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# Call for Projects 2025 – Outline Phase

## Frequently Asked Questions (FAQs)

## Abbreviations

ASP	Applicant Support Partner
CN	Clarification Note
DPP	Detailed Preparation Phase
EDD	Enhanced Due Diligence
FAQ	Frequently Asked Questions (a Mitigation Action Facility document)
FC	Financial Cooperation (component of a project)
FGA	Facility Grant Agent
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse Gas
GID	General Information Document (a Mitigation Action Facility document)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
M&E	Monitoring and Evaluation
NAMA	Nationally Appropriate Mitigation Action
NDC	Nationally Determined Contribution
NDCP	Nationally Determined Contribution (NDC) Partnership
OECD DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development
TC	Technical Cooperation (component of a project)
TSU	Technical Support Unit
UNFCCC	United Nations Framework Convention on Climate Change

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<sup>1</sup> For Glossary, please check the [General Information Document \(GID\)](#), Annex 2 or the [website of the Mitigation Action Facility](#)

## 1 General issues

### FAQ 1 When should an Applicant indicate interest to receive > EUR 25 million for the implementation?

As described in the [General Information Document \(GID\)](#), section 4.1 “Project Characteristics”, the total funding volume requested for the implementation of a project should be in a range of EUR 5 – 25 million. In exceptional cases, the total funding volume might deviate from this range. In those cases, Applicants need to indicate this already in their Outline and provide a robust justification.

Please note: Funds > EUR 25 million will only be considered for achieving additional benefits going beyond economies of scale.

### FAQ 2 At what point should “successful projects proving a substantial upscaling potential” apply for additional budget to support upscaling, and when will a decision be made on whether a project in implementation is eligible to receive this additional budget for specific upscaling activities?

Highly successful projects having substantial upscaling potential can apply for the disbursement of additional budget towards the end of Implementation Phase 2. There is no need to indicate interest already during the Outline Phase.

The respective request will be reviewed and assessed by the Mitigation Action Facility on the basis of the project’s performance during implementation, its potential for upscaling and justification for the need in additional budget which is to be used for specific upscaling activities that are relevant to the original project. The decision will be taken by the Board of the Mitigation Action Facility and will be subject to the availability of funds.

### FAQ 3 Is it possible to obtain a successful Project Outline as a reference?

No, the Mitigation Action Facility is not authorised to share or publish Project Outlines it has received in previous Calls. You are encouraged to consult the supporting materials on the website of the Mitigation Action Facility, including [Mitigation Guidelines](#) and [“DOs and DON’ts in Outline development”](#) to name a few.

### FAQ 4 Can you provide any guidance on requirements to projects with regard to gender equality and gender mainstreaming activities?

The Mitigation Action Facility strives towards scoring a 1 in the [OECD DAC gender equality policy marker](#) and achieve a gender-responsive implementation of all relevant activities at the programme and project levels. Should a project be selected for the Detailed Preparation Phase (DPP), instructions on the integration of Gender Equality and Social Inclusion (GESI) will be provided by the Technical Support Unit (TSU).

Moreover, the TSU has a number of resources available online that may serve as guidance to Applicants on the GESI topics. The materials include [Mitigation Action Facility's Gender Vision](#), [Gender Action Plan \(link will follow\)](#) and [M&E Framework](#) (chapter 3.5.2, Annex 6.6 and 6.7). In addition, ideas and specific activities can be drawn from insights on [gender integration in](#)

[Nationally Determined Contributions \(NDCs\)](#) compiled by the International Union for Conservation of Nature (IUCN).

**FAQ 5 Assuming that a project in implementation procures items, e.g. a renewable energy technology, and private sector actors contribute co-funding for the purchase of this item: Will those assets become the full property of those private actors?**

Depending on the details of the case in question, generally those assets will become the property of the private actors investing. However, please keep in mind that all projects need to serve a public-benefit purpose and beneficiaries of projects must be selected in an open and transparent way.

**FAQ 6 According to the GID, the potential Implementation Organisation(s) are required to have experience with the implementation of projects with a similar funding volume as requested from the Mitigation Action Facility. In case of two different Implementation Organisations managing different project components, would each of the organisations be required to demonstrate its ability to manage funding comparable to the amount that it will be managing as part of the project?**

Yes, among other eligibility criteria, an Implementation Organisation or Implementation Organisations that will be responsible for executing the project are required to demonstrate their experience with funding volumes comparable to the budget they will manage as part of the project or the respective project component.

Please note that an Implementation Organisation may be different from an Applicant or Applicant Support Partner (ASP). An Implementation Organisation or Implementation Organisations may be identified and nominated within the first three months of DPP in case of a successful selection of a Project Outline.

