



Mitigation Action  
Facility

On behalf of

Supported by:



Federal Ministry  
for Economic Affairs  
and Climate Action



INTERNATIONAL  
CLIMATE  
INITIATIVE



UK Government



Danish Ministry of Climate,  
Energy and Utilities



CHILDREN'S  
INVESTMENT FUND  
FOUNDATION

on the basis of a decision  
by the German Bundestag

# 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

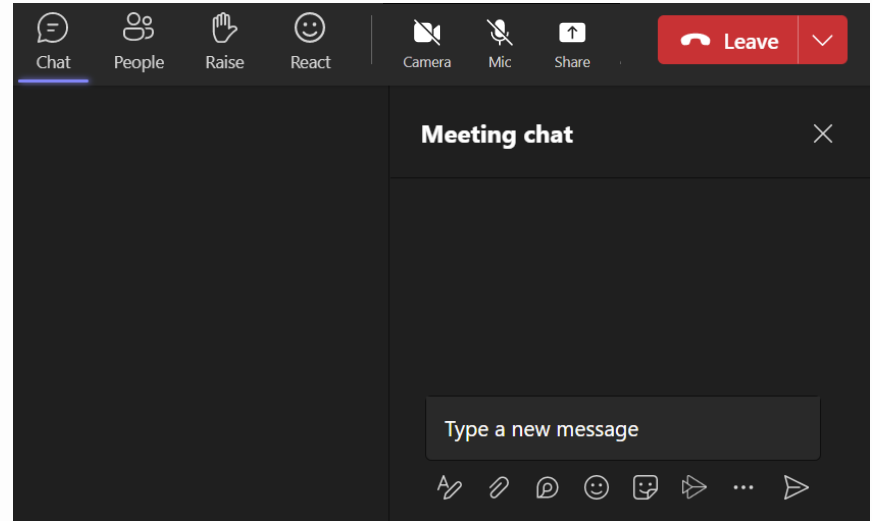
1. Technical overview
2. Mitigation Action Facility in a nutshell
3. Call for Projects 2024 – key features and timeline
4. Lessons learnt – Concept Phase of the Call for Projects 2023
5. Q&A

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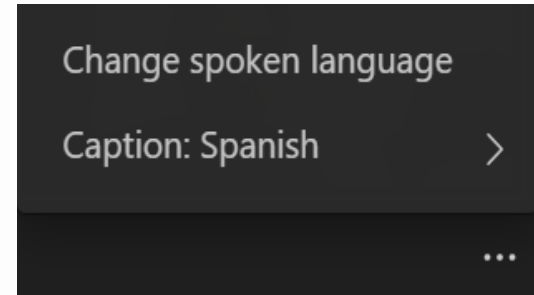
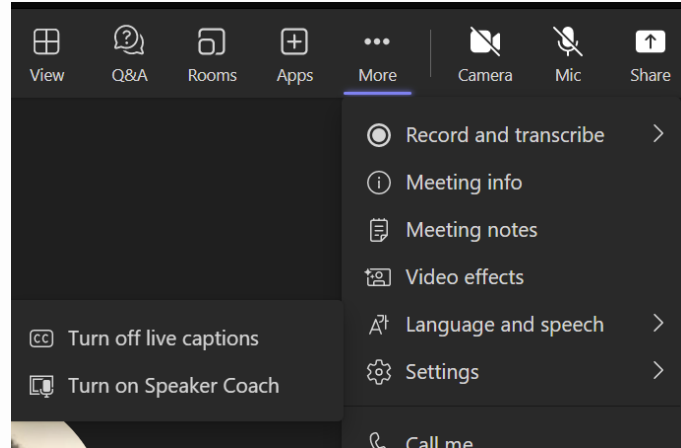
# Technical Overview

- 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.

## 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 CO<sub>2</sub> 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.



Renewable energy supply, integration and storage, energy efficiency



Land transport, shipping, aviation, e-mobility, charging



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



# Key Features

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

10

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

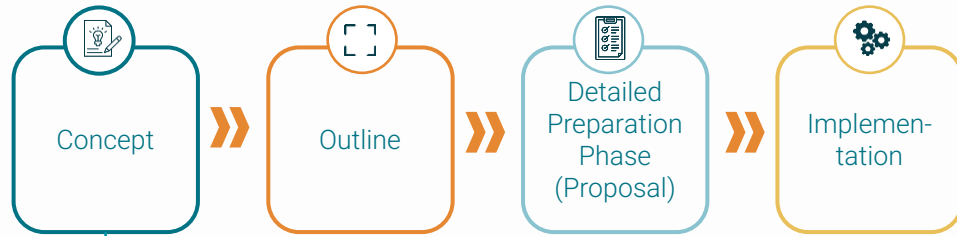


Public and private actors invited to submit Project Concepts





# Call for Projects 2024



- Submission of a Project Concept as the first step in applying to a Call for Projects of the Mitigation Action Facility
- Submission via an [Open Application Platform \(OAP\)](#)
- Slim structure of the Project Concept – ca. 8 pages
- No additional documents supplementing a Project Concept
- Further details and supporting materials on the [Call webpage](#)

