

# General Information Document

## Call for Projects 2024 of the Mitigation Action Facility

6 December 2023



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  
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on the basis of a decision  
by the German Bundestag

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# 1 Introduction

The Mitigation Action Facility, evolved from the NAMA Facility in 2023, as a go-to platform for providing technical support and climate finance for ambitious mitigation projects with an aim of decarbonising key sectors of the economy and society.

In 2012, the German and United Kingdom (UK) governments jointly established the NAMA Facility, now known as the Mitigation Action Facility. Denmark and the European Union joined the programme as new Donors in 2015, along with the Children's Investment Fund Foundation (CIFF) in 2021. At the 27<sup>th</sup> Conference of Parties (COP27) in Egypt, while celebrating the 10<sup>th</sup> anniversary of the NAMA Facility, the Board announced a name change to the Mitigation Action Facility effective from 2023 and a new spotlight on decarbonising priority sectors – energy, transport and industry.

The Mitigation Action Facility continues to fund ambitious climate change mitigation projects to implement Nationally Determined Contributions (NDCs) and long-term strategies (LTS) that are central to meeting the Paris Agreement goals. The Facility primarily focuses on three priority sectors - energy, transport and industry, but remains open to cross-sectoral projects linked to one of the priority sectors. As highlighted in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)<sup>1</sup>, energy, transport and industry cumulatively account for more than 40 GtCO<sub>2</sub>e, or 67% of global annual greenhouse gas (GHG) emissions (as of 2021). To shift the targeted sectors towards a carbon-neutral development pathway, the Mitigation Action Facility selects innovative projects that can catalyse sector-wide transformational change. These efforts can help close the gap in climate finance required to avoid the worst impacts of climate change. According to the Breakthrough Agenda Report<sup>2</sup>, there is still a significant need for an accelerated international effort in aligning policies to create demand for clean technologies. Despite the progress made in the recent years, provision of technical and financial assistance is needed to have to continue expanding in order to improve the affordability, accessibility and attractiveness of clean technologies and sustainable practices. Beyond that, with its focus on the priority sectors energy and industry, in particular, the Mitigation Action Facility can significantly contribute to initiatives like the Just Energy Transition Partnerships (JETPs) and the Climate Club. Where relevant, 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.

This document provides general information on the Mitigation Action Facility, its objective and functioning (part A) as well as requirements and specific information on the selection process of projects for funding under the Call for Projects 2024 of the Mitigation Action Facility (part B). The General Information Document strives to assist potential Applicants in preparing and submitting Project Concepts and subsequently, upon selection, Project Outlines and Proposals.

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<sup>1</sup> <https://www.ipcc.ch/assessment-report/ar6/>

<sup>2</sup> <https://iea.blob.core.windows.net/assets/b551dc82-c4d3-4330-8975-2d3e07739a6f/THEBREAKTHROUGHAGENDAREPORT2023.pdf>

## 1.1 Call for Projects 2024 – Continuous action, consistent impact

The Call for Projects 2024 retains all the key features of the Call for Projects 2023. The most ambitious and feasible climate change mitigation projects are selected for funding support through a comprehensive process including the following phases: Concept Phase; Outline Phase; Detailed Preparation Phase (DPP); and Implementation Phase.



The Project Concept Phase preceding the development of Project Outlines has been introduced with the Call for Projects 2023 of the Mitigation Action Facility to simplify the application process and open the competition to a wider range of potential Applicants and partners. The Call for Projects 2024 continues to operate under this modality, having Project Concepts submitted via an Open Application Platform as the first step in the project selection cycle.

The key features of the Call for Projects 2024 can be summarised as follows:

- The Call focuses on three priority sectors – energy, transport, industry – and supports 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 long-term strategies (LTS), the United Nations Framework Convention on Climate Change (UNFCCC) processes and global cooperation (NDC Partnership)
- Provision of a grant-based funding for projects that combine technical assistance and financial cooperation targeting market-based, sustainable and scalable financial mechanisms
- 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
- A simplified application process featuring a competition of Project Concepts, preceding the submission of Project Outlines
- A limit of 10 Project Concepts per Applicant including its regional representations and /or subsidiaries
- An upper limit of up to 25 Project Concepts selected to proceed into the Project Outline Phase in which further, more detailed, elaboration of the project needs to take place
- Tailored support in the Outline development provided to a limited number of promising 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 (and its predecessor, the NAMA Facility)
- Piloting modality for novel technologies (*more details in chapter 6*)
- Public and private actors invited to submit Project Concepts (*more details in chapter 3.4*)

All details about the Mitigation Action Facility and on the Call for Projects 2024 specifically are published on the website of the Mitigation Action Facility at [www.mitigation-action.org](http://www.mitigation-action.org). The Mitigation Action Facility remains committed to a simple and clear application process, direct accessibility for all Applicants, and a fair and transparent competitive Call. We look forward to receiving your Project Concepts.

## 1.2 Quick checklist for Applicants

The Mitigation Action Facility strongly recommends reading the entirety of this document to complete your understanding of the application process, and to ensure your application has the best chance of being selected. However, we've provided a checklist for Applicants summarising the "must-haves" and "must-knows" below:

- The country in which your project will be implemented (further on referred to as a "partner country") is included in the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC)-list
- Your project is implemented in one of the three priority sectors: energy, transport and industry, or propose a cross-sectoral approach with a clear link to one of the priority sectors
- The priority sector is included in the partner country's NDC
- Your project is aligned with the plan of the partner country developed within the framework of the NDC Partnership (NDCP) as far as such a plan exists
- Your project is country-driven and embedded in national development strategies and plans
- Your project consists of a combination of policy and/or regulatory reforms and financial mechanisms
- You use project funds to leverage additional public and/or private capital investment to eventually phase-out Mitigation Action Facility support and phase-in other sources of financing
- Funds provided by the Mitigation Action Facility and associated investments qualify as Official Development Assistance (ODA) throughout the implementation period of the project
- Funds provided by the Mitigation Action Facility serve and are spent in line with the public benefit purpose to promote sustainable development in the partner country
- Your project is implementation ready<sup>3</sup>
- Your project applies an intersectional understanding of gender and social inclusion, acknowledges gender- and social inequalities
- The duration of the implementation period of your project is in range of 36 to 66 months
- The funding requested for implementation of your project is in range of EUR 5 to 25 million

As an Applicant at the Project Concept Phase, you are a...

- National ministry<sup>4</sup>
- "Legal entity" (governmental agency, development bank, NGO, INGO, private financial institution, commercial company, foundation, etc.)

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<sup>3</sup> Refer to the term „readiness“ in Glossary ([Annex 2](#))

<sup>4</sup> If you are a national ministry serving as an Applicant at the Project Concept Phase and your Concept is selected for the Outline Phase, then you have to nominate an "Applicant Support Partner" (ASP), a legal entity, as part of your Outline submission. In case of success at the Outline Phase, this ASP will receive Mitigation Action Facility funding for a Detailed Preparation Phase (DPP)

After submitting a Project Concept, your project will go through a complex assessment and selection process that can be broadly outlined as follows:

**Concept Phase:**

- Step 1a: All Project Concepts submitted undergo a desk assessment by the Technical Support Unit (TSU) of the Mitigation Action Facility
- Step 1b: Based on the assessment results, the Board of the Mitigation Action Facility selects the Concepts to move to the Outline Phase

**Outline Phase:**

- Step 2a: All Project Outlines submitted undergo a desk assessment by external assessors and the TSU
- Step 2b: As a second step in the assessment process, selected Project Outlines undergo an in-depth (on-site) assessment by external assessors and the TSU
- Step 2c: Based on the results of an in-depth assessment, the Board selects the Outlines to enter the Detailed Preparation Phase (DPP)

**DPP:**

- Step 3a: After DPP, when a full-fledged Project Proposal is submitted, the TSU jointly with external experts assesses the Proposal
- Step 3b: Based on the assessment results, the Board selects projects for funding of the Implementation Phase



# PART A

The Mitigation Action Facility at a glance



## 2 The Mitigation Action Facility – What is it all about?

The Mitigation Action Facility is a continuation of the NAMA Facility and builds on its legacy. The NAMA Facility was active from 2012 to early 2023. As a predecessor of the Mitigation Action Facility, it has already reached more than 19 million people cumulatively with more than 20 partners and 47 projects in 33 countries as a result of a decade of committed climate action. Its leveraged public and private sector investments amounted in total to EUR 1.4 billion with a strong prospect of further growth.

The NAMA Facility was jointly established by the German Federal Ministry for Economic Affairs and Climate Action (BMWK) and the UK Department for Energy Security and Net Zero (DESNZ) with the objective to provide financial support to developing countries and emerging economies that show leadership on tackling climate change. In 2015, the Danish Ministry of Climate, Energy and Utilities (KEFM) and the Ministry of Foreign Affairs (MFA), and the European Commission joined the NAMA Facility as Donors followed by the Children's Investment Fund Foundation (CIFF) in 2021. At the 27<sup>th</sup> Conference of Parties (COP27) in Egypt, while celebrating the 10<sup>th</sup> anniversary of the NAMA Facility, the Board announced a name change to the Mitigation Action Facility effective from 2023 and a new spotlight on decarbonising priority sectors – energy, transport and industry.

The grant-based funding provided by the Mitigation Action Facility is used for a combination of technical assistance measures and financial cooperation. The aim of the latter is to develop and offer market-based, sustainable and scalable financial mechanisms unlocking investments in technologies and practices that lead to a reduction of GHG emissions. Technical assistance, in turn, 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.

The Vision of the Mitigation Action Facility is to:

**Accelerate decarbonisation to keep temperature rises to below 1.5 degrees Celsius by financing measures that shift priority sectors in a country towards a sustainable, carbon-neutral pathway.**

Our Mission is to:

- Finance innovative projects that remove specific barriers preventing sectoral decarbonisation and have strong potential for up-scaling and replication
- Deliver finance to support technical assistance (e.g. policy advice, trainings, awareness-raising, technology transfer) that enables capacity and policy development
- Unlock investment opportunities by providing tailor-made climate finance to fund projects with the potential to:
  - » Strengthen country capacities to deliver carbon-neutral activities and closely align these activities with the country's NDC, LTS and other relevant climate and development plans



- » Pilot financing models to overcome market barriers to carbon-neutral development
- » Deploy innovative technologies and approaches, which require donor financing to support national development plans
- » Boost participation of the private sector to deliver ambitious climate action

## 2.1 The Theory of Transformational Change

The Mitigation Action Facility defines transformational change as a **catalytic change in systems and behaviours resulting from disruptive climate actions that enable actors to shift to carbon-neutral pathways**. The transformational change process and its goals must contribute to long-term sectorial decarbonization. The process must identify and address the agents of change, the innovation itself and how it fits into the framework conditions (economic, societal, environmental), as well as into the institutions of change. Overall, transformational change is considered as change that is far-reaching, structural, and fundamental in nature.

