

Call for Projects 2024, Concept Phase – Clarification Notes I

On behalf of

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 Danish Ministry of Climate, Energy and Utilities

1 General issues

CN I-01 What is meant by the "capacity to implement financial mechanism"? In case technical expertise is available through working on policies, training, capacity development, etc., what kind of partners are additionally required to fill the gap?

Projects supported by the Mitigation Action Facility cannot focus solely on technical assistance and need to have a financial mechanism.

The capacity (and mandate) to implement a financial mechanism depends on the mechanism itself. Organisations having technical expertise are usually in a position to disburse grants / subsidies. In case of concessional loans or guarantees, the organisation or organisations that would host and implement such mechanisms are likely to be financial institutions such as MFIs, DFIs, etc.

For additional information on financial mechanism please refer to <u>FAQ 72</u> as well as consult the <u>factsheet on financial mechanisms</u>.

CN I-02 What is meant by the statement that "the Implementation Organisation (alone or in a partnership / cooperation) needs to demonstrate that it has all relevant capacities required to implement the project including the financial mechanism. In case an entity only covers part of the required qualifications, e.g. an NGO that has a purely technical assistance background without experience in handling major investment funds, it is recommended to identify a partner to cover the remaining required qualifications"?

It means that a consortium can be formed to deliver the entire project, e.g. one organisation focusing on the Technical Cooperation (TC) component and the other on the financial mechanism (Financial Cooperation, or FC component). Specific institutional set up in such case depends on the agreement between the two organisations.

For additional information please refer to <u>FAQs 19 and 54</u>.

¹ For Glossary, please check the General Information Document (GID), Annex 2 or the website of the Mitigation action Facility



On behalf of



CN I-03 Is it correct to assume that the Call for Projects 2024 focuses on countries that are members of either Climate Club or Just Energy Transition Partnership (JETP)?

No, that's not correct. The Call for Projects 2024 as all previous Calls of the Mitigation Action Facility is <u>open to all ODA-eligible countries</u>. For more details refer to <u>FAQs 35 and 38</u>.

Where applicable, synergies with and a clear reference to the political agreement of the JETPs as well as the consecutive papers (such as an investment plan or an implementation plan) and the Climate Club priorities on transforming industries in the respective countries are highly encouraged.

CN I-04 Is the Mitigation Action Facility an official partner of the NDC Partnership?

There is no formalised partnership agreement between the Mitigation Action Facility and NDC Partnership (NDCP), but the Mitigation Action Facility works closely with NDCP and requires that the projects seeking financial support align with individual NDC Partnership Plans as long as those exist in the respective country of implementation.

For additional information please refer to FAQ 18.

2 Selection criteria

CN I-05 What are the assessment criteria for renewable energy projects?

All eligible Project Concepts submitted to the Mitigation Action Facility are assessed based on the same key technical criteria as outlined in the <u>General Information Document (chapter 5.1.3)</u>. There is no sector-specific differentiation in the assessment criteria.

For details, please see FAQ 25.

CN I-06 Are there any preferences on the side of the Mitigation Action Facility in terms of types of supported projects, e.g. projects that introduce innovative mitigation technologies versus projects that upscale existing approaches and mitigation technologies?

There are no preferences given to either type of the projects.

For projects piloting novel technologies, it is important to propose a viable financial mechanism as well as accomplish the shift to the large-scale project within the project's lifetime. For details refer to <u>FAQs</u> <u>70 and 71</u>.

For the projects focusing on upscaling of existing approaches, it is essential to ensure additionality (i.e. the project does not overlap and/or simply repeat previous or ongoing initiatives). For details refer to FAQ 69.

3 Eligibility of countries

CN I-07 We are not sure that the country we plan to implement the project in is eligible to receive funding from the Mitigation Action Facility. Where can we find the list of eligible countries?

As stated in the <u>General Information Document</u> and <u>FAQs</u> published on the <u>webpage of the Call for</u> <u>Project 2024</u>, the Call is open to all ODA-eligible countries. It means countries that are included in the



Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC)-list.

For more information refer to FAQ 35.

4 Eligibility of Applicants, Applicant Support Partners (ASP)² and Implementation Organisations

CN I-08 According to the General Information Document, a "national ministry" can serve as an Applicant. Does it mean that the Concept can only be submitted by a person formally employed by a national ministry?

In all Calls for Projects of the Mitigation Action Facility, an Applicant is first and foremost an entity and not an individual person. If the national ministry serves as an Applicant, it means that the submission is authorised by the respective national ministry and is exercised by the ministerial staff.