**FAQ 7 According to the GID, some Applicants may receive support in Outline development. What should an Applicant do in order to receive this support?**

The Board of the Mitigation Action Facility selects a limited number of Project Concepts that will receive support in Outline development. As of now, there is no possibility for Applicants to “request” Outline development support.

## 2 Selection criteria

**FAQ 8 Where can we find out more information about the assessment criteria for Project Outlines?**  
Please review section 5.1.7 “Project Outline Assessment Criteria” of the [GID](#).

**FAQ 9 Will we be penalised in scoring if we take very conservative approaches in measuring project results?**

Not at all. Applicants are highly encouraged to only propose what is truly realistic and feasible to be achieved. If the Project Proposal deviates from the initial Project Outline in terms of proposing significantly lower ambition (not only direct mitigation and financial leverage, but also transformational change), the project risks not being considered for the Implementation Phase. Therefore, Applicants / ASPs are encouraged to base their estimates on conservative

figures from the very beginning and to align the planning / sequencing of project activities with regard to potential implementation risks. This also applies to budget planning.

All assumptions underlying the mitigation potential and financial leverage should be realistic and in case of uncertainties, applicants should take a conservative approach. In particular, GHG emission reductions over the lifetime of infrastructure projects should take into account the temporal impacts of planning and timescale of investments, including allowances for permitting, planning and procurement, amongst others, in relation to the lifetime of the project. During the assessment of Project Outlines, the underlying assumptions and numbers are subject to rigorous plausibility checks.

For example, in order to reach a goal of installing and operating 100 units of a mitigation technology, you would likely need to work on a lot more than 100 units, as some might not enter operation at all and some might encounter technical or financial defaults during operation. In short, not every activity that is begun will be concluded successfully. Therefore, in order to achieve 100 units, one will have to work on 100+x units and include these into the financial model and factor this in when estimating the expected GHG emissions mitigation effect.

**FAQ 10 How does the Mitigation Action Facility assess the scalability of projects in the context of transformational change?**

During the assessment process, it is evaluated, whether upscaling or replication is foreseen at the national or even regional level or in other sectors. It should be clear how the project intends to effect a transformation, including specific activities and / or financial mechanism(s) intended to scale up or replicate the successful impacts of the project beyond its boundaries. More information on the 'Potential for Transformational Change' can be found in [this factsheet](#).

**FAQ 11 How does the Mitigation Action Facility define "mobilised" or "leveraged" funds?**

Mobilised finance pertains to additional funds (private, public or other donors) directly leveraged by the Mitigation Action Facility project through the utilisation of its financial mechanisms / financial contributions. Mobilisation is synonymous with the leveraging of finance. Please take a look at the [Monitoring and Evaluation Framework](#) (Annex 5), to better understand the nature of the financial leverage/mobilisation by a project.

**FAQ 12 Does the Mitigation Action Facility define a specific share or threshold that public and / private mobilised funding need to amount to?**

The Mitigation Action Facility does not set a minimum threshold for the private and public leverage. It is important to demonstrate how the mitigation technology or practice proposed in the project will be financed and showcase that the project will create favorable market conditions for further uptake and upscaling of the mitigation technology or practice. During the assessment of Project Outlines, the leverage ratio is taken into consideration in the country- and sector-specific context.

Good to know: Projects that have been selected in previous Calls propose an average financial leverage ratio of 1:7, i.e. each euro of Mitigation Action Facility funding provided to projects mobilises a further seven euros in additional investment.

**FAQ 13 Is it expected that the funding provided by the Mitigation Action Facility covers the entire cost of the project implementation or only a part of it?**

The funding that can be provided by the Mitigation Action Facility for a project implementation as part of the Call for Projects 2024 may lie in a range of EUR 5 – 25 million and may cover a full cost of the project implementation or a part of it if the project is co-financed through other public and / or private sources of financing.

**FAQ 14 Can you please further define the term "implementation ready" as used in the GID?**

Readiness refers to the degree of maturity and the level of detail in the elaboration of a project. Activities to prepare a project for implementation (e.g. signing agreements with the partners, establishing the financial mechanism etc.) are generally referred to as readiness activities. In that sense, the Mitigation Action Facility considers a project to be "implementation ready", when it can be practically implemented (incl. the planned scope and scale) after a short phase of a detailed preparation. The Mitigation Action Facility funding cannot be used to finance research activities or conceptual development of climate change mitigation technologies.

Please note: Feasibility studies can be supported in limited cases only if specific details still need to be clarified; however, the overall technological and economic feasibility should already have been analysed before the Project Outline is submitted to the Mitigation Action Facility.

### **3 Eligibility of Applicants, Applicant Support Partners (ASP)<sup>2</sup> and Implementation Organisations**

**FAQ 15 Can governments be directly contracted for DPP or Implementation?**

The Mitigation Action Facility cannot directly contract national ministries for DPP or implementation due to administrative reasons. If the Applicant is a national ministry, then the Mitigation Action Facility requires the nomination of an ASP, a legal entity, as the contracting partner for providing the funding support during DPP.