In the context of the Mitigation Action Facility, projects are considered conducive to sector-wide transformational change if they:

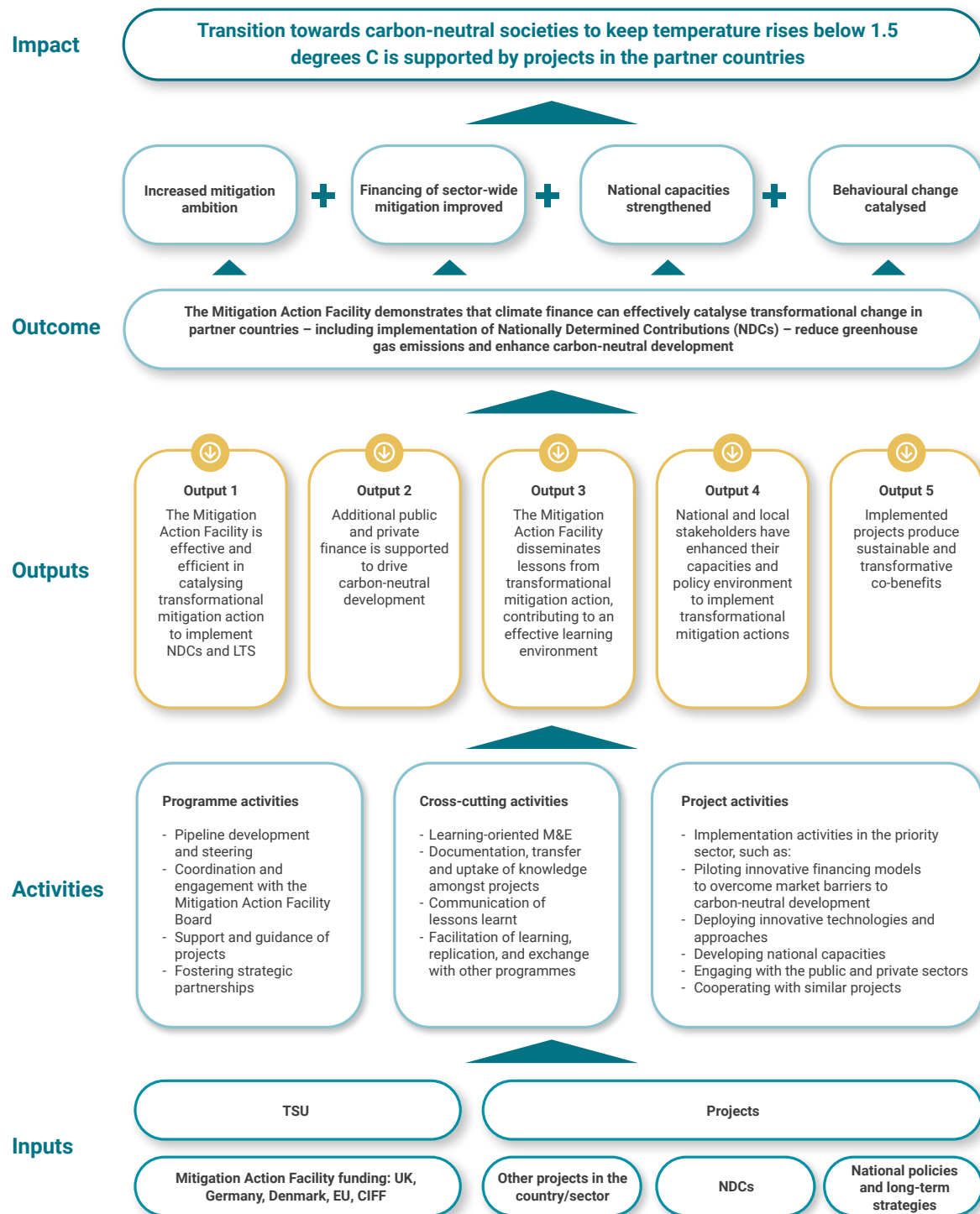
1. Promote a demonstration effect through manifesting the feasibility of implemented mitigation solutions, ensuring embeddedness in sectoral and national climate policy context, showing evidence of securing the buy-in from key stakeholders, and ensuring a systematic learning approach
2. Have a catalytic effect and include mechanisms for:
  - a. A wider systemic change, ensuring the sustainability of impacts, local ownership and political will, the involvement of the private sector and the use of innovative technologies and approaches
  - b. Enabling a significant evolution in terms of scope through scaling-up or replication. Replication and/or significant scaling-up of the project's demonstrated solution can take place on a national or regional level and in other sectors or locations
3. Aim to deliver additional, large-scale and sustained GHG savings

The Theory of Change (ToC) (*Figure 1*) seeks to illustrate the transformational potential by depicting the pathway of changes that shall be initiated through the Mitigation Action Facility support. For more details, see the factsheet on transformational change on the Mitigation Action Facility website.<sup>5</sup>

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<sup>5</sup> <https://www.mitigation-action.org/publications/potential-for-transformational-change/>

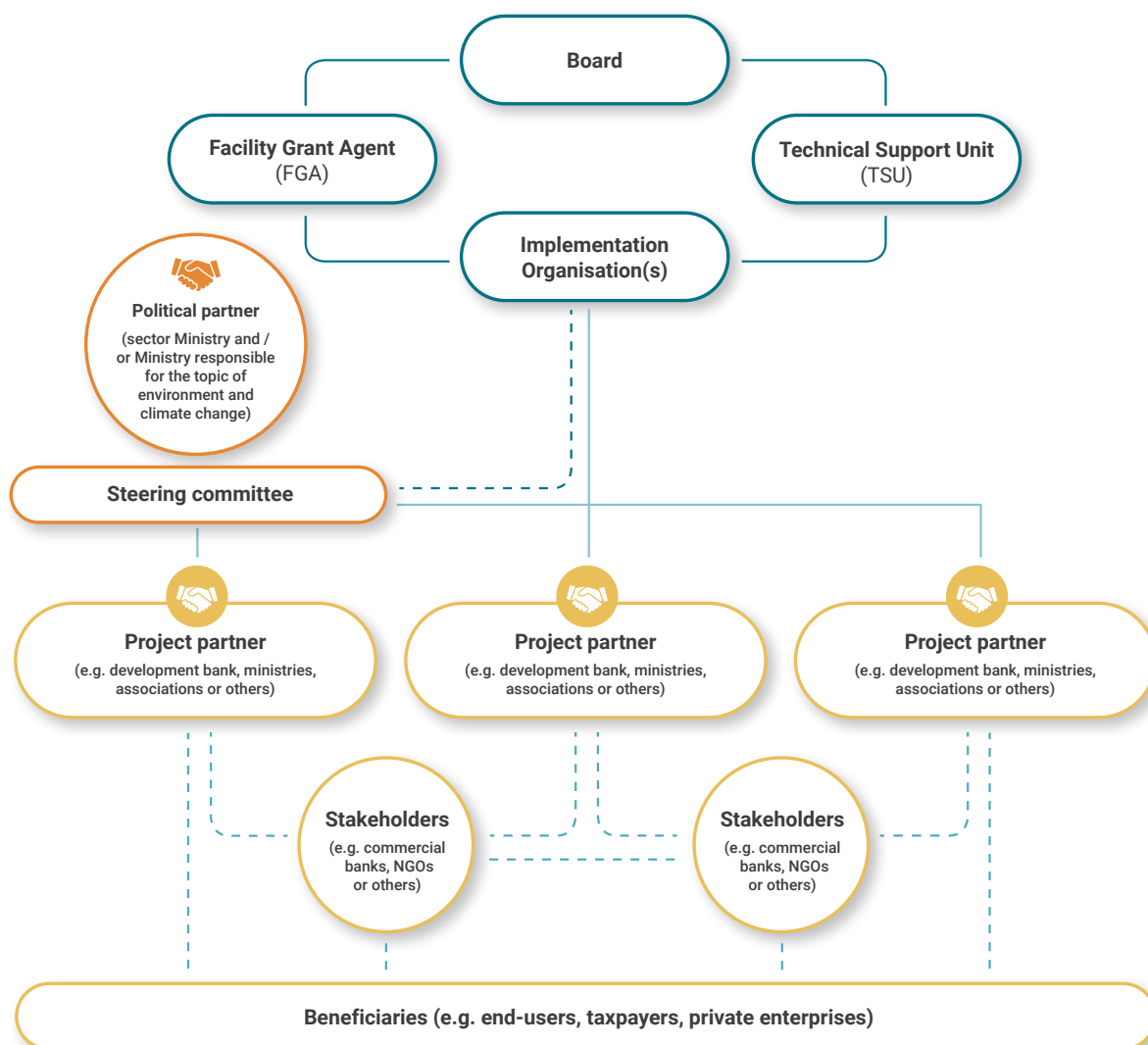
Figure 1: Theory of Change



### 3 Mitigation Action Facility Governance

The following section includes a short introduction to the overall governance structure of the Mitigation Action Facility and the stakeholders involved in supporting the implementation of a project within the framework of the Mitigation Action Facility.

**Figure 2:** Organisational structure of the Mitigation Action Facility



#### 3.1 The Board of the Mitigation Action Facility (the Board)

The Board takes all decisions on strategy, policies and guidelines and selects projects for funding. Formalised Board decisions are the basis for a grant award to the Applicant or Applicant Support Partner (ASP) (*more details in chapter 3.4*) for the Project Detailed Preparation Phase (DPP) and to the Implementation Organisation(s) (*more details in chapter 3.4*) for the Project Implementation Phase. The Board comprises representatives from the Donors of the Mitigation Action Facility.

## 3.2 Technical Support Unit

The Technical Support Unit (TSU) manages the Mitigation Action Facility on behalf of the Board. It serves as the secretariat of the Mitigation Action Facility and as the focal point for national governments, Implementation Organisations, project partners as well as other stakeholders.

The TSU is responsible for:

- Organising Calls for Projects and steering the assessment of Project Concepts, Outlines and Proposals
- Advising Applicants / ASPs (or Implementation Organisation(s)) during DPP, including the provision of support through external experts
- Monitoring and evaluation of the overall Mitigation Action Facility, reporting to the Board
- Communicating with external stakeholders
- Facilitating the dissemination of lessons learned

Certain processes such as the evaluation of the Mitigation Action Facility and assessments in the project selection process are conducted by or in cooperation with independent experts who directly report to the Board to ensure impartiality and avoid potential conflicts of interest.

## 3.3 Facility Grant Agent

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is commissioned to implement the Mitigation Action Facility. GIZ acts as the Facility Grant Agent (FGA). This includes staffing the TSU as a secretariat of the Mitigation Action Facility and channelling Mitigation Action Facility funds to individual projects. As neither the Mitigation Action Facility nor the TSU are separate legal entities, the role of GIZ as the FGA is to manage funds and all procurement and contractual procedures when implementing the Mitigation Action Facility.

In that regard, the FGA also performs an eligibility check and due diligence on Implementation Organisations, following its respective guidelines that encompass administrative and financial procedures and capacities as well as the general capability of the nominated Implementation Organisation to implement a project (*see also Annex 3*).

The FGA will ensure that the Mitigation Action Facility funding for DPP and implementation of projects is provided to Applicants / ASPs and Implementation Organisations adequately.