## 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:

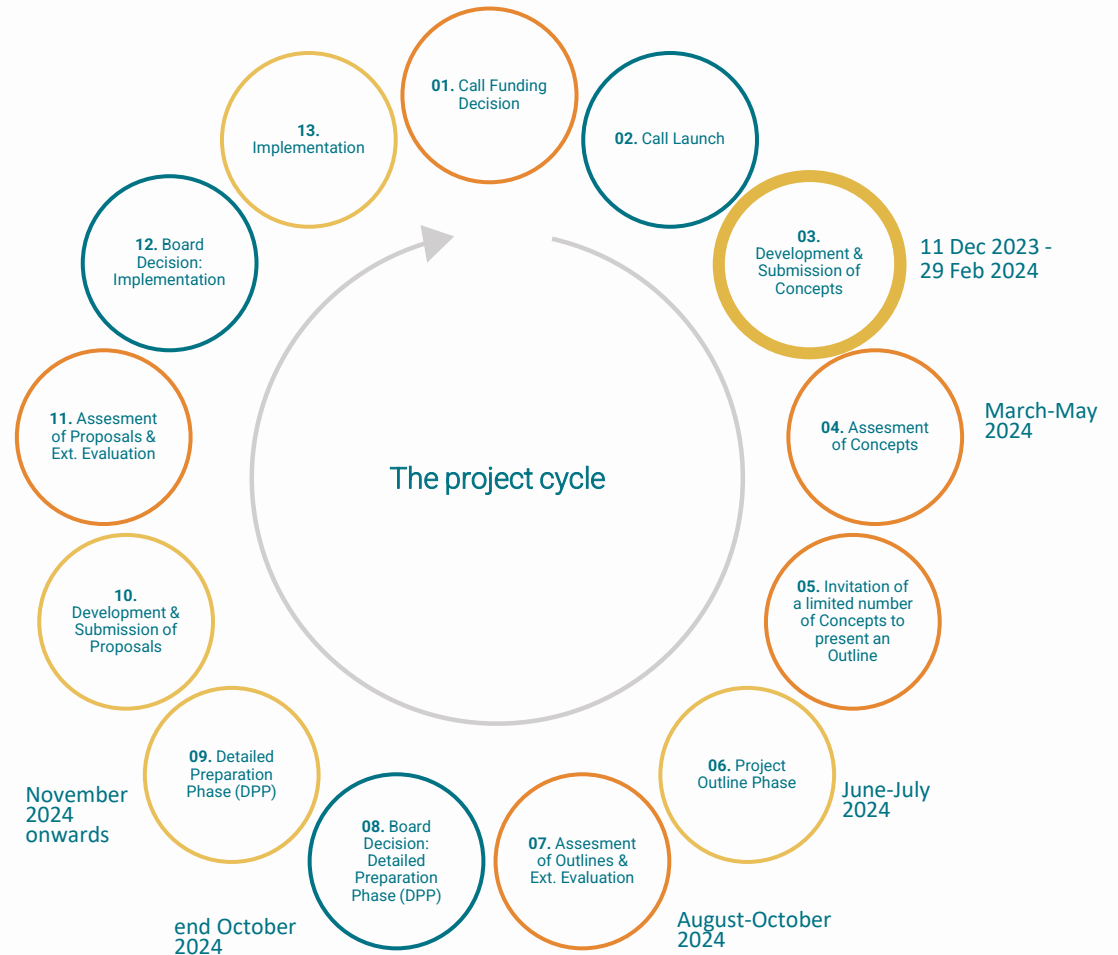
- More information can be found in [General Information Document - Call for Projects 2024](#)

Sign up for our [newsletter](#) to receive updates on the Call for Projects 2024 Webinar Series