For a potential implementation, an Implementation Organisation needs to be nominated to become a contracting partner of the Facility Grant Agent (FGA) for the implementation (see the [GID](#) section 5.1.1, 5.2.2 and Annex 3).

**FAQ 16 What is the difference between an Applicant and an ASP?**

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<sup>2</sup> For Glossary, please check the [General Information Document \(GID\)](#), Annex 2 or the [website of the Mitigation Action Facility](#)

An Applicant submits a Project Concept and a Project Outline to the Mitigation Action Facility. If a Project Outline is selected to proceed to DPP, a national ministry serving as an Applicant has to nominate an ASP (that is a legal entity) as the contracting partner for receiving the funding support during DPP. This is required because the Mitigation Action Facility cannot directly contract national ministries due to administrative reasons.

Good to know: In the event that a national ministry submits a Project Outline but is unclear about the eligibility of the designated ASP, this can be discussed during the assessment. If found ineligible, the legal entity might be replaced with another as part of the assessment and contracting process for DPP.

#### **FAQ 17 May an ASP be a consortium?**

Yes, in justified cases, an ASP may be a consortium. The Mitigation Action Facility does not set an upper limit to the number of organisations in a consortium but recommends keeping the number as small as possible. When a consortium is formed, the roles of all partners must be well defined, and a lead consortium member should be identified to become the contractual partner for FGA. This partner is then the funding recipient and will forward funds to other partners in the consortium. In the Project Outline, the consortium partners serving as the ASP should be described in section 1.5 “Applicant / Applicant Support Partner” and Annex 3 “Applicant or Applicant Support Partner”.

Good to know: All consortium partners will be subject to an eligibility check before the contract for DPP is concluded.

#### **FAQ 18 What is the difference between an Applicant and Implementation Organisation and who is doing what during which phase?**

An Applicant is an institution submitting a Project Concept and Project Outline to the Mitigation Action Facility, in some cases together with the ASP. The Applicant or ASP become a contracting partner for DPP and develop a Project Proposal during DPP.

An Implementation Organisation will become a contractual partner for a potential Implementation Phase of a project and will be responsible for executing the project. The Applicant or ASP can serve as an Implementation Organisation if the Project Concept successfully passes the Project Outline Phase and is selected for DPP. Please note that an Applicant in this case shall be able to fulfil certain capacity and eligibility criteria applicable to Implementation Organisations (see the [GID](#) chapters 3.5, 5.2.2 and Annex 3).

Alternatively, an Implementation Organisation may be identified not later than three months into DPP.

#### **FAQ 19 Can a legal entity act as an Applicant / ASP and as an Implementation Organisation?**

Yes, a legal entity can act as an Applicant / ASP and an Implementation Organisation if it complies with the capacity requirements for Implementation Organisations. The distinction between the two roles was introduced to extend the possibility of participation in Mitigation

Action Facility Calls to entities that have the experience and capacity to *design* projects without necessarily having the mandate, experience or capacity to *implement* them.

Note that the capacity requirements for Implementation Organisations are higher than those for Applicants / ASP. For more information see FAQ 18.

**FAQ 20 Is it possible to have one organisation as an Implementation Organisation for the technical part of the project and another organisation as an Implementation Organisation for the financial part of the project?**

Yes, this is possible. The Mitigation Action Facility has several projects in its portfolio where one Implementation Organisation is responsible for the financial cooperation (FC) component and another for the technical cooperation (TC) component. In this case, the Mitigation Action Facility would expect very close collaboration and alignment between the two Implementation Organisations and their activities. In addition, the Project Proposal should clearly describe the division of roles and responsibilities between the two Implementation Organisations.

**FAQ 21 Must an Implementation Organisation already be identified with the submission of a Project Outline?**

If an Implementation Organisation is not identified during the Project Outline Phase, this needs to be accomplished no later than three months after the start of the DPP.

**FAQ 22 Would a commercial organisation based in the EU be eligible under the Call for Projects 2024, if their application is for a project to be implemented in an ODA-eligible country?**

A commercial organisation (national or international) is a legal entity and can therefore serve as an Applicant, ASP and an Implementation Organisation. It holds true even if the commercial organisation is located in the EU / other non-ODA country as long as a proposed project is to be implemented in an ODA-eligible country.

All legal entities have to fulfil certain capacity and eligibility requirements as further detailed in the [GID](#), chapters 3.5, 5.1.1, 5.2.2 and Annex 3. If a Project Concept is selected for the Outline Phase, a legal entity will have to demonstrate sufficient endorsement by the national government institutions relevant for the potential implementation of the project.