## 3.4 Applicant, Applicant Support Partner (ASP) and Implementation Organisation

### Applicant / ASP

Project Concepts and, upon selection, Project Outlines can be submitted by the following Applicants:

- A national ministry; in that case, a separate legal entity should be identified latest at the Project Outline Phase as the Applicant Support Partner (ASP) for contracting during DPP (not yet required at the Project Concept Phase). The ASP must comply with certain capacity and eligibility criteria as also further detailed in [chapter 5.1.1](#) and [Annex 3](#) of this General Information Document, or
- Legal entities that comply with certain capacity and eligibility requirements as further detailed in [chapter 5.1.1](#) and [Annex 3](#) of this General Information Document and receive sufficient endorsement by the national government institutions relevant for the potential implementation of the project. The endorsement needs to be demonstrated at the Project Outline Phase in the form of endorsement letters (not yet required at the Project Concept Phase)

The legal entity acting as an Applicant or ASP (in case a national ministry acts as an Applicant) will be the contractual partner of the FGA and recipient of funding. It will be responsible and accountable for the correct use of funds and services during DPP.

Applicants / ASPs can form a partnership / cooperation to prepare and submit a Project Concept and subsequently, upon selection, a Project Outline. In this case, profiles and roles of partners must be well-defined and clearly described in the Project Outline at the latest. The responsible entity leading the partnership / cooperation should be identified to become the contractual partner of the FGA to receive funding for DPP.

The capacity criteria for legal entities acting as Applicant / ASP for DPP are not the same as they are for the Implementation Organisations who will be responsible for the implementation of the project. **The Project Concept and Outline Phases are open to Applicants and ASPs that do not necessarily need to qualify as Implementation Organisations.**

Note: Implementation Organisations need to fulfil certain capacity and eligibility criteria as further stipulated in this chapter as well as in [chapter 5.2.2](#) and in [Annex 3](#). The eligibility of the Implementation Organisation is not a fixed criterion in the selection process of a Project Outline, but it needs to be confirmed, at the latest, within the first three months of DPP.

### Implementation Organisation

Implementation Organisations that submit the Project Proposals are qualified legal entities, endorsed by the national government to ensure the implementation (as opposed to DPP) of a project. As Mitigation Action Facility funding cannot be provided directly to partner government institutions such as ministries, the Implementation Organisations will be the contractual partners of the FGA and recipients of funding. The Implementation Organisations will be responsible and accountable for the correct use of funds and services, the financial and administrative management of the project, for monitoring of the project and reporting to the TSU.

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. The required competencies could also be provided by a national project partner. In case a partnership / cooperation is formed, all partners and their roles must be well-defined and, if applicable, the responsible entity leading the partnership / cooperation should be identified to become the contractual partner of the FGA.

### **Possible legal entities**

Legal entities that could act as Implementation Organisations, Applicants or ASPs include the following organisations:

- National: development banks, development funds, public utilities, public agencies, foundations, national non-governmental organisations (NGOs), commercial organisations, etc.
- International: regional or international development banks, United Nations (UN) agencies, bilateral and multilateral development agencies, international non-governmental organisations (INGOs), international foundations, commercial organisations, etc.

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.

### **Legal compliance**

The submission of Project Concepts, Outlines and Proposals does not lead to a legal entitlement to receive any Mitigation Action Facility funding. 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). The legal compliance may also require adjustments in respect of the design of the project as well as the inclusion of corresponding provisions into the contracts governing the use of the Mitigation Action Facility funding.

## **3.5 Project Partners**

Project Partners are the key national partners for the implementation of the project. Implementation Organisations must include Project Partners with a specific national mandate for implementation unless the Implementation Organisation itself has such a mandate. Overall, an engagement of national institutions, agencies, NGOs as project partners is highly encouraged by the Mitigation Action Facility. It is also recommended that the Implementation Organisation has formalised relationships with the Project Partner(s), e.g. through cooperation agreements, Memoranda of Understanding or other agreements that specify their respective roles and responsibilities.

Examples for typical Project Partners are:

- National (sector) ministries and other public and/or private entities, NGOs / associations; and
- Financial institutions, such as a national development bank or a Ministry of Finance.

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.

### **3.6 Steering Committee**

The national government's strong involvement and ownership are essential for the success of the project. Government institutions (national ministries and other sector institutions) must be strongly committed to managing and implementing the project within the framework of the overarching NDC and LTS.

To ensure political oversight and guidance by the Project Partner, esp. political partner, it is recommended to establish a steering committee for each project. The set-up of this steering committee and its functions shall be defined during DPP and laid out in the Project Proposal.





# PART B

Projects of the Mitigation Action Facility  
Project Cycle and Selection Process

## 4 Project of the Mitigation Action Facility

### 4.1 Project Characteristics

The Mitigation Action Facility aims to fund the implementation of the most promising and ambitious - while at the same time feasible – projects. The projects should have the following characteristics:

- Projects are implemented in one of the three priority sectors of the Mitigation Action Facility - energy, transport and industry, or propose a cross-sectoral approach with a clear link to one of the priority sector. The sector(s) that a project engages with should be explicitly included in the partner country's NDC to affirm the alignment of the project with national priorities and ensure that the project supports the implementation of NDC, is aligned with LTS and contributes overall to the UNFCCC process
- Projects demonstrate a high level of alignment with the plans developed within the framework of the NDC Partnership (NDCP) as far as these exist. In countries, where economic advisors have been deployed with support from the NDCP, it would be desirable to link the project to the work of the advisors
- Projects are country-driven and embedded in national development strategies and plans
- Projects consist of a combination of policy and/or regulatory reforms and financial mechanisms. Policies should serve to create an enabling environment, whereas regulation and financial mechanisms channel financial flows into investments driving carbon-neutral development pathways. Regulation and financial mechanisms should serve to address potential barriers for investment and leverage public and private support for mitigation activities. Financial support should not be used to mitigate macro-economic risks such as exchange rate risks or the risk of inflation
- Project funds are used to leverage additional public and/or private capital investment. A phase-out strategy for the Mitigation Action Facility support and phase-in of other sources of financing, including national financing for self-sustained long-term implementation, must be part of the project
- Funds provided by the Mitigation Action Facility and associated investments must qualify as Official Development Assistance (ODA) throughout the implementation period of the project and need to serve and be spent in line with the public benefit purpose to promote sustainable development in partner countries that are included in the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC)-list. This means that the project and its activities must aim at achieving a substantial positive impact on society and the environment within these partner countries. An individual economic advantage or commercial benefit or profit for the Applicant, ASP, Implementation Organisation or any Project Partner cannot be generated with the use of the Mitigation Action Facility funds. Only reasonable costs directly related to the project plus reasonable overheads can be covered by the Mitigation Action Facility funds. This needs to be ensured up to the final recipients / beneficiaries of each project

- Projects are implementation ready which means that they 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
- Projects apply an intersectional understanding of gender and social inclusion, acknowledge gender- and social inequalities. To overcome the prevailing inequalities, projects adopt a gender-responsive approach through concrete measures and activities

Apart from the above-mentioned characteristics, projects must comply with the timeframes for DPP and Implementation Phases set out as follows:

- DPP time: either 10 or 15 months;
- Project Implementation time: between 3 - 5 ½ years.

The total funding volume requested from the Mitigation Action Facility for the implementation of a project should be in the range of EUR 5 – 25 million. In exceptional cases, the total funding volume might deviate from this range, particularly, projects can require higher funding if a robust justification in terms of additional benefits going beyond economies of scale is provided.

**The funding range does not include the funding for DPP.**

### Gender equality and social inclusion

The Mitigation Action Facility supports the implementation of sustainable development co-benefits which are associated with projects and go beyond the reduction of GHG emissions. These co-benefits include contributions to socio-economic, ecological, and institutional development, including gender-responsiveness and social inclusion.

In 2022, the Mitigation Action Facility has introduced a Gender Vision<sup>6</sup> with the objective to advance gender equality and social inclusion in climate action and commit to meeting the minimum criteria to score a 1 in the OECD DAC gender equality policy marker. In its Gender Action Plan the Mitigation Action Facility provides actionable guidance on how to achieve these objectives.

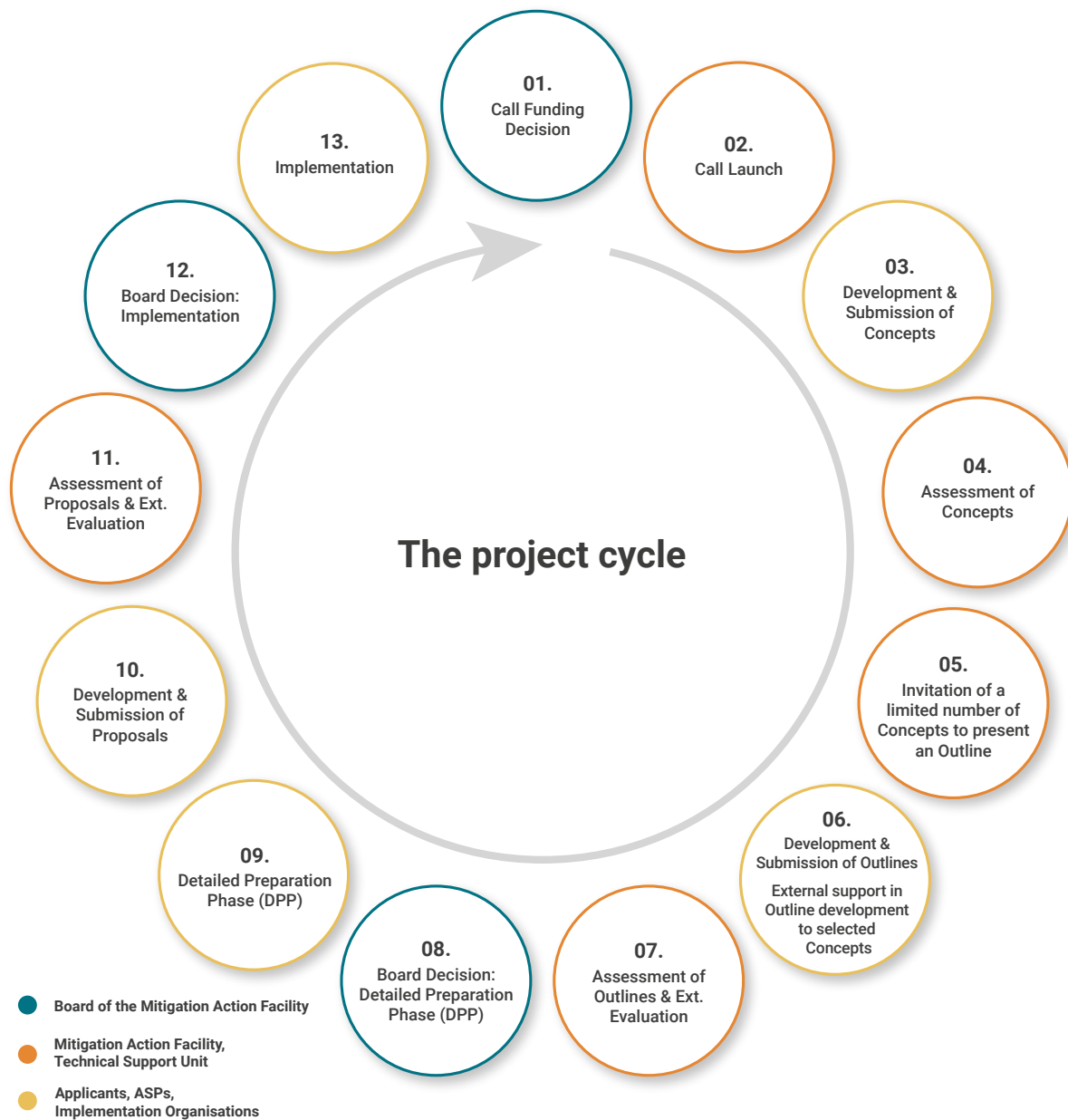
Gender equality and social inclusion considerations should be mainstreamed into the entire project cycle to ensure that gender co-benefits are obtained. As such, the Mitigation Action Facility's approach goes beyond the mere acknowledgement of gender- and social inequalities but aims at responding to the identified inequalities through concrete measures and activities of the project during implementation.

