Mitigation Action Facility

On behalf of

Supported by:

Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety

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CIFF CHILDREN'S INVESTMENT FUND FOUNDATION

Webinar II - Lessons learnt and common pitfalls from the previous Call for Projects

Mitigation Action Facility

December 2025

Welcome

Objectives of this webinar

- Provide a brief overview of the Call for Projects 2026
- Share lessons learnt from the previous Call for Projects
- Help shape your Concept submissions
- Highlight useful resources

Scan the QR code to watch the Call for Projects 2026 introductory webinar

The Mitigation Action Facility webinar team

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Structure of the webinar

1. Call for Projects 2026
2. Lessons learnt from the Concept Phase from previous Calls
3. Sectoral considerations
4. From lessons to action – the five most critical pitfalls

1. Call for Projects 2026

Call for Projects 2026

- Start your application with a Project Concept
- Submit via the Open Application Platform (OAP)
- Apply between **14 Nov 2025 and 25 Feb 2026 (3 p.m. CET)**
- Lean and streamlined Project Concept format
- No additional documents required
- All details and resources available on the Call for Projects webpage

Scan here for more details on the key refinements and changes to the Call for Projects 2026

2. Lessons learnt from the Concept Phase of previous Calls

Lessons learnt from previous Calls

Interesting features of Project Concept submissions

Focus on **hard-to-abate industries**:
e.g., cement, steel, chemicals, aluminum, and sustainable aviation fuel

Use of innovative, market-ready technologies as **demonstration projects**:
e.g., BESS deployment for grid stabilisation, geothermal energy development, and green industrial zones

Mitigation technologies are applied **across multiple sectors:**
e.g., energy efficiency in water utilities, and utilisation of gH2 to decarbonise industry

Lessons learnt from previous Calls

Aspects we noticed 👍 – and liked

Lessons learnt

- High share of Concepts from first-time countries ☑
- Diverse applicant pool with multiple national actors ☑
- Conservative timelines for mitigation start, especially where major GHG emission reductions fall beyond project duration ☑
- Emerging cross-border initiatives (e.g., Multi-Country – SCAF III, maritime transport) ☑
- Solid financial leverage strategies showing how Mitigation Action Facility funding unlocks or de-risks investment ☑
- Strong GESI focus across roles and beneficiaries ☑

Lessons learnt from the previous Calls

Areas for strengthening Project Concept submissions

Financial mechanism and business model

- **Grant-only designs** lacking leverage, replication, or scalabiling potential
- **Weak or non-viable** business models with unclear revenue flows, unrealistic assumptions, missing operators/ off-takers
- Financial models that cover **only the financial support mechanism** and not the underlying business models
- **Inconsistent FC/TC split** that does not align with total Mitigation Action Facility funding requested
- Large single-ticket designs **with minimal co-funding or private sector engagement**
- **Very low financial leverage** relative to high Mitigation Action Facility funding requested
- **Potential conflict of interest** where implementers are also commercial beneficiaries

Lessons learnt from previous Calls

Areas for strengthening Project Concept submissions

Theory of Change (ToC)

- ToCs often lack clear **causal pathways** from activities to outputs, outcomes, and transformation
- **Catalytic effects** and expected **systemic change** are insufficiently described
- Key assumptions (e.g., grid upgrades, policy shifts) are **unsubstantiated** or not linked to project activities

Lessons learnt from previous Calls

Areas for strengthening Project Concept submissions

Project scope

- **Narrow** project scope that overlooks upstream/downstream value-chain elements (supply, production, distribution, end-use)
- Insufficient attention to **regulatory or behavioural barriers** to successful implementation
- Cross-sectoral Concepts lack a clear link to one of the **priority sectors**
- Multi-country submissions often do not explain jurisdictional differences, policy environments, or implementation capacities

Lessons learnt from previous Calls

Areas for strengthening Project Concept submissions

Mitigation technology

- **Uncertain deployment volumes** for key technologies
- Insufficient **evidence of mitigation potential** per technology
- Proposed technologies sometimes misaligned with core **sector barriers**
- Social impact and energy access **overshadow core mitigation goals**

Lessons learnt from previous Calls

Areas for strengthening Project Concept submissions

Mitigation potential

- Inflated **mitigation estimates** where electricity mixes (grid) are carbon-intensive
- **Weak linkage** to decarbonisation trajectories or system transformation
- High mitigation potential in heavy industry/cement, but financing models remain **generic**

Lessons learnt from previous Calls

Areas for strengthening Project Concept submissions

Gender and target groups

- **Generic GESI components**, with few actionable measures or evidence-based insights
- Target groups unclear, too **narrow,** or missing quantification
- **Weak justification** for how beneficiaries will adopt or operate technologies