Considering the mandatory public benefit purpose of each project, national and international commercial organisations are encouraged to submit Project Concepts, Outlines and Proposals in a partnership / cooperation with a not-for-profit organisation, e.g. a national NGO, regardless of the possibility to also submit such Project Concepts, Outlines and Proposals on their own. It is also important to keep in mind that any possible funding through the Mitigation Action Facility will be granted following and in accordance with an appropriate legal review, in particular concerning the public-benefit purpose of each project and the non-violation of the EU state-aid law (where it applies).



### **FAQ 23 Do Implementation Organisations need to be accredited for being eligible to receiving Mitigation Action Facility funds?**

The Mitigation Action Facility does not require Implementation Organisations to go through an accreditation process. Implementation Organisations will be subject to an Enhanced Due Diligence (EDD) process initiated by the FGA during DPP. An EDD encompasses an examination of the administrative and financial procedures and capacities as well as an assessment of the general capability of the Implementation Organisation to execute the proposed project. For more information see FAQ 18.

### **FAQ 24 According to the GID, Applicants/ASPs in the Outline Phase are required to have experience with project development and/or project management referencing at least 5 projects of similar funding size as the project proposed to the Mitigation Action Facility. Does the "funding size as the project" refers to DPP or to the potential implementation budget of a project? What would be an acceptable "similar" range?**

Applicants or ASPs must have capacities to effectively manage DPP. Thus, at the Outline Phase, they are required to demonstrate their experience with funding volumes comparable to the budget requested for DPP. As currently there is no specific definition of what "similar" funding size can be, a deviation of up to +/- 20% from the DPP budget requested would be a sensible proxy.

Please note: Within three months from the start of DPP, the Implementation Organisation(s) need(s) to be identified and confirmed. Eligibility criteria for Implementation Organisations are different, and more demanding than those for the Applicants / ASPs. For more information see FAQ 18.

### **FAQ 25 Can a ministry suggest more than one legal entity to become an ASP?**

Yes, it is possible that an ASP is made up of a consortium of legal entities. Please also check FAQ 17.

### **FAQ 26 Is it possible to add a new Project Partner during the Outline Phase? Are there any restrictions in terms of the role this Partner may play in the project?**

Yes, it is possible to add new Partners during both the Outline Phase and DPP. The role of the Partner in the project is to be informed by the project design as well as Partner's individual capacities, responsibilities and mandate. If the Partner is nominated as an Implementation Organisation, then it has to fulfil certain capacity and eligibility criteria applicable to Implementation Organisations (see the [GID](#) chapters 3.5, 5.2.2 and Annex 3).

### **FAQ 27 Do all Project Partners have to be from the country of a project implementation, or may international entities be involved as well?**

There are no restrictions in terms of the type and/or legal form of Project Partners. It is important that the proposed entities are relevant for the project from the point of view of the project rationale, design, target sector, target groups, etc. and will be able to take a leading role in the preparation and implementation of the project.

## 4 Eligible support instruments in projects

**FAQ 28 Is it permissible for the financial support mechanisms to evolve during the project implementation, e.g., starting at piloting scale and being refined for scale-up and continuity post-implementation period?**

Yes, this is accepted by the Mitigation Action Facility. However, the Applicant should bear in mind the lead times for the implementation of financial instruments and the maximum project implementation period of 5 ½ years. There are risks of a shortened window of opportunity inherent in such a nascent mechanism to achieve the direct mitigation effects within the project Implementation Phase.

**FAQ 29 Is it permissible that the Mitigation Action Facility funds are gradually replaced by a government tax or other levies?**

Yes, it is permissible. The Mitigation Action Facility is open to the innovative use of domestic funds. The revenues from an appropriately levied government income could provide a sustainable source of funding. It is crucial to ensure and demonstrate a substantial level of commitment from the government to raise and avail these domestic resources as early as during DPP.

**FAQ 30 Is there any minimum ratio for the financial leverage, i.e. between the requested grant from the Mitigation Action Facility and the mobilised public and private finance?**

Please see FAQ 12.

**FAQ 31 Is the definition of financial leverage of a project limited to those funds that would not be spent on the same purpose in the absence of a project?**

Yes, this is correct. Please also see FAQ 11.

**FAQ 32 Where in the Project Outline should an Applicant indicate funds that will be required for the project implementation but are not leveraged by the project itself (for example, an existing government program, or a complementary project approved by another international or private sector funder)?**

Those budget items, if they will be essential for the implementation of the project, could be added in section 4 “Expected Budget and Financing Structure” of the [Outline form in OAP](#). It will be important that the Applicant explicitly states that those funds are available irrespective of the project being implemented. The amounts must not be included in M4 and M5 indicators on public and private funds leveraged.