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<sup>6</sup> <https://www.mitigation-action.org/publications/gender-vision/>

## 4.2 The Project Cycle

Figure 3: Project cycle



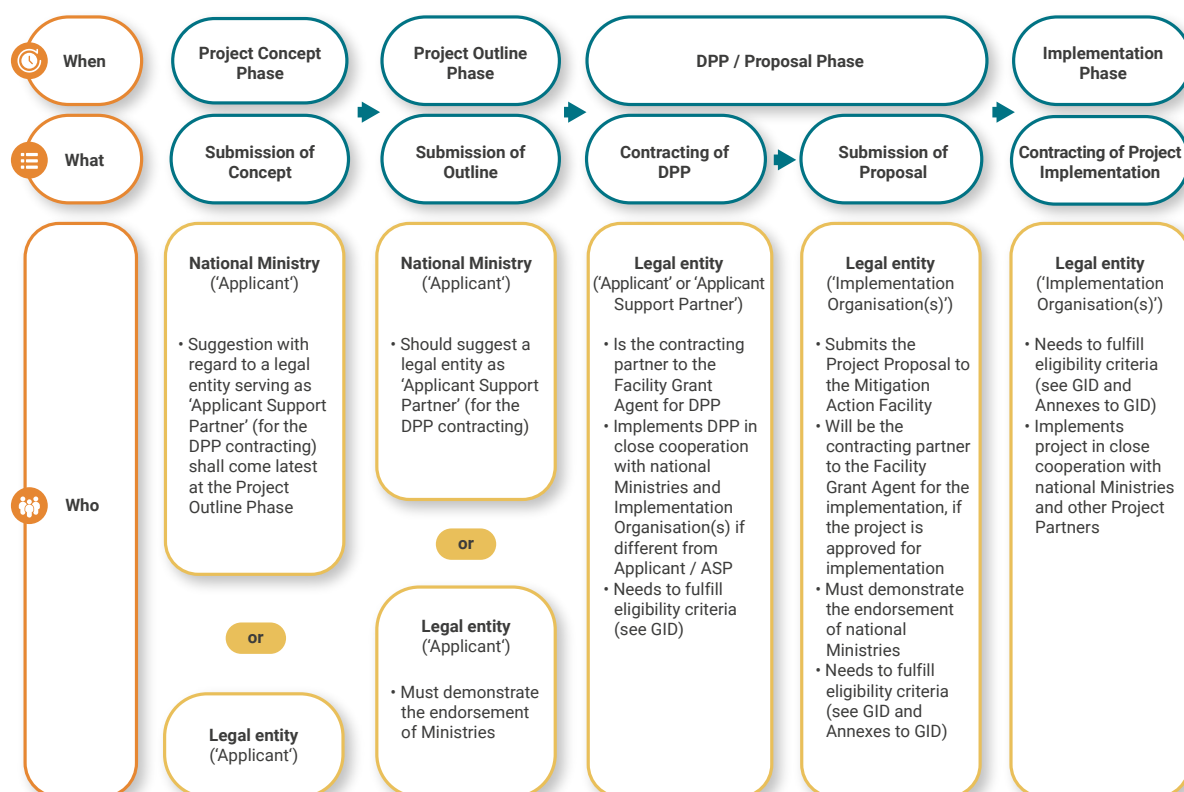
## 5 Project Selection Process

Following the decision by the Board to avail funding for new projects, the TSU initiates the selection process via a public Call for Projects. In order to identify the most ambitious and feasible among them, a competitive three-phase selection process applies.

- **Phase 1 (Concept Phase):** The Project Concept Phase preceding the development of Project Outlines has been introduced with the Mitigation Action Facility Call for Projects 2023 to simplify the application process and open the competition to a wider range of potential Applicants and partners. The period for submitting Project Concepts lasts for two months. For the presentation of Project Concepts, a standardised web-based questionnaire (an Open Application Platform, OAP) is used inviting Applicants to provide details on the envisioned intervention (no Annexes to fill out, but information on the overall idea, rationale, technical and financial support, intended impacts, etc.) guided by the questions that will at a later stage require further, more detailed, elaboration in the Project Outline. The submission of Project Concepts is mandatory in order to proceed to the next steps in the selection process. A maximum number of 10 Project Concepts may be submitted by one Applicant, including its regional representations and/or subsidiaries. All submitted Project Concepts undergo a desk assessment by the TSU. Based on the assessment and recommendation of the TSU, the Board selects up to 25 Project Concepts to proceed to the Project Outline Phase.
- **Phase 2 (Outline Phase):** A limited number of up to 25 Project Concepts approved to enter the Outline Phase are invited to submit Project Outlines supplemented by a number of Annexes detailing among others the project business model and financial mechanism, Logframe, GHG emission reductions, endorsement by key national ministries, etc. The Outline Phase, i.e. the period designated for the development and submission of a Project Outline, lasts for about two months. It is also foreseen that a limited number of promising Project Concepts submitted by Applicants / ASPs that have limited previous experience with the Mitigation Action Facility (and its predecessor, the NAMA Facility) can receive support in the Outline development. All submitted Outlines undergo a thorough desk assessment, and some of them an additional in-depth on-site assessment by an independent external evaluator and the TSU. Based on the assessment and recommendation of the external evaluator and the TSU, the Board selects projects for funding of DPP.
- **Phase 3 (DPP, or Proposal Phase):** During DPP, support is provided for a more detailed preparation and refinement of projects. DPP of an individual project lasts either 10 or 15 months – the duration should be identified and indicated by the Applicant / ASP in the Project Outline. At the end of DPP, a Project Proposal needs to be submitted. Project Proposals undergo an assessment by external evaluators and the TSU. Based on the assessment and recommendation of the external evaluators and the TSU, the Board selects projects for funding of the Implementation Phase.

There is no automatism for projects that passed the Concept and Outline Phases and received funding for DPP to also receive funding for implementation. Funding decisions are contingent on the assessment of the submitted Project Proposals and the funding available. Project Proposals that pass the assessment process but cannot be funded immediately due to limited funds can be considered as soon as new funding becomes available. They could also be submitted to other financing facilities.

**Figure 4:** Overview of phases and actors



## 5.1 The Project Concept and Outline Phases

Once the Call for Projects is launched, all relevant information and documents are made available on the official website of the Mitigation Action Facility. When submitting a Project Concept, Applicants / ASPs must use the OAP providing responses to all questions in the application form. All information must be provided in English. OAP shall also be used for the submission of Project Outlines.

### 5.1.1 Applicants in the Concept and Outline Phases

As described in [chapter 3.4](#), Project Concepts and subsequently Project Outlines can be submitted by Applicants such as a national ministry in cooperation with an ASP (a suitable ASP should be nominated latest with the submission of the Project Outline), a legal entity (endorsement by the national government institutions relevant for the implementation of the project should be demonstrated with the submission of the Project Outline), or by a partnership of legal entities / ASPs.



**By the latest at the Outline Phase, i.e. with the submission of a Project Outline, Applicants and ASPs must ensure that they fulfil the following capacity requirements:**

- Experience in the country of implementation (at least 3 years)
- Experience in the respective sector (at least 5 years)
- Experience with project development and/or project management (at least 5 projects of similar funding size as the DPP funding requested in the Project Outline)
- Experience in developing investment/climate finance policies and/or programmes (at least 5 projects)
- Experience in working with the public sector (at least 3 years)
- Annual turnover of at least EUR 1 million over the last 3 years and 10 % of the requested funding volume for implementation
- Upon approval for DPP, the Applicant / ASP shall provide annual budgets and supporting financial statements (preferably audit reports) of the last three years, evidence of internal and external control and reporting structures and, if applicable, information on its procurement and contract award procedures. Qualified Applicants / ASPs will be contracted by the FGA for DPP based on a specific eligibility check (*see also Annex 3*).

**Note:** **At the Project Concept Phase, i.e. with the submission of a Project Concept, it is not necessary for an Applicant / ASP to meet all of the capacity requirements and / or eligibility criteria.** Nevertheless, if selected for the Project Outline Phase, an Applicant with insufficient capacities and / or eligibility will have to identify a partner Applicant when submitting a Project Outline. A partner Applicant has to be able to meet all capacity requirements and eligibility criteria in order to become a contractual partner of the FGA for DPP. A consortium will have to be established with this partner Applicant, under the leadership of the partner Applicant. .

### Letters of Endorsement

No Letters of Endorsement are required at the Project Concept Phase, however, in case of a legal entity acting as an Applicant, they are encouraged to indicate if any consultations with the key national ministries and stakeholders with regard to the proposed Project Concept have been held prior to the application.

At the Project Outline Phase, in order to ensure the full endorsement of the national government, the Project Outline should be accompanied by letters of endorsement<sup>7</sup> from the key national ministries (at least from the national ministry of the relevant sector responsible for the project implementation and from the ministry in charge of environmental and climate change issues, including UNFCCC climate negotiations). The endorsement letters should be addressed to the Board of the Mitigation Action Facility.

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<sup>7</sup> Also e-mails from national ministries confirming the support to the project are accepted during the Project Outline submission. In this case, the actual endorsement letter should be presented at the latest during the in-depth assessment.



### 5.1.2 Submission of Project Concepts

**Web-based application platform:** The submission of Project Concepts takes place through an OAP where Applicants / ASPs are asked a number of guiding questions largely following the logic and approach of the Project Outline template. The information requested is split into the three broad categories of (1) General Information on the Project, (2) Project Concept and (3) Project Ambition. No Annexes and / or any supplementary documents are required at the Project Concept Phase. Confirmation of the receipt of Project Concepts is provided automatically.

### 5.1.3 Project Concept Assessment Criteria

Ambitious projects are defined by their potential for transformational change, their mitigation potential as well as their potential for the leveraging of further finance. Project Concepts should describe how mitigation actions in a certain (sub-)sector can be implemented. This should include a financial mechanism that would enable redirection of public and private investment decisions beyond the project's lifetime leading to a carbon-neutral development pathway.