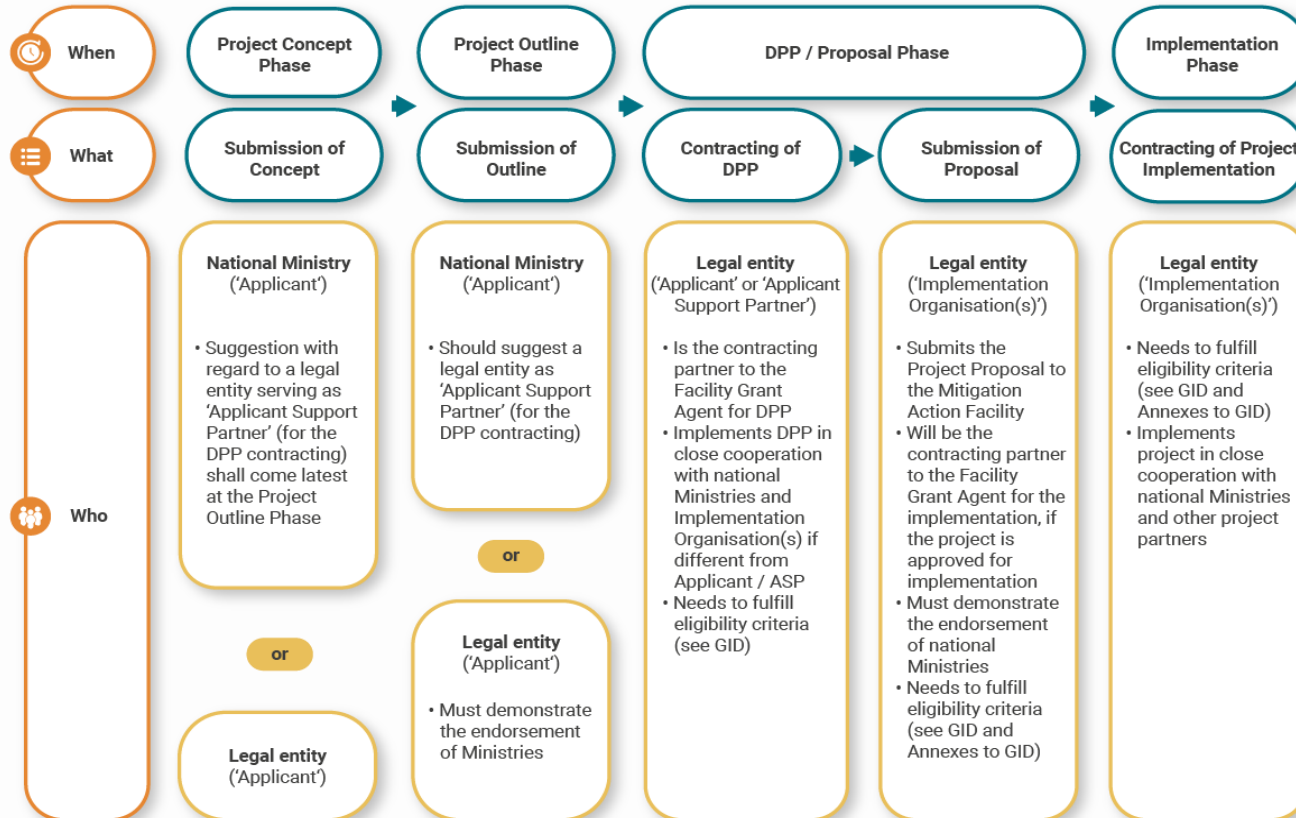
# Project Cycle

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

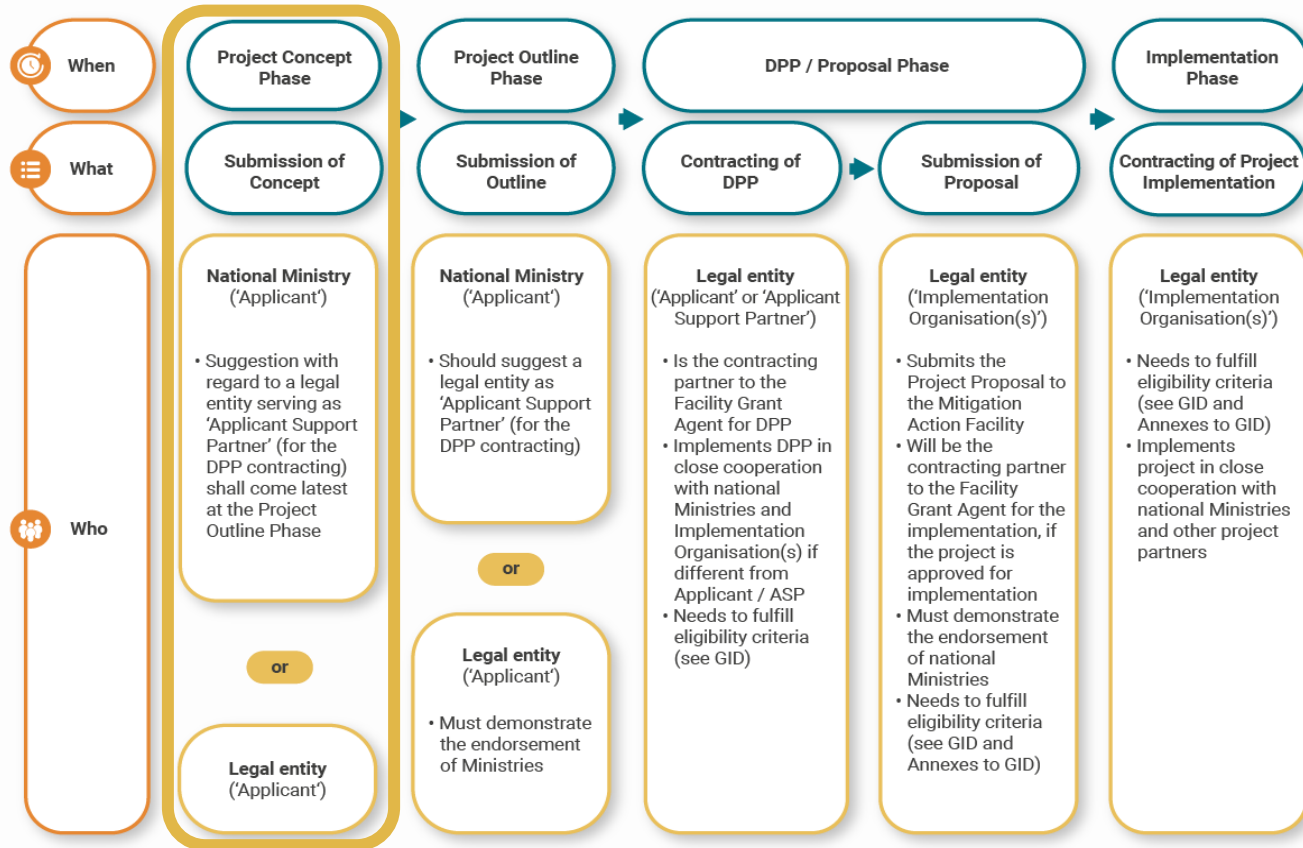
More information can be found in the [General information Document - Call for Projects 2024](#)



# Who can apply?



# Who can apply?



# 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



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

They need to comply with certain capacity and eligibility requirements

# Assessing Projects

## Mitigation potential

Realistic, clear and well-substantiated calculations for direct and indirect emission reductions

## Financial mechanism

Well-defined institutional set-up, clear rationale for the proposed mechanism, coherent phase-out concept

## Technical and economic viability

Inclusion of the technological rationale, appropriate business model

## Barrier analysis

Proper analysis of the targeted sector- or country-context as well as that of the project

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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

# Sectoral Observations

## Transport



- 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