**FAQ 33 Is it acceptable for the national government that is fully involved and committed but cannot directly financially contribute to the project funding, to instead provide in-kind contributions?**

In-kind contributions may be counted. However, greater weight is given to directly mobilised funds by governments through public sector budgets, funds raised through taxes (and tax

exemptions), grants, loans, guarantees etc. The assessment of Outlines takes into account the country-specific context - in terms of public funds, but also the development of financial markets.

**FAQ 34 If there is no public funding contribution to the project, but public commitment through policy interventions, reforms, tax incentives, how is this considered?**

Policy commitment is encouraged, and quantifiable tax incentives would be taken into account in the assessment as enablers of transformational change. 'Hard' funding commitments may indicate a higher level of ownership and sustainability of a project, depending on the specific context of the country concerned.

**FAQ 35 Do Applicants / ASPs need to provide information on the sources from specific Project Partners when indicating the potential leverage of public and private funds?**

Yes, the information on specific figures from both public and private sources should be provided together with an information on the status of negotiation/commitment. During the in-depth assessment of Outlines, the state of commitment will be verified.

**FAQ 36 What kind of information does the Mitigation Action Facility expect on the degree to which the funding is secured?**

For each distinct direct funding source used for the project implementation (including contributions from public institutions, private sector and from other donors), the degree to which the funding has been secured should be clarified, whether it is an existing funding stream, firmly committed or simply earmarked (e.g. included in the national budget plan approved for a certain year; or, has been in principle agreed without a formal commitment). Funding commitments from the government should be mentioned in the endorsement letter(s). Private investment intentions can be mentioned in the respective letter of interest, if already available.

**FAQ 37 Does the readiness criterion for financial mechanisms mean that all financing mechanisms should be based on the existing financial mechanisms?**

Financial mechanism proposed by the project can be built upon existing mechanisms or variations thereof provided that these existing mechanisms specifically meet the objectives of the project. Examples from our current portfolio include existing loan guarantee schemes provided by national development finance institutions that have been adapted for projects. These scored well during the assessment as the institutions already had the relevant frameworks, contracts and processes in place to ensure a rapid implementation and the mechanism was associated with a high level of readiness.

**FAQ 38 Is the financing mechanism expected to have disbursed all funds and ceased operation by the end of the Implementation Phase of up to 5 ½ years, or can it continue operations even after the Implementation Phase?**

In order to mobilise additional funding, financial mechanisms like guarantee funds or credit programmes could revolve and operate beyond the Implementation Phase. Hence, it is not

expected that all funds are disbursed within the Implementation Phase. However, a project is considered successful, based on investments WITHIN the Implementation Phase, among others. The financial mechanism should start disbursing in the first year of the Implementation Phase 2.

Good to know: All projects must provide a phase-out/exit strategy for the Mitigation Action Facility funding.

**FAQ 39 Are there any restrictions or limitations for the use of Mitigation Action Facility funding for technical cooperation?**

No, there are no restrictions with regard to the types of technical support measures. The Mitigation Action Facility expects that the technical assistance is linked to and enables investments in mitigation technologies and/or practices, capacity development and behavioural changes driving carbon-neutral development pathways.

**FAQ 40 Does the Mitigation Action Facility apply any minimum ratio for funding requested for the FC and TC components?**

No, the Mitigation Action Facility does not apply a minimum ratio between the requested funds for financial and technical support. Nevertheless, it is expected that a project can demonstrate that the TC funding provided by the Mitigation Action Facility leverages funding from other sources for investments into mitigation technologies and / or practices.

While in the current portfolio of projects, the average TC:FC funding ratio is 40:60, the Mitigation Action Facility aims to increase this ratio in favour of FC component in future projects.

**FAQ 41 Can the Mitigation Action Facility funding be combined with the funding from other funds, e.g. bilateral or international sources, such as GEF, GCF?**

Yes, the Mitigation Action Facility funding can be combined with the funding from other sources. However, the additionality of the Mitigation Action Facility funding must be demonstrated.

**FAQ 42 Does the Mitigation Action Facility expect that the regulatory framework in the sector that a project plans to target is fully developed and already favourable for the project implementation, or can advisory services to the government for further enhancement of the regulatory and legislative environment be part of the project?**

According to the [GID](#), section 4.1, projects should consist of a combination of policy and/or regulatory reforms and financial mechanisms. It is expected that the TC component of a project, focusing among others on the enhancement of policies and legislative conditions, will help create an enabling environment for the project implementation, its upscaling and sectoral transformation. Regulatory and / or fiscal reforms facilitated through the project's TC as well as its financial mechanisms will in turn channel financial flows into investments driving carbon-neutral development. Therefore, there is no expectation from the Mitigation Action Facility that projects are implemented in a ready-made favourable regulatory environment, but that projects can significantly improve and drive forward the existing policy frameworks in order to make the promoted mitigation technology and/or practice more attractive.