Project Concepts, upon selection for further development and assessment phases, should then be elaborated and substantiated both quantitatively (e.g. business model, GHG emission reduction calculations, etc.) and qualitatively (e.g. stakeholder consultations, endorsement by the government, etc.) at the Project Outline Phase and, subsequently, during DPP.

#### Eligibility criteria

Based on the mandatory characteristics of a project as outlined in [chapter 4.1](#), Project Concepts need to meet eligibility criteria which serve to ensure that the submitted Concepts fulfil the formal requirements of the competitive bidding for the Mitigation Action Facility support. The following criteria apply:

- Timely submission (i.e. by the closure of the Project Concept Phase of the Call for Projects 2024 at **3 pm CET on 29 February 2024**)
- Focus on one of the three priority sectors – energy, industry or transport; or a cross-sectoral project linked to one of the priority sectors
- Completeness of information (all mandatory fields in OAP are filled out)
- Information provided in English
- ODA-eligibility of the country according to the OECD DAC-list throughout the entire foreseen project implementation period
- Qualification of the Mitigation Action Facility funding as ODA finance
- Funding volume requested from the Mitigation Action Facility for implementation is in the range of EUR 5-25 million excluding DPP funding
- Envisaged implementation duration of 3 - 5 ½ years

## Ambition criteria

The ambition criteria seek to ensure that the Mitigation Action Facility supports the most ambitious projects. Projects are assessed on the basis of a point-grade system. In total, up to 10 points can be assigned for ambition at the Project Concept Phase. The ambition will be assessed relative to the country and sector context. Please note that projects are expected to take a conservative approach to their financial and mitigation potential.

Criterion	
<b>Potential for transformational change (4 points)</b>	<p>The potential for transformational change is crucial for the Mitigation Action Facility. It implies to sustainably redirect the flow of public and private funds towards GHG mitigation actions. The political will and respective decisions towards GHG mitigation translate into laws and regulations as well as to the reallocation of finance and cash flow (e.g. subsidies).</p> <p>Detailed criteria are:</p> <ul style="list-style-type: none"> <li>• Relevance of the (sub-)sector for the implementation of NDC and embeddedness in national sector policies and / or development plans</li> <li>• Potential for creating a demonstration effect</li> <li>• Catalytic effect and ability of the project to induce systemic change</li> <li>• Replicability/scalability at national and/or regional level</li> <li>• Sustainability (irreversible change)</li> </ul>
<b>Financial ambition (4 points)</b>	<p>The mobilisation of public and private funding (i.e. leverage) in terms of national public contribution and private sector funding are seen as key for inducing and taking forward the transformational change towards a carbon-neutral development pathway. The financial leverage is assessed relative to the sector and the country.</p> <p>Detailed criteria are:</p> <ul style="list-style-type: none"> <li>• Ability of the financial mechanism to optimise potential investment flows (public, private or from other donors)</li> <li>• Creation of feasible opportunities for the private sector to invest in the mitigation technology / practice</li> <li>• Ability to leverage additional funding (public, private or from other donors)</li> </ul>
<b>Mitigation potential (2 points)</b>	<p>The mitigation potential is a key measurement to estimate a project's contribution to the decarbonisation targets as defined by the country's NDC. At the Project Concept Phase, a conservative overall estimate or a range of achievable GHG emission reductions is assessed relative to the sector and the country.</p> <p>Detailed criteria are:</p> <ul style="list-style-type: none"> <li>• Significance of the mitigation potential</li> <li>• Cost-effectiveness</li> </ul>

## Feasibility criteria

Feasibility criteria seek to ensure that the projects are not only highly ambitious but also likely to be implemented successfully. In total, up to 10 points can be assigned for feasibility.

Criterion	
<b>Project rationale (5 points)</b>	<p>The key criterion for the project rationale is a comprehensive barrier analysis that clearly shows the current sector situation and what impedes transformational change. The project is to tackle the barriers - not simply work around them.</p> <p>Detailed criteria are:</p> <ul style="list-style-type: none"> <li>• Plausibility of barrier analysis</li> <li>• Plausibility of project rationale</li> <li>• Clear definition of the target group(s) (including the indication of opportunities to promote gender equality and social inclusion)</li> <li>• Appropriate and clear scope of the project</li> </ul>
<b>Project design (5 points)</b>	<p>The project design needs to respond to the barrier analysis and show how regulatory measures, financial mechanisms, technology shifts and capacity development work together towards the proposed transformational change, thus tackling the identified barriers.</p> <p>Detailed criteria are:</p> <ul style="list-style-type: none"> <li>• Adequate identification of the project partners</li> <li>• Feasible and appropriate technology</li> <li>• Plausible business model and appropriate financial mechanism to overcome market failures</li> <li>• Clearly defined technical cooperation and assistance measures</li> </ul>

For more information on gender and social inclusion, please refer to [chapter 4.1](#).

Note: While the Project Concept template has a very “slim” structure, the Mitigation Action Facility’s expectations on both readiness and ambition of Project Concepts remain high. This is especially important considering the short timeframe that the Project Concepts selected for the Outline Phase will have in order to provide the information required for the Project Outline and all Annexes.

### 5.1.4 Assessment Process in the Concept Phase

All Project Concepts submitted are firstly checked with regard to their overall eligibility which is rated on a Yes / No basis. Afterwards all eligible Project Concepts are evaluated by the TSU via a desk assessment against the set of selection criteria outlined above. Both ambition and feasibility are evaluated on a point-based system with a maximum of 10 points each. Based on the assessment and recommendation of the TSU, the Board selects up to 25 Project Concepts to proceed to the Project Outline Phase.

### 5.1.5 Submission of Project Outlines

**Only 25 Projects Concepts based on the results of the assessment process and thus their technical and conceptual merits will be selected for the Project Outline Phase. After the notification, Applicants / ASPs will have about two months to develop a Project Outline including all required Annexes.**

**Outline and Annexes:** The Project Outline questionnaire in OAP with its guiding questions and Annexes allows for a consistent and comprehensive presentation of the project. Annexes based on Excel (or similar spreadsheets) should be submitted in this form, i.e. not as a pdf or other formats, and should include formulas instead of hard-coded figures.

**Submission:** All selected Project Concepts will be notified about the submission deadline for Project Outlines. The deadline will be strictly applied as a formal eligibility criterion. Outlines submitted late will be rated ineligible. Complete Project Outlines with all Annexes (all in English) shall be submitted electronically to the Mitigation Action Facility via OAP. Confirmation of receipt of Project Outlines will be provided automatically.

### 5.1.6 Support in Outline development

A limited number of promising Project Concepts (out of the 25 selected for the Project Outline Phase) submitted by Applicants / ASPs that have limited previous experience with the Mitigation Action Facility (and its predecessor, the NAMA Facility) will be provided with an opportunity to receive external support in the Outline development. The external experts providing support are recruited by the Mitigation Action Facility on the basis of a public tender.

Project Concepts that will be offered support in the Outline development will be selected by the Board at the occasion of the selection of Project Concepts for the Outline Phase.

### 5.1.7 Project Outline Assessment Criteria

Projects selected for the Outline Phase build upon the information provided as part of the Project Concept Phase, but set out in much more detail how mitigation actions in the selected (sub-)sector are to be implemented and scaled up. The Project Outlines must offer solutions that would realistically address all relevant regulatory and investment barriers. It is also expected that these solutions are preliminary verified with the key target groups and stakeholders. At DPP, in case a project is approved for the support of the Mitigation Action Facility, details of the intervention should be further refined and agreed to with the partners and stakeholders to ensure that after DPP the project is ready for implementation.

#### Eligibility criteria

Building upon the eligibility criteria at the Project Concept Phase ([chapter 5.1.3](#)) and considering the mandatory project characteristics outlined in [chapter 4.1](#), the following additional eligibility criteria apply:

- Timely submission (i.e. by the closure of the Project Outline Phase of the Call for Projects 2024 as communicated by the Mitigation Action Facility)

- Completeness of documents (including endorsement letters of ministries)<sup>8</sup>
- Documents provided in English
- Envisaged DPP duration of either 10 or 15 months
- Additionality of the project

### Ambition criteria

At the Project Outline Phase, in total, up to 25 points can be assigned for ambition. As during the Project Concept Phase, the ambition will be assessed relative to the country and sector context. Please note that projects are expected to take a conservative approach to their financial and mitigation potential as the projects' success will be measured against this initial proposition throughout the assessment and implementation process.

Criterion	
<b>Potential for transformational change (11 points)</b>	<p>Detailed criteria are:</p> <ul style="list-style-type: none"> <li>• Government commitment/endorsement</li> <li>• Embeddedness in national strategies including co-benefits as drivers for implementation as well as strong linkage to ambitious enhanced NDC</li> <li>• Alignment with the Partnership Plan of NDCCP (applicable only to the countries that are members of the NDCCP)</li> <li>• Sectoral relevance (engagement of a project in the (sub-)sector explicitly included in the NDC)</li> <li>• Potential for creating a demonstration effect</li> <li>• Catalytic effect and ability of the project to induce systemic change</li> <li>• Replicability/scalability at national and/or regional level</li> <li>• Sustainability (irreversible change)</li> </ul>
<b>Financial ambition (6 points)</b>	<p>Detailed criteria are:</p> <ul style="list-style-type: none"> <li>• Potential of the financial mechanism to optimise investment flows and provide opportunities for private sector investments into GHG mitigation activities in a long run</li> <li>• Significant private sector participation</li> <li>• Significant public budget contribution</li> </ul>
<b>Mitigation potential (8 points)</b>	<p>The mitigation potential shows the direct and indirect contribution of a project to the decarbonisation targets as defined by the country's NDC. It is assessed on relative terms, i.e. relative to the sector and the country.</p> <p>Detailed criteria are:</p> <ul style="list-style-type: none"> <li>• Plausibility of underlying assumptions, baseline, calculations</li> <li>• Direct mitigation potential</li> <li>• Indirect mitigation potential</li> <li>• Cost-effectiveness</li> </ul>

<sup>8</sup> Also e-mails from national ministries confirming the support to the project are accepted during the Project Outline submission. In this case, the actual endorsement letter should be presented at the latest during the in-depth assessment.

## Feasibility criteria

At the Project Outline Phase, in total up to 25 points can be assigned for feasibility.