## Energy



- 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

## Energy Efficiency

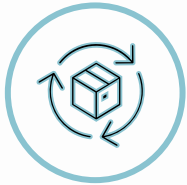


- Pursue projects that trigger transformational change instead of one-time replacement schemes with no scaling or replication
- Justify the need for the Mitigation Action Facility support – particularly for projects with business models that are already viable
- Align the project objectives with sectoral 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

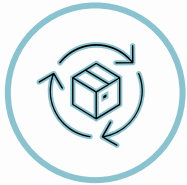
## Industry



- 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

## Industry



- 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

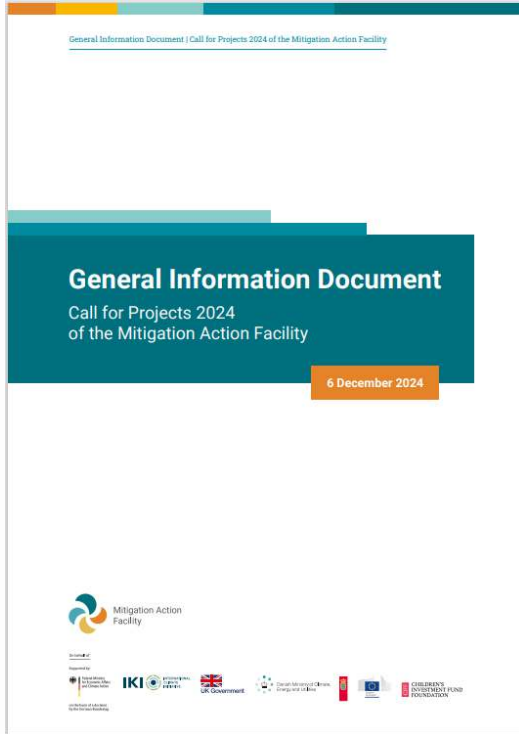
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5. **Q&A**

**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](mailto:contact@mitigation-action.org)**
- Subscribe to the newsletter under **[www.mitigation-action.org/newsletter](http://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)**



# Contact

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[Contact@mitigation-action.org](mailto:Contact@mitigation-action.org)



Thank you for your participation  
and have a joyful end of the year!