#### **FAQ 43 Can the Mitigation Action Facility funding be used to provide guarantees to financiers / investors as part of the project's financial mechanism?**

Yes, it is possible for the project to use the Mitigation Action Facility funding to establish a guarantee fund, but it is worth keeping in mind that the design of the financial mechanism should be based on a thorough analysis of the existing market and respective barriers for investment. If a guarantee mechanism can help overcome these barriers, it can be proposed as part of the FC component. For more information and different designs of financial mechanisms, please check the [factsheet on financial mechanisms](#) and consult the [Mitigation Action Facility portfolio](#).

#### **FAQ 44 Are all private sector investments considered as leveraged funds? How can private sector investments play a role in a financial mechanism?**

Private investments as any type of investments mobilised by a project are considered as "leveraged funds". Through the investments, private sector stakeholders can participate in the financial mechanisms and products offered by the project, e.g. in a form of a collateral, equity, loan guarantee. Please also see FAQ 11.

## **5 Submission of Project Outlines and Annexes**

#### **FAQ 45 Is it mandatory to submit the Outline and Annexes via an Open Application Platform (OAP)?**

Yes, the submission of Project Outlines and Annexes is only possible via [OAP](#). The system is only accessible to the Applicants whose Project Concepts have been selected to proceed to the Outline Phase.

#### **FAQ 46 How many endorsement letters from national ministries must be submitted with the Project Outline and to whom should they be addressed?**

Typically, two endorsement letters are expected, as each Project Outline should include an endorsement letter of the relevant national ministry in charge of climate / environment AND the national line (sector) ministry/-ies concerned.

Only if the ministry in charge of climate / environment is also the responsible sector ministry, then one endorsement letter from this ministry would be sufficient.

The letters should be addressed to the Board of the Mitigation Action Facility.

Please note that in the case of a cross-border / regional project, endorsement letters from national ministries of all involved countries will be required during the Project Outline Phase.

#### **FAQ 47 If the ministry itself is the Applicant that will submit a Project Outline, is the endorsement letter still needed?**

Yes, endorsement letters from the relevant line ministry, as well as the ministry in charge of climate / environment (if different) are still required in this case. For more information see FAQ 46.

**FAQ 48 Must the Implementation Organisation(s), Project Partners and/or ASP also provide support letters with the Project Outline submission?**

It is not mandatory, however additional support letters may be submitted if available. This is particularly recommended for partners that are expected to provide financial contributions. Such support letter would help to demonstrate the level of certainty with regard to the co-funding.

**FAQ 49 What is the expected content of the endorsement letter and the level of signatory in the endorsement letter?**

Annex 1 of the Project Outline template (on the endorsement letters) lists aspects that should be considered in the governmental endorsement letters. The national ministries providing the letters are certainly free to formulate the letter as they deem appropriate. Each endorsement letter should be signed by a duly authorised representative of the ministry; the Mitigation Action Facility does not prescribe the level of signatory, however a high-level endorsement might be considered as a stronger indication of the governmental commitment and engagement.

Good to know: The Mitigation Action Facility does not expect Applicants to submit originals of letters – a scanned version is completely sufficient. During the assessment process, endorsement letters are carefully studied as an indicator of the national political commitment and embeddedness. If the endorsement letter includes a financial commitment of public funding, this can (in terms of the assessment) substantiate the project's aspiration of public funds leveraged.

**FAQ 50 For a resubmission of a Project Outline from the previous Call, should the ministry's endorsement letter(s) be updated, or can the endorsement letter(s) from the last Call be resubmitted?**

In order to ensure the full endorsement of the national government and also demonstrate continued support, the Project Outline should be accompanied by the updated letter(s).

**FAQ 51 What is the expectation of the Mitigation Action Facility regarding the level and depth of the national endorsement of a project?**

The Mitigation Action Facility expects a high level of coordination and cooperation between the Applicant / ASP and the national government (i.e. the ministry responsible for climate policies and the line ministry in the sector that the project plans to target if different from the climate / environmental ministry). Already during the Outline Phase, endorsement letters serve as a proof of a full governmental commitment and high level of national ownership. They are supposed to demonstrate continued support for the entire duration of the project, that is in particular the Implementation Phase. For additional information on the content of endorsement letters, please refer to FAQ 49.

Good to know: If the Project Outline is selected for an in-depth assessment, an Applicant / ASP will be requested to organise interviews with the national ministries and agencies that are crucial for the project implementation. Therefore, close cooperation and coordination of efforts is expected not only between the Applicant / ASP and the government, but also between governmental institutions.

**FAQ 52 Do endorsement letters have to be written in English or is the official country language sufficient?**

All documents submitted alongside the Project Outline need to be in English. Endorsement letters can be in the official country language too, but in that case an English translation will be required in addition to the version in the official country language.