CN I-09 Can a social for-profit enterprise submit a Project Concept as an Applicant, or does it need to form a consortium?

A Project Concept can be submitted by both an individual Applicant and a consortium. For details, please refer to the <u>General Information Document (chapter 5.1.1)</u>, <u>FAQs 4 and 43</u>.

CN I-10 Are there any limitations in terms of the type of Project Partners that the project can engage with?

No, there are no any specific limitations. Project Partners are expected to be existing entities with the required national mandate and to possess the relevant experience to implement climate change mitigation actions / NDCs.

For more information please refer to the <u>General Information Document (chapter 3.5)</u>.

CN I-11 Can a sub-national entity, e.g. regional ministry in a country with a federal system of government, submit a Project Concept? Can this Concept focus on activities such as formulation of Net-Zero roadmaps and related initiatives?

Yes, a sub-national entity can serve as an Applicant at the Project Concept Phase (additional information is in FAQ 43).

Regarding the content of the project, please note that the focus of the Mitigation Action Facility's support is on the implementation of actual projects leading to direct (and indirect) reduction of GHG emissions. The Mitigation Action Facility does not provide funding for the development of national (and sub-national) mitigation actions and/or roadmaps.

For additional information please refer to <u>FAQ 73</u>.

CN I-12 Does a sub-national entity need an Applicant Support Partner (ASP)?

² For Glossary, please check the <u>General Information Document (GID)</u>, Annex 2 or the <u>website of the Mitigation action Facility</u>



A sub-national entity can serve as an Applicant at the Project Concept Phase. If the respective Concept is selected for the Outline Phase, the entity in question will receive further guidance from the Technical Support Unit (TSU) regarding the need in identifying an ASP.

5 Eligible support instruments and technologies in projects

CN I-13 What does the Mitigation Action Facility expect in terms of the technical assistance and financial mechanisms? Could you share some examples of projects currently being funded?

Please find project examples on the website of the Mitigation Action Facility.

More information on financial mechanisms with some examples can also be found in a <u>factsheet on</u> <u>financial mechanisms</u> as well as in <u>FAQ 72</u>.

When technical assistance is concerned, the general guidance provided the <u>General Information</u> <u>Document</u> can be of help: *Technical assistance* [...] *is expected to catalyse investments as well as strengthen capacities and trigger behavioural change, resulting in sector-wide shifts to improve livelihoods and create other co-benefits such as socio-economic, ecological, and institutional development, including gender-responsiveness and social inclusion*. Additional details on TA are also outlined in FAQs 33 and 34.

CN I-14 According to the mission statement of the Mitigation Action Facility in the General Information Document, one of the key tasks of the Facility is to "Deliver finance to support technical assistance (e.g. policy advice, trainings, awareness-raising, technology transfer) that enables capacity and policy development". Does this entail supporting INGOs which can work with local partners in order to provide capacity development, propose policy reforms, etc.?

Yes, it entails various forms of technical assistance, or TA, as part of the Technical Cooperation (TC) component of a project. However please note that the projects also need to have a Financial Cooperation (FC) component with a clearly defined financial mechanism. The latter in combination with TA should serve to address potential barriers for investment and leverage public and private support for mitigation activities.

6 Submission of Project Concepts

CN I-15 Where can we find some guidance regarding information that is to be provided in the Project Concept?

When filling out a Concept form in the <u>Open Application Platform (OAP</u>), Applicants will see guiding questions specifying which information is expected to be provided in each section of a Concept. Applicants are also welcome to take a look at an <u>example of the Project Concept template</u> on the website of the Mitigation Action Facility. <u>Please note that this document serves as a guidance for Applicants and is not suitable for an actual submission of a Project Concept.</u>

CN II-16 The Project Concept template in OAP has strict limits on the number of characters. Is it possible to increase the number of characters?

The limitation of the number of characters is intended and cannot be changed. Please adhere to the requirements in <u>OAP</u>.





Last but not least...

Couldn't find an answer to your question?

In line with our clarification policy for the Call for Projects 2024, please submit your question in writing to <u>contact@mitigation-action.org</u>.

We will publish the clarification on the Mitigation Action Facility's website as part of the Clarification Note publication on the <u>webpage of the Call for Projects 2024</u> and respond to your query directly.

The next and last Clarification Note will be published on 14 February 2024 – be sure to submit your question to the Mitigation Action Facility by 11 February, 23:59 CET to ensure that your clarification is included.