritime and air transport
- Demonstration projects: proven technologies targeting larger roll-out to prove and enhance commercial viability
- Cross-sectoral projects: mitigation technologies and practices are applied in more than one sector (waste to energy, energy efficiency & transportation)
Lessons learnt from CfP 2023

Things we noticed – and liked

- Concepts submitted by first-time countries
- Highly diverse pool of Applicants, with multiple national organisations
- Conservative timelines regarding start of mitigation, particularly relevant in projects with the bulk of GHG emission reductions occurring beyond the project’s timeline
- Cross-border projects – e.g. maritime transportation projects
- Barrier analysis that include not only financial and economic barriers but also behavioural and regulatory barriers among others
Lessons learnt from CfP 2023

- Regarding the business model and financial support mechanisms
  - Key financial data must be provided (expected inflows/outflows, NPV, ROI, etc.)
  - Absent description of business model behind the project
  - Financial support mechanisms selected without substantiation – barrier analysis
  - Unjustified need of support from the Mitigation Action Facility
  - Unclear distribution of funding across the financial support mechanisms
  - Funds leveraged by the project are not justified

- Please consult our previous webinars and publications for further guidance: https://mitigation-action.org/knowledge-learning-hub/
Lessons learnt from CfP 2023

**Theory of change**

- The catalytic effect and systemic change triggered by the project need to be sufficiently described
- Make sure to explain the project’s sustainability

**Project Scope**

- Lack of consideration of the value chain as a whole
- Address regulatory and behavioural issues that could prevent successful implementation
- Cross-sectoral projects need to have a clear connection to one of the core sectors
Lessons learnt from CfP 2023

Mitigation technology

- Unclear number of units expected to be deployed
- Selection of technologies without justification – present alternative technologies & explain why they are not fit for purpose
- The mitigation potential of each technology proposed must be presented – particularly in cases where multiple technologies are proposed.

Mitigation potential

- Clearly highlight the mitigation target during project implementation, and if necessary, separate it from other reduction periods such as lifetime savings
- The methodology used to describe the mitigation potential should be identified and basic assumptions provided (ideally, also calculations)
Lessons learnt from CfP 2023

Regarding gender

- Elaborate on how gender will be incorporated as part of the project activities
- Please consult our Gender Vision and Gender Action Plan: https://mitigation-action.org/publications/gender-vision/

Target groups

- Disconnect between project intervention and groups targeted
- Describe and quantify all target groups not only end-beneficiaries
Focus on means of transportation but not on infrastructure
Consider national electricity mix when proposing electric mobility projects
Narrow the type of EVs targeted – charging infrastructure not to be neglected
Don’t forget about presenting the business model supporting the project
Life-cycle and especially disposal of EV’s batteries shall be considered
Don’t forget to consider the impact on displacement of old technologies and the informal economy
Sectoral Observations

- As with all projects, justify the need for the Mitigation Action Facility support – particularly for large scale projects
- Design projects with a focus on the development of renewable energies rather than access to electricity
- Mini-grid projects tend to have rather low mitigation potential
- Sustainability of sourcing for biofuels needs to be considered
- Waste management plans shall be considered
Sectoral Observations

- Pursue projects that trigger transformational change instead of one-time replacement schemes with no scaling or replication
- Justify the need for the Mitigation Action Facility support – particularly for projects with business models that are already viable
- Align the project objectives with sectoral strategies and seek to leverage sectoral regulations
- Target incremental costs instead of the whole investment cost
- Address rebound effects – remove old devices from the market
- Waste management plans shall be considered
Sectoral Observations

- Elaborate on the business models for all key stakeholders in the value chain
- Ensure that there is a market and willingness to pay for “green” products
- Identify financial barriers, especially market barriers to private sector participation
- Consider energy mix and source of inputs – justify their selection
- Whole production system approach instead of just low-hanging fruits
Sectoral Observations

- Focus on Carbon Capture projects that support an overall reduction of emissions throughout the value chain
- For CCS projects consider/ensure that there is a reliable legal framework in the country concerned (establish long term management structure and ensure high retention rates)
- Projects supporting the use of waste as RDF/SRF must consider the sustainability of the waste source – strengthening of the value chain
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It’s time for your questions!
General Information Document (GID)

Available in:
- English

Coming soon:
- Spanish
- French
Highlighted resources

- Webpage of the Call for Projects 2024
- FAQs on the Call for Projects 2024
- Factsheet on Financial Mechanisms under the Mitigation Action Facility
- Factsheet on Transformational Change
- Contract Templates for Detailed Preparation Phase (DPP)
- Paper „Driving Sectoral Decarbonisation“
- Mitigation Action Facility’s Gender Vision & Gender Action Plan
- Mitigation Guidelines at the Project Concept Phase
- Webinars from the Call for Projects 2023 – recordings & slide decks
What is next?

- **Webinar recording & presentation** will be published on our website in the next few days.
- Next webinar focusing on the most common questions will take place on **7 February 2024 at 2pm CET**.
- **Publication of Clarification Notes**
  - Clarification Notes #1 – 17 January 2024 (for questions received until 14 January, 23:59 CET)
  - Clarification Notes #1 – 14 February 2024 (for questions received until 11 February, 23:59 CET)
- **Mitigation Action Facility website**: dedicated webpage of the Call for Projects 2024.
- Contact the TSU at **contact@mitigation-action.org**
- Subscribe to the newsletter under **www.mitigation-action.org/newsletter**

Please remember that the deadline for submitting Project Concepts under the Call for Projects 2024 is **29 February 2024, 3pm (CET)**.
Thank you for your participation and have a joyful end of the year!