**FAQ 53 Since the financial support mechanism is a very important part of the project, how detailed do you expect the section to be in the Project Outline exactly?**

The financial scheme should be sufficiently elaborated to allow the Mitigation Action Facility to assess its feasibility and appropriateness in the country and sector context. Aspects such as indicative costs, institutional set-up, legal and governance structures should be covered to the greatest extent possible. In the Call for Projects, Applicants are requested to submit Annex 5a and Annex 5b on the Business Case and Financial Mechanism as two mandatory Annexes to the Outline. Additional details of the financial mechanism and business model are to be further elaborated as part of DPP.

**FAQ 54 What are the exact differences between 'outputs', 'outcomes' and 'impacts'?**

Outputs cover products, goods, services and regulations/standards that have arisen as a result of the project activities. Impacts are long-term direct and indirect effects of a project. Outcome is the overarching direct project goal. It includes direct effects that can be causally attributed to the project interventions and that reflect the utilisation of the outputs by the target group. Additional information can be found in the [Monitoring & Evaluation Framework of the Mitigation Action Facility](#).

**FAQ 55 If a project foresees multiple sub-projects to be supported with the Mitigation Action Facility funding, should a business model be presented at the sub-project level or at the level of the project as a whole (e.g. projection of the allocation of funds to all sub-projects, respective repayments, etc.)?**

In case of multiple similar interventions / sub-projects supported through a project, it would be recommendable to (1) demonstrate a business model of a typical sub-project, incl. CAPEX and OPEX analysis, cash flows, return on investment, outlining different scenarios depending on lending conditions if relevant for the project's financial mechanism, and (2) provide a business case for the entire project featuring the allocation of funds to sub-projects, project-level cash flows, rate of repayments, etc. Please make sure to explain in the Project Outline and Annex 5a, how the remaining funding will be phased-out / further used at the end of the project lifetime.

**FAQ 56 If the national ministry cannot provide a firm commitment in terms of a financial contribution because it is not in charge of the budget source, can we submit an additional letter from the institution in charge of funding and/or budgetary disbursements?**

Yes, this is possible and recommended as it would help to demonstrate the level of certainty about the co-funding.

## 6 Detailed Preparation Phase

### FAQ 57 Does the Mitigation Action Facility set an upper budget limit for DPP?

No, there is no explicit upper limit for the DPP budget that can be requested from the Mitigation Action Facility. However, consider that large budgets requested for DPP could be an indicator that a project is not reaching a sufficient level of readiness for implementation due to the significant amount of preparatory work still required.

The appropriateness of the requested funding is assessed on a case-by-case basis.

For projects selected for DPP, if certain issues are detected and/or some aspects of the DPP budget are considered inappropriate, amendments to the budget might be necessary and will be negotiated with the Applicant or ASP as part of the finalisation of the DPP concept before a funding agreement is concluded. The DPP budget and the DPP concept is subject to approval by the Board of the Mitigation Action Facility. During DPP itself, an increase of the DPP budget is not foreseen.

### FAQ 58 What were the average funding levels for DPPs in previous Calls?

The average funding support requested by projects from the previous Calls for their DPP was in a range of EUR 250,000-300,000. Please note that the requested funding volume and timeframe for DPP is an indication of the project's level of readiness.

### FAQ 59 Where can co-financing for DPP be included (Annex 4b does not include budget lines for co-financing)?

In the Outline template, there is no specific section where co-financing from Applicants / ASPs for DPP shall be included. If you foresee co-financing during DPP, please address this in Annex 4a "DPP Concept". Annex 4b "DPP budget" shall only include the funds requested from the Mitigation Action Facility for DPP; that is why there is no specific budget line for co-financing.

### FAQ 60 What activities are eligible for support during DPP?

Supported activities should be focused on clarifying open issues necessary for the elaboration of a high-quality, detailed Project Proposal that would allow for a quick start of the implementation in case of the project approval.

Examples of supported activities include detailed baseline studies, sensitivity analyses of business models, detailing and modelling the financial mechanism, negotiations with implementing partners, defining steering structures for implementation, etc. Feasibility studies can be supported in limited cases only if specific details still need to be clarified; however, the overall technological and economic feasibility should already have been analysed before the Project Outline is submitted to the Mitigation Action Facility.

### FAQ 61 How long should we take to prepare the full Project Proposal, and can we only submit our Project Proposal in either month 10 or month 15, or also in month 11, 12, etc.?

Projects are expected to decide for a DPP duration of either 10 months or 15 months. Within these timeframes, a comprehensive Project Proposal that is ready for implementation shall be prepared and submitted. The duration of DPP is determined by the state of preparation



(readiness) of the project and by the individual project design. For example, it might take a certain period of time to conduct an in-depth financial analysis, to receive approvals from key implementing partners and/or to set up and conduct meetings with target groups. The expected duration of these activities should be estimated and budgeted accordingly.