Additionality and eligibility

- **Unclear** additionality, similar initiatives exist without **justification** for Mitigation Action Facility funding
- Repeated submissions without **addressing prior feedback**
- **Language ineligibility** due to non-English submissions

3. Sectoral considerations

Sectoral considerations

Transport

- Go beyond vehicle replacement by addressing the full system, including energy supply, safety, interoperability, and circular aspects
- Base project design on a clear understanding of how people and goods move, using realistic baselines and operating conditions
- Integrate viable business models that cover operations, maintenance, aftersales services, and end-of-life solutions
- Deploy innovative solutions that reduce emissions and costs while demonstrating technical feasibility in the local context
- Assess and manage the impacts of technology transition on existing assets, jobs, and informal operators to support a just and inclusive transition

Sectoral considerations

Transport

- Align project with NDCs and national transport priorities to secure government ownership and long-term political support
- Frame strong co-benefits such as jobs, health, air quality, and affordability to safeguard political continuity
- Build financial support mechanisms on existing instruments and trusted intermediaries, with TA clearly de-risking and preparing investments
- Allow sufficient lead time for policy adjustments, market readiness, and financial mechanism rollout
- Design projects as scalable demonstrations at corridor, city, or system level with clear replication pathways

Sectoral considerations

Renewable energy

- As with all projects, justify the need for the Mitigation Action Facility support – particularly for large scale projects and those with business models that are already viable
- 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
- Grid stability and reliability should be considered for successful distribution of new electricity in the system
- Sustainability of sourcing for biofuels needs to be considered
- Waste management plans shall be considered

Sectoral considerations

Energy efficiency

- Pursue projects that trigger transformational change instead of one-time replacement schemes with no scaling or replication
- 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 considerations

Industry

- Align the project objectives with sectoral strategies and seek to leverage sectoral regulations
- 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 considerations

Industry

- Carefully select technology options to avoid technological lock-in and stranded technologies
- Carbon Capture, Utilisation and Storage (CCUS) should only be used as a technology option for deep decarbonisation of unavoidable process emissions
- CCUS technology can be an option for projects that aim for an overall reduction of emissions throughout the value chain
- Focus on Carbon Capture projects that support an overall reduction of emissions throughout the value chain

Sectoral considerations

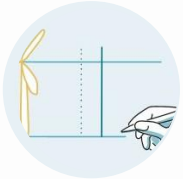
Industry

- For Carbon Capture and Storage (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)
- When using alternative fuels produced from non-recyclable municipal or industrial waste Solid Recovered Fuels (SRFs) are preferable to Refuse Derived Fuels (RDFs)
- Projects supporting RDF/SRF must ensure effective management of hazardous content and consider the sustainability of the waste source – strengthening of the value chain

4. From lessons to action – the five most critical pitfalls

From lessons to action – the five most critical pitfalls

Design principles for Project Concept submissions



PROJECT DESIGN

FINANCIAL COOPERATION AND BUSINESS MODEL

MITIGATION TECHNOLOGIES

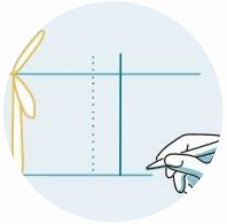
TECHNICAL COOPERATION COMPONENT

MARKET INFORMATION

From lessons to action – the five most critical pitfalls

Design principles for Project Concept submissions

Project design



- ✓ Ensure balance between the **Technical Assistance (TA)** and **Financial Cooperation (FC)** component to enhance transformational potential
- ✓ Clearly distinguish the **roles and objectives** of TA and FC
- ✓ Demonstrate **long-term sustainability**, **scaling-up potential**, and pathways for continuation beyond the project period
- ✓ Avoid short-term or one-off interventions without durable impact
- ✓ Calibrate your project scope carefully:
  - Focused enough to generate **meaningful impact**
  - Broad enough to remain relevant to **target groups**, geographies, and **technologies**

From lessons to action – the five most critical pitfalls

Design principles for Project Concept submissions

Financial Cooperation & business model

- ✓ Avoid financial mechanisms that are overly concessional without a clear strategy for **sustainability** or **replication**
- ✓ Engage **credible financial institutions** that understand climate finance needs and can support implementation
- ✓ Strengthen leverage by mobilising **additional public and private investment**
- ✓ Present a well-developed, **credible and bankable** business model aligned with the project's objectives

From lessons to action – the five most critical pitfalls

Design principles for Project Concept submissions

Mitigation technologies

- ✓ Ensure the technologies directly address **local barriers** such as affordability, regulatory gaps, or lack of awareness
- ✓ Demonstrate **strong and competitive GHG mitigation potential** backed by plausible and context-appropriate data
- ✓ Show how the proposed **technologies are feasible**, relevant, and add value within the local market landscape