Criterion	
<b>Project rationale (10 points)</b>	<p>At the Project Outline Phase, the selected projects shall deepen their barrier analysis and detail measures that would allow to tackle these barriers. In case other initiatives are also being implemented in the (sub-)sector, the projects should provide an overview of such initiatives and find ways to utilise their lessons learnt and potential synergies to the greatest extent possible.</p> <p>Detailed criteria are:</p> <ul style="list-style-type: none"><li>• Plausibility of barrier analysis</li><li>• Plausibility of project rationale</li><li>• Clear logframe (indicators and risks)</li><li>• Clear definition of the target group(s) (including the consideration of gender equality and social inclusion)</li><li>• Clear definition of synergies with other projects</li><li>• Appropriate and clear scope of the project</li><li>• Justification of project funds</li></ul>
<b>Project design (13 points)</b>	<p>At the Project Outline Phase, it is especially important to detail the financial mechanism of the project (based on a sound barrier analysis and business models for investors/end-users). The sound financial mechanism potentially combined with regulatory initiatives should kick-start a redirection of investment and cash flows in the (sub-)sector.</p> <p>Detailed criteria are:</p> <ul style="list-style-type: none"><li>• Adequate institutional set-up</li><li>• High level of readiness</li><li>• Feasible and appropriate technology</li><li>• Plausible business model(s) at an investment level</li><li>• Appropriate financial mechanism and possibly regulation to overcome barriers and make business models viable</li><li>• Clearly defined technical cooperation and assistance measures</li><li>• Reasonable funding request (including the FC component/TC component funding ratio)</li></ul>

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## Criterion

### DPP concept (2 points)

The concept for DPP is to show that the Applicant / ASP has a clear understanding of the required level of detail and readiness of a Proposal and how to prepare for it. The DPP concept should also show a self-reflection on what can be done in-house and where additional expertise (e.g. financial or mitigation competence) needs to be hired from external sources.

Detailed criteria are:

- Adequate focus
- Comprehensiveness (complete and cohesive)
- Adequacy of approach /methodology
- Realistic timeline
- Appropriateness of requested funding for DPP

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Note: While the Project Outline template has a reduced structure in comparison to a full-fledged Proposal, the Mitigation Action Facility's expectations on both readiness and ambition of Project Outlines remain high. Please consult the factsheet on financial mechanisms published on the Mitigation Action Facility website for more information.<sup>9</sup> The Applicant / ASP needs to show that the economic and financial sides of the project have been designed with a high degree of diligence and that sufficient information has been collected in order to assess the viability of the approach.

### 5.1.8 Assessment Process in the Outline Phase

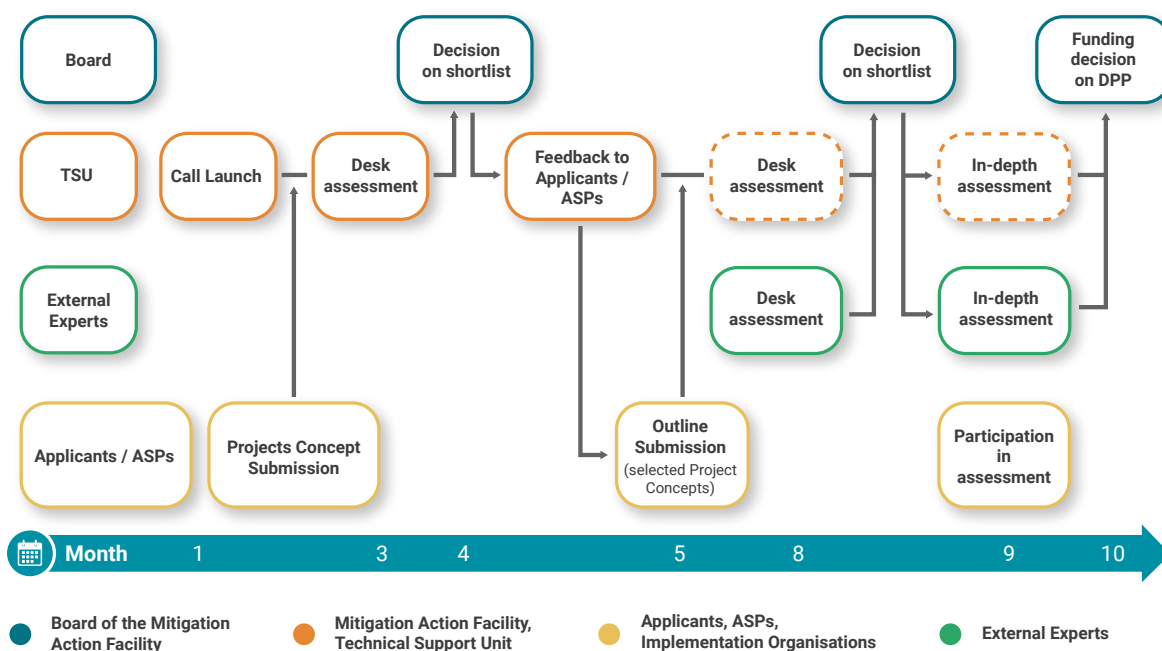
The assessment consists of two distinct stages: an initial desk assessment followed by an in-depth assessment. The in-depth assessment may include a written round of clarifications with short-listed projects and an on-site assessment. The result of both combined will inform the funding decision on DPP.

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<sup>9</sup> <https://www.mitigation-action.org/publications/financial-mechanisms-applications-under-the-nama-facility/>



**Figure 5:** Project Concept and Outline phases – actors and activities



In the initial desk assessment, the submitted Project Outlines will be evaluated against the set of selection criteria, following the confirmation of the eligibility of each individual Outline. Eligibility is rated on a Yes / No basis; and selection criteria of ambition and feasibility - on a point-based system with a maximum of 25 points each. The Board will decide, which projects will be further assessed in an in-depth on-site assessment. The evaluation criteria described above will apply at both stages of the assessment, but the in-depth assessment will focus on specific issues that may have been identified during the initial desk assessment. The eligibility of the Applicant / ASP for contracting of DPP will be verified during the in-depth assessment.

The in-depth assessment serves to confirm and expand the initial desk assessment, in particular on the following issues:

- National ownership and capacities of project partners
- Verification of the mitigation potential and financial leverage
- Project design (incl. additionality, barrier analysis, target groups, synergies, etc.)
- Readiness of the project for implementation
- Discussion and further detailed elaboration of the concept for DPP that may also include a revision of the budget and conditions, if deemed necessary

The potential in-depth on-site assessment is expected to take on average three days per project. The active participation and support of the Applicant / ASP is crucial - the Applicant / ASP is requested to support the assessors team in setting up meetings and making contact details and documentation available. Exact timing will be communicated once the Board has decided on the short-list and the external assessors have been assigned for assessing specific projects.

The in-depth assessment will result in a final recommendation regarding whether the project should be considered for DPP funding. The assessors may propose conditions and prescriptive measures to be included in the concept for DPP, e.g. a change to or identification of a suitable Implementation Organisation, or a change of Project Partners, inclusion of external expert advice (e.g. on financing) or in exceptional cases even an adjustment of the chosen implementation approach. Proposed adjustments will be discussed with the Applicant / ASP, as the DPP concept shall reflect these possible conditions and measures. A finalised DPP concept will become the basis for the contracting of an individual DPP.

Funding recommendations will be submitted to the Board for its decision, with the final scoring (points) of the Outline having been adjusted according to the findings of the in-depth assessment. Applicants will be notified on the decision and those selected for DPP will conclude a grant agreement with the FGA<sup>10</sup>.

The assessment of Outlines is conducted by external assessors who have been recruited on the basis of a public tender. The TSU undertakes an assessment in parallel in order to double-check and be thoroughly informed, but the external assessor establishes the ranking of projects and puts forward recommendations to the Board.

## 5.2 Detailed Preparation Phase (DPP)/ Proposal Phase

The ultimate purpose of DPP is to prepare a comprehensive Proposal for a project implementation. For that purpose, the Applicant / ASP can engage external experts and consultants to prepare the detailed project design, conduct the required baseline and feasibility studies for establishing the financial mechanism, verify the mitigation potential and conduct other activities that might be necessary for the detailed project preparation.

During DPP, close cooperation with the national Project Partners is considered crucial to confirm the necessary ownership that is key for unfolding the project's transformation potential. The same holds true for cooperation with the foreseen Implementation Organisation, in case this is an entity different from the Applicant / ASP.

### Identification and specific eligibility check of the Implementation Organisation

If the Applicant / ASP for DPP and the intended Implementation Organisation(s) for the Implementation Phase of the project are different entities, the Implementation Organisation(s) need to be **identified and confirmed within, at the latest, three months from the start of DPP**.

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<sup>10</sup> <https://www.mitigation-action.org/publications/contract-templates-for-detailed-preparation-phase/>

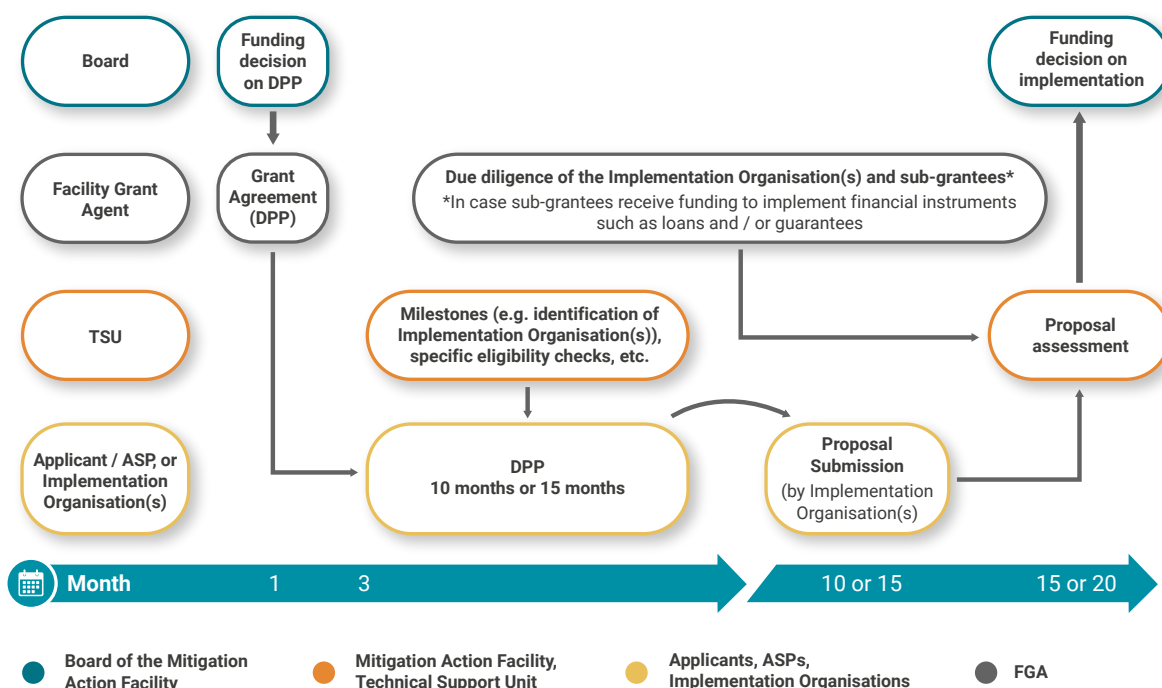
The same requirement holds true for sub-grantees that will receive funding from the Implementation Organisation(s) for either implementation of (some of the) financial instruments as part of the project’s financial mechanism and/or implementation of the technical cooperation component or its individual packages. General eligibility criteria for an Implementation Organisation are provided in *chapters 3.4, 5.2.2* and *Annex 3*.