It is possible to submit the Project Proposal before the chosen DPP deadline of either 10 or 15 months (not after), but you still need to indicate either 10 or 15 months for the DPP duration in your DPP Concept.

Good to know: Taking the time to ensure a good quality of the Project Proposal should be prioritised over a shortened DPP timeframe.

## FAQ 62 What is the difference between DPP and the project implementation?

In short, DPP of either 10 or 15 months has the ultimate purpose of preparing a comprehensive Project Proposal and enabling the project implementation, whereas the implementation of up to 5 ½ years is the time in which the planned activities of the project will be implemented, and the outcome, impact and outputs of the project will need to be achieved. More information can be found in the [GID](#), sections 5.2 and 6.

## 7 Contracting

### FAQ 63 What procurement rules do Applicants, ASPs and Implementation Organisations need to follow if they want to contract a consultancy as an external service provider?

In principle the regulations of the partner country are to be observed. However, the standard grant agreement that is to be signed between the grant recipient and GIZ as the FGA contains procurement rules at a minimum standard. In summary, the grant agreement stipulates basic procurement regulations, which may be further expanded upon based on the partner country's own procurement regulations. More information can be found [here](#).

### FAQ 64 Item 8 in the DPP budget form in Annex 4b is called "Forwarding of Funds – a separate budget needs to be provided". Please explain what is meant by forwarding of funds and why and in which form shall the separate budget be provided?

'Forwarding of funds' refers to those funds that are channelled by the main grant recipient (Applicant or ASP) to a consortium partner or a Project Partner as a grant (in contrast to service contracts with consultancies).

If you intend to forward funds, you would be requested to fill out the corresponding sheets of Annex 4b for each of the partners to whom funds will be forwarded. The total amount of the forwarded grant funding will then calculate automatically on the sheet of the main grant recipient (Applicant or ASP).

### FAQ 65 Is it possible to see an example of a Grant Agreement used by GIZ as the FGA for contracting Applicants / ASPs for DPP?

The example of a Grant Agreement can be found [here](#) (in English). Please note that this document is provided for information purposes only. Your actual contract may differ

depending on your actual project planning, or changes in rules and regulations applying to, or within, GIZ as the FGA.

**FAQ 66 Is there a specific limit on administration (overhead) costs and if not, how will it be assessed whether the costs proposed by the project are reasonable?**

Up to a certain percentage that cannot be communicated publicly, the FGA accepts administration costs by default. If an Applicant / ASP requests a higher percentage, the FGA uses its internal guidelines to assess the appropriateness of these costs. This is done on a case-by-case basis. As part of the finalisation of the DPP concept that takes place before the conclusion of a grant agreement, amendments to the budget might be necessary and will be negotiated with the Applicant / ASP.

**FAQ 67 What procurement / contracting rules are to be followed in case of funding provision to Project Partners?**

During DPP, if a project foresees that certain funds are forwarded to Project Partners, it should be reflected in Annex 4b - DPP Budget. Details and instructions for filling out the respective sheets are provided directly in the Annex (also see FAQ 64). If the project plans to procure certain goods or services, the requirements stipulated in Article 6 of a contract for DPP should be followed along with the "[Contract and Award Procedure for Supplies and Services](#)" of GIZ as the FGA. We would recommend you to take a look at the [example of a contract template for DPP](#) on the Mitigation Action Facility website. Please also refer to FAQ 63 for details regarding the procurement rules as well as FAQ 60 to learn more about activities that are eligible for support in DPP and thus can be funded by the Mitigation Action Facility.

**FAQ 68 Does the Mitigation Action Facility finance the procurement of material by a national government to implement a NAMA Programme at the national level?**

Yes, procurement of material could be part of the project; however, grant-based support for the procurement of material as a proposed financial mechanism will find it very challenging to argue for its sustainability and financial leverage effect.

**FAQ 69 If two Implementation Organisations are executing the project, how does the Mitigation Action Facility provide funding to them?**

In case of two Implementation Organisations, both organisations (upon the confirmation of their eligibility) will become contractual partners of the FGA. Therefore, they will receive the requested funding, i.e. respective shares of funding based on the budget submitted as part of the Project Proposal, directly from the FGA following the rules and arrangements of grant agreements concluded.

If a consortium is formed and one leading Implementation Organisation is nominated, the leading organisation (upon the confirmation of its eligibility) will be the only contractual partner of the FGA and will be responsible for forwarding funds to the consortium partners based on the budget submitted as part of the Project Proposal.



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## Last but not least...

We hope the FAQs have been helpful for you in preparing your Project Outlines.

We are looking forward to receiving your Outlines latest by **23 July 2025, 3pm CET**.