From lessons to action – the five most critical pitfalls

Design principles for Project Concept submissions

Technical Cooperation component

- ✓ Clearly show how the project will address key regulatory, institutional, or policy barriers affecting market transformation
- ✓ Avoid over-reliance on pre-investment or preparatory studies – the project should demonstrate **readiness** for implementation
- ✓ Ensure technical activities are **directly linked** to enabling conditions for scaling and long-term sectoral change

From lessons to action – the five most critical pitfalls

Design principles for Project Concept submissions

Market information

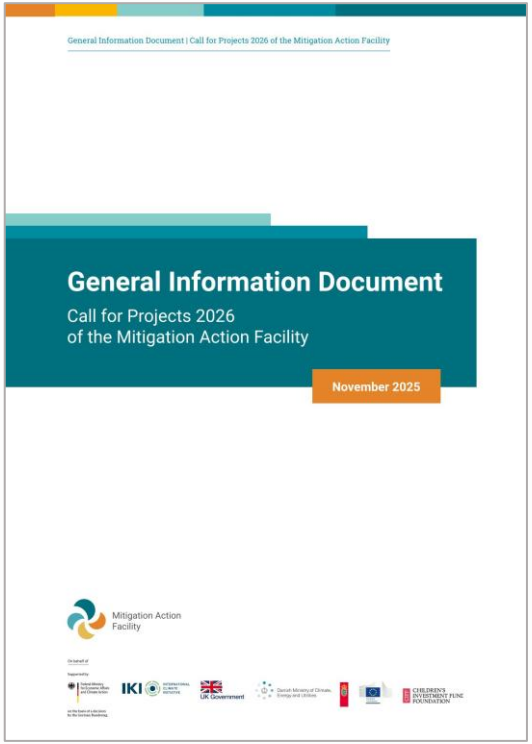
- ✓ Provide a clear overview of the current business-as-usual (BAU) **market conditions** to justify the need for the intervention
- ✓ Identify a realistic **pipeline for technology adoption**, including the actors likely to benefit
- ✓ Demonstrate project **additionality** by explaining how the intervention goes beyond existing donor-funded or government initiatives
- ✓ Clarify the specific market barriers your project aims to address and how your activities respond to them

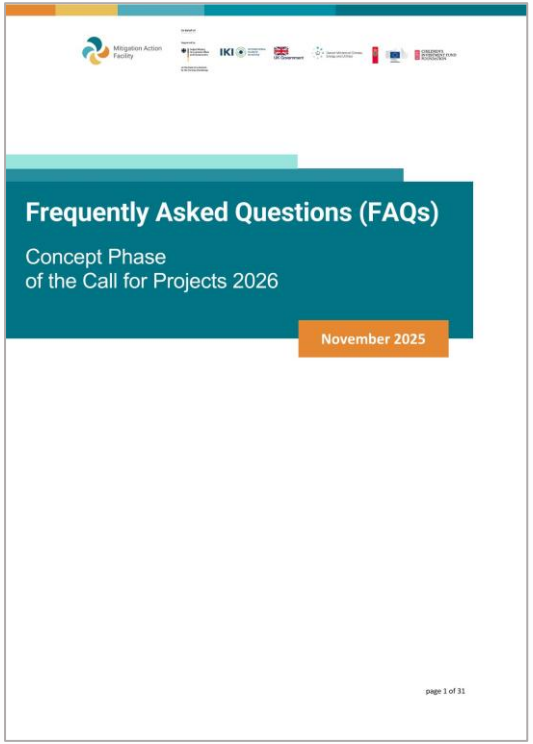
Key resources for applicants

Key guidance documents

Available in:

- English
- Spanish
- French
- Arabic





Highlighted resources

- Webpage of the Call for Projects 2026
- General Information on the Call for Projects 2026
- Transformational Change Measurement Framework (TCMF) – Guidance Note
- Monitoring and Evaluation (M&E) Framework 2024
- Mitigation Guidelines at the project Concept Phase
- Common pitfalls in Project Concept submissions
- Webinar recording: Introduction to the Call for Projects 2026 and new features
- Tutorial recording: Navigating the Open Application Platform (OAP)

What is next?

- **Webinar recording and presentation** will be published on our website in the next few days
- Mitigation Action Facility website: **dedicated webpage of the Call for Projects 2026**
- Contact the TSU: **contact@mitigation-action.org**
- Subscribe to the newsletter: **www.mitigation-action.org/newsletter**

Please remember that the deadline for submitting Project Concepts under the Call for Projects 2026 is 25 February 2026, 3pm (CET)

Thank you for watching!

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