A confirmation of the Implementation Organisation(s) and sub-grantees at the beginning of DPP is important in order to enable the organisations’ active participation in DPP and the formulation of the Proposal that is to be submitted by the Implementation Organisation(s). The Implementation Organisation(s) (and, in some cases, sub-grantees) has to undergo a specific eligibility check and enhanced due diligence by the FGA, following its respective guidelines that encompass administrative and financial procedures and capacities as well as the general capability of the Implementation Organisation(s) (and, in some cases, sub-grantees) to implement the proposed project (*see also Annex 3*). The Implementation Organisation(s) and sub-grantees are expected to support the eligibility check and due diligence by providing information and documents requested by the FGA (or an external consultant assigned with this task). If the specific eligibility check of the Implementation Organisation(s) and / or all or any of the sub-grantees has a negative outcome, the government will be assisted in identifying an alternative organisation to be engaged in the project implementation.

### Duration of DPP

DPP has a total duration of either 10 or 15 months from signing the grant agreement for DPP to submitting the Project Proposal. The provision of funding support for DPP will be linked to the demonstration of satisfactory progress achieved with regard to crucial milestones in DPP.

**Figure 6:** DPP / Proposal phase – actors and activities



### 5.2.1 Submission of Project Proposals

**Project Proposal template and Annexes:** The template will be made available to the Applicant / ASP at the beginning of DPP. The Project Proposal has to cover, among others, full-fledged analysis of the underlying business model and the proposed financial support mechanisms; the substantiated calculation of the expected direct and indirect GHG emission mitigation potential; the institutional set-up (including a steering committee and project partners with their respective roles and responsibilities); and the assessment and definition of safeguards for environmental, social issues and human rights. In line with its commitment to strive towards scoring a 1 in the OECD DAC gender equality policy marker the Mitigation Action Facility requests Applicants to conduct a gender analysis in DPP and ensure that the project design is informed by it.

**Submission:** The complete Project Proposal needs to be submitted either within 10 or within 15 months after the conclusion of the DPP grant agreement. The specific interim deadlines for milestones and the final deadline for submission will be part of the individual grant agreement for DPP.

The complete and signed Project Proposal is to be **submitted electronically** as both pdf and Word / Excel versions to the following address **before the deadline:** [contact@mitigation-action.org](mailto:contact@mitigation-action.org).

### 5.2.2 Applicants in the Proposal Phase/Implementation Organisations

Project Proposals can only be submitted by the Implementation Organisation(s). In cases when two Implementation Organisations are designated for the implementation of the project (i.e. one Implementation Organisation for the TC component and one for the FC component), they are expected to submit one Project Proposal that includes clearly delineated roles, responsibilities and budgets and that is confirmed in writing by both Implementation Organisations.

Eligibility criteria for the Implementation Organisations are different, and more demanding, than for the Applicants / ASPs submitting a Project Concept and an Outline. 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 process initiated by the FGA during DPP. In general, international as well as national organisations (legal entities) may qualify as Implementation Organisations, as long as they have been endorsed by the national government for their role as Implementation Organisations and fulfil the following capacity requirements:

- Proven work experience in the country of implementation (> 3 years)
- Proven work experience in the respective sector (> 5 years)
- Proven experience with project implementation in the lead (> 5 projects with a similar funding volume as requested for a project implementation)
- Proven experience in investment/climate finance (> 5 projects)
- Proven experience with the implementation of ODA projects (> € 5 Mio)

- Proven experience in working with the public sector (>3 years)
- For entities other than financial institutions, an average of annual turnover over the last 3 years > requested project funding volume

In addition, eligibility criteria as specified in [Annex 3](#) need to be met.

The Implementation Organisation(s) are expected to align with the processes and requirements put in place by the Mitigation Action Facility for monitoring and evaluation, reporting, knowledge management and communication.

### 5.2.3 Assessment Criteria

Only Project Proposals that are complete and fulfil all formal requirements will be accepted for the assessment. The submitted Project Proposals must continue to fulfil the mandatory characteristics of a project as outlined in [chapter 4.1](#) above and will be assessed against a list of criteria that are similar to the Project Concept and Outline assessment. However, the feasibility assessment is emphasised at this stage. On a 50-points scale, Project Proposals will be rated as follows:

- 15 points: Ambition
- 35 points: Feasibility

Project Proposals that pass the assessment process but cannot be funded immediately due to limited funds can be considered as soon as new funding becomes available. They could also be submitted to other financing facilities.

Written endorsement by the national government must be annexed to the Project Proposal confirming that the relevant national sector ministry and the ministry responsible for the topic of environment and climate change (including the UNFCCC climate negotiations) endorse the project and implementation plan, the Implementation Organisation(s) and commit to supporting the project's implementation. If the success of the project relies on other ministries with adjacent responsibilities due to, e.g. their role in budgetary / financial disbursements and/or their mandate to initiate amendments in the key legislation, these ministries shall issue the letters of endorsement too.

Project Partners, incl. sub-grantees, as well as any other stakeholders that are instrumental for the success of the project and are planned to have an active role in the project implementation shall confirm their role and interest in the project in a form of written statements of interest.

#### Ambition criteria

The assessment of the Project Proposals follows the same criteria with the same rationale as was applied for the Project Outline assessment, although a higher level of refinement is expected for the Project Proposal. This means, e.g. that substantiated assumptions and calculations must be presented with respect to the mitigation potential; the financial

mechanism must be based on solid background data, verified with a broad range of stakeholders and agreed upon with the Project Partners and target groups; financial contribution of the national public budget needs a higher level of commitment (secureness), etc. The assessment criteria for ambition are as follows:

Criterion	
<b>Potential for transformational change</b>	<ul style="list-style-type: none"> <li>• Government commitment/endorsement</li> <li>• Embeddedness in national strategies including co-benefits as drivers for implementation as well as strong linkage to ambitious enhanced NDC</li> <li>• Alignment with the Partnership Plan of NDCP (applicable only to the countries that are members of the NDCP)</li> <li>• Sectoral relevance (engagement of a project in the (sub-)sector explicitly included in the NDC)</li> <li>• Potential for creating a demonstration effect</li> <li>• Catalytic effect and ability of the project to induce systemic change</li> <li>• Replicability/scalability at national and/or regional level</li> <li>• Sustainability (irreversible change)</li> </ul>
<b>Financial ambition</b>	<ul style="list-style-type: none"> <li>• Potential of the financial mechanism to optimise investment flows and provide opportunities for private sector investments into GHG mitigation activities in a long run</li> <li>• Significant private sector participation</li> <li>• Significant public budget contribution</li> </ul>
<b>Mitigation potential</b>	<ul style="list-style-type: none"> <li>• Plausibility of underlying assumptions, baseline, calculations</li> <li>• Direct mitigation potential</li> <li>• Indirect mitigation potential</li> <li>• Cost-effectiveness</li> </ul>

### Feasibility criteria

Project Proposals will be assessed more strictly with regard to the feasibility criteria than the Outlines. They are to be substantiated by baseline and feasibility studies. The readiness of the financial mechanism and its underlying assumptions and calculations are of particular importance for the assessment of the feasibility, as the implementation of the financial mechanism is to start immediately after a short period (up to 18 months) of the Implementation Phase 1 (for details on Implementation Phases see chapter 6). Furthermore, a plausible and clear institutional set-up of the project is expected, meaning that the key Project Partners and their respective roles and responsibilities, as well as an appropriate political steering structure (e.g. steering committee), are clearly defined. The project is expected to demonstrate, which national institution(s) will take a lead in monitoring during the project implementation and beyond. The proposed approach to knowledge management and communication will be assessed as well.

The feasibility criteria are as follows:

Criterion	
<b>Project rationale</b>	<ul style="list-style-type: none"> <li>• Plausibility of barrier analysis</li> <li>• Plausibility of project rationale</li> <li>• Quality of logframe (including Mitigation Action Facility mandatory core indicators)</li> <li>• Risk analysis (incl. environmental and social impact assessment, human rights and issues of gender equality and social inclusion)</li> <li>• Target group (including the consideration of gender equality and social inclusion)</li> <li>• Synergies with other projects</li> <li>• Appropriate scope of the project</li> <li>• Justification / additionality of project funds</li> </ul>
<b>Institutional set-up</b>	<ul style="list-style-type: none"> <li>• Capacity and legitimacy of Project Partners</li> <li>• Distribution of roles and responsibilities</li> <li>• Steering structure</li> <li>• Other stakeholders (roles and responsibilities)</li> </ul>
<b>Project design</b>	<ul style="list-style-type: none"> <li>• Readiness including the definition of appropriate milestones for Implementation Phase 1 and 2 (or for further implementation stages defined on a case-by-case basis for the projects piloting innovative technologies)</li> <li>• Feasible and appropriate technology</li> <li>• Plausible business model(s)</li> <li>• Comprehensive and sustainable financial mechanism</li> <li>• Clearly defined technical assistance measures (including measures to support gender equality and social inclusion)</li> <li>• Appropriate implementation timeline, incl. milestones</li> <li>• M&amp;E concept</li> <li>• The concept of knowledge management and communication</li> </ul>
<b>Project budget</b>	<ul style="list-style-type: none"> <li>• Reasonable funding request</li> <li>• Consistent and adequate budget</li> <li>• Co-funding (secured)</li> </ul>

#### 5.2.4 Assessment and Funding Decision Process for Project Proposals

Project Proposals undergo a detailed assessment. During the assessment, the Implementation Organisation(s) may be contacted for the clarification by the TSU or external assessors on behalf of the TSU. Project Proposals successfully passing the assessment are recommended to the Board. According to the assessment result and the available funding, the Board takes a final funding decision. The Implementation Organisation(s) and the Project Partners, especially political partners, are informed in due time on the decision of the Board. The assessment and funding decision process takes approximately five months.

Projects that are selected for funding will conclude a grant agreement with the FGA for the project implementation.



## 6 Project Implementation

Following the final approval of a project by the Board, the FGA will enter into a grant agreement with the qualified Implementation Organisation(s). All the rules and procedures, which have been defined in the underlying contractual arrangements between the Board and the FGA and which are relevant for the implementation of the project, shall be reflected in the grant agreement.

The Implementation Organisation(s) are fully responsible for implementing the project according to the Project Proposal and any conditions stipulated in the grant agreement.

In order to ensure swift implementation, the Implementation Phase will be divided into two distinct phases:

**Implementation Phase 1** begins with the signing of the grant agreement for project implementation. During Implementation Phase 1, all contracts and agreements necessary for the implementation of the FC and TC components must be established. A set of pre-defined milestones must also be achieved. During this period, only minor TA activities should be undertaken. Implementation Phase 1 shall have a duration of up to 18 months, after which the Board may decide to discontinue support if insufficient progress is achieved regarding the contracting process and pre-agreed milestones. The duration of Implementation Phase 1 could also be shorter than 18 months. The Mitigation Action Facility funding for this first phase will be limited.

**Implementation Phase 2** is the phase of the full project implementation in the partner country. As all major contracting arrangements are in place at this point, the project should be posed for rapidly delivering the expected results.

As the overall implementation period is limited to 5 ½ years (i.e. 66 months), the maximum duration of Implementation Phase 2 could be up to 66 months minus the duration of Implementation Phase 1. For instance, if Implementation Phase 1 is 18 months, Implementation Phase 2 should be no longer than 4 years (48 months).

Projects piloting innovative technologies should clearly demarcate that they have a smaller pilot phase before moving to a larger scale project, effectively having two stages. The specific milestones and criteria for such implementation stages should be indicated as part of the Project Concept or an Outline at the latest and further refined during DPP.

Successful projects proving substantial upscaling potential at the end of the initially requested Implementation Phase 2 can apply for additional funds. The funding amount will need to be justified for specific upscaling activities that are relevant to the original project. The request for additional funding will be reviewed and assessed by the Mitigation Action Facility on the basis of the project's performance and potential for upscaling. The final decision will be made by the Board and will be subject to the availability of funds.

As the Mitigation Action Facility understands itself as a learning hub for the implementation of ambitious climate projects, Implementation Organisation(s) and project partners are expected to share their experience with the broader, international community. This requires projects to allocate sufficient capacities and resources to communication and knowledge management. The TSU may contact the Implementation Organisation(s) or project partners for specific inputs and events.

## 6.1 Monitoring and Evaluation

**Monitoring and evaluation (M&E)** is an important part of the Mitigation Action Facility.

**Monitoring** is carried out by the TSU for the overall Mitigation Action Facility and by the Implementation Organisation(s) for the individual projects. Projects are expected to build up and anchor monitoring capacities with national institutions in the partner country. This shall ensure that monitoring and data collection mechanisms do not end when the project concludes. A project-level M&E is based on the M&E Framework of the Mitigation Action Facility, which provides guidance on monitoring and reporting requirements. In addition to indicators measuring the progress of the project on the output and outcome level, attention must be paid to the monitoring of mandatory core indicators and additional sector-specific indicators. Indicators measuring sustainable co-benefits of climate change mitigation actions, engagement on gender equality and social inclusion, technical assistance to public institutions and policy support, as well as scaling/ replication efforts are mandatory. The project-level M&E plan contains detailed information on monitoring tasks relevant to a particular project, including frequency of and responsibility for data collection. All monitoring costs must be included in the project budget.

Mandatory core indicators, which all projects have to monitor and report on, and for which projections and results are aggregated at Mitigation Action Facility level, are:

- Reduced greenhouse gas emissions directly and indirectly by the project intervention (M1)
- Number of people directly benefitting from the project (M2)
- Potential for transformational change - Degree to which the supported activities catalyse impact (M3)
- Public finance mobilised - Volume of public finance (domestic and/or international) mobilised for carbon-neutral investment and development (M4)
- Private finance mobilised - Volume of private finance (domestic and/or international) mobilised for carbon-neutral investment and development (M5)

Implementation Organisation(s) are requested to provide a **detailed M&E plan** with validated indicators within **the first three months** of Implementation Phase 1. The information provided in the annual project reports, in particular on the status of the mandatory core indicators and additional Mitigation Action Facility indicators are aggregated at the level of the Facility, and feed into the monitoring and reporting to the Board.

In addition to regular monitoring, projects are subject to **evaluations** that are commissioned by the TSU and financed by 1% of the project budget.

In this respect, all projects are subject to a mid-term and a final evaluation and learning exercise (ELE). These ELEs are part of the Mitigation Action Facility's working approach to catalyse transformational change through incremental monitoring processes that allow continuous learning from successes and failures.

The exercise is based on a theoretical framework that involves a document review, participatory workshops and stakeholder interviews to collect evidence about projects' results and lessons. These elements are then analysed using a theory-based approach centred on the use of contribution analysis and reinforced by elements of process tracing.

## 6.2 Reporting

For reporting on progress, Implementation Organisation(s) are required to regularly submit reports to the Mitigation Action Facility following a template provided by the TSU. These reports are:

- **Semi-annual reports** on project progress, lessons learned and financial statement
- **Annual reports** on the status and progress of the project, including an updated implementation schedule, on performance according to indicators, risk assessment, deviations from the original planning, lessons learned and financial status of the project
- A **final report** that has to be submitted two months prior to the end of the project. In addition to the reporting requirements of the annual report, the final project report will assess the overall performance and achievements of the project in terms of outcomes

The TSU will assess the progress of the project on the basis of the logframe, the M&E plan and the reports provided.

## 6.3 Communication and Knowledge Management

The goal of the Mitigation Action Facility is to foster a rigorous learning culture in which lessons learnt are derived from all outcomes – both positive and negative – to improve processes and guide its efforts in the future. By extracting this knowledge, the Mitigation Action Facility can share and exchange these lessons across the wider climate finance community and support its main target group: countries that seek to be at the forefront of the climate change mitigation action. The Mitigation Action Facility therefore serves as a Knowledge & Learning Hub.

Both the TSU and the Implementation Organisation(s) are responsible for knowledge management, communication and public relations. This includes a pro-active approach to learning with regular reflections of lessons learned and sharing of them with the stakeholders of the Mitigation Action Facility. It also includes the full range of communication measures such as publications, presentations, participation in events and communication with the wider climate finance / NDC community. Implementation Organisation(s) are thus requested

to submit communication strategies in line with the guidance provided by the Mitigation Action Facility, as well as allocate sufficient resources for its implementation. Implementation Organisation(s) might be contacted by the TSU for:

- Contributions to presentations by delivering content, pictures or other – sometimes at a short notice
- Representing the project as part of the Mitigation Action Facility at a national or regional event with a jointly elaborated presentation
- Updates on the progress of implementation

In order to harmonise the presentation and corporate identity of the Mitigation Action Facility, the TSU provides a set of logos and visibility guidance that are shared with the Implementation Organisation(s) at the beginning of the implementation and are mandatory for use.



# ANNEXES

# Annexes

## Annex 1: List of abbreviations

Abbreviation	Meaning
ASP	Applicant Support Partner
BMWK	German Federal Ministry for Economic Affairs and Climate Action
CIFF	Children's Investment Fund Foundation
COP	Conference of the Parties
DAC	Development Assistance Committee
DESNZ	The UK Department for Energy Security and Net Zero
DPP	Detailed Preparation Phase
FC	Financial Cooperation (project component)
FGA	Facility Grant Agent
GHG	Greenhouse Gas
GID	General Information Document
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
INGO	International Non-governmental Organisation
MFA	Danish Ministry of Foreign Affairs
KEFM	Danish Ministry of Climate, Energy and Utilities
M&E	Monitoring and Evaluation
NAMA	Nationally Appropriate Mitigation Action
NDC	Nationally Determined Contribution
NGO	Non-governmental Organisation
OAP	Open Application Platform
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
TA	Technical Assistance
TC	Technical Cooperation (project component)
ToC	Theory of Change
TSU	Technical Support Unit
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change

## Annex 2: Glossary

**Applicants:** In the initial Project Concept and Outline Phases, national ministries or legal entities may function as Applicants, i.e. submit a Project Concept and, upon selection, an Outline to the Mitigation Action Facility. If a national ministry acts as an Applicant, it has to define an Applicant Support Partner (ASP) (*see below*). Legal entities acting as Applicants and ASPs must comply with capacity requirements as stipulated in *chapters 3.4, 5.1.1* and *Annex 3*. In case of the selection for the Project Outline Phase, an Applicant shall provide evidence of the sufficient endorsement by the national government institutions relevant for the project implementation with the submission of the Project Outline. Upon selection of the Project Outline for the Detailed Preparation Phase (DPP), the legal entity (Applicant / ASP) will then function as a contracting partner for DPP.

**Applicant Support Partner (ASP):** If a national ministry submits a Project Concept, a legal entity complying with the capacity criteria as stipulated in the *chapters 3.4, 5.1.1* and *Annex 3* should be identified latest by the time of the Project Outline submission. This legal entity will serve as an Applicant Support Partner (ASP) for the contracting of the Detailed Preparation Phase (DPP).

**Board of the Mitigation Action Facility (the Board):** The central decision-making body of the Mitigation Action Facility. Currently the Board comprises representatives from five Donors, i.e. German Federal Ministry for Economic Affairs and Climate Action (BMWK), UK Department for Energy Security and Net Zero (DESNZ), Danish Ministry of Climate, Energy and Utilities (KEFM) and Ministry of Foreign Affairs (MFA), the European Union (EU) and the Children Investment Fund Foundation (CIFF). The Board takes all relevant decisions related to strategy, policies, guidelines and budget, and selects the projects for funding.

**Business model:** A key indicator for transformational change in a sector is the redirection of the flow of funds. To achieve this, consumer and/or investor decisions must be influenced towards a carbon-neutral pathway. The underlying assumption is that consumers/investors will change their commercial/financial decisions if it is economically beneficial for them and if it follows a potentially successful business model. The project needs to offer a (potentially) successful “business model” for consumers/investors including adequate financing mechanisms.

**Commercial Organisation:** An entity taking the role as an Applicant, Applicant Support Partner or Implementation Organisation in the preparation/implementation of a project as stipulated in *chapter 3.4* of the General Information Document (GID).

**Detailed Preparation Phase (DPP):** The stage of the Project Proposal development with a duration of either 10 or 15 months that follows the Project Outline Phase and precedes the submission of Project Proposals. To learn more about what it takes to craft a detailed Project Proposal, visit the [Knowledge & Learning Hub](#).



**Facility Grant Agent (FGA):** As Facility Grant Agent, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is commissioned to administer the Mitigation Action Facility. This comprises financial and contractual management as well as due diligence of Implementation Organisations (and, in some cases, sub-grantees).

**Financial ambition:** One of the ambition criteria of the Mitigation Action Facility. The financial ambition of a project is assessed as its ability to leverage additional private and/or public funds for the implementation of the mitigation action and/or for financing carbon-neutral investments related to the mitigation action. The financial potential is also reflected in two of the mandatory core indicators of the Mitigation Action Facility.

**Financial mechanism:** Financial mechanism is one of the key interventions of the projects of the Mitigation Action Facility and a crucial part of their financial cooperation (FC) components. Financial mechanisms aim to address and overcome financial barriers that hinder investments in carbon-neutral technologies and/or practices. The following instruments employed through financial mechanisms can be highlighted: - Risk mitigation instruments that address high (perceived) risk (e.g. guarantees); - Financing & refinancing instruments that supply additional long-term capital (e.g. loans); - Grant instruments that address gaps in the financial viability.

**General Information Document (GID):** A document that provides general information on the Mitigation Action Facility, its objectives and functioning as well as specific information on the selection process of projects for funding under the Calls for Projects of the Mitigation Action Facility. The purpose of the document is to assist national governments of partner countries and other potential Applicants in preparing Project Concepts and Project Outlines for submission to the Mitigation Action Facility.

**Impacts (long-term results):** Long-term direct and indirect effects of the project that reflect the ambition criteria: potential for transformational change including sustainable development co-benefits, financial ambition and mitigation ambition.

**Implementation:** The implementation of a project refers to the stage when the project design, institutional set up, measures and activities are sufficiently developed and prepared to get started on the ground.

**Implementation Organisation:** Implementation Organisations, formerly known under the NAMA Facility as, firstly, Delivery Organisations and, later, NAMA Support Organisations (NSOs), are responsible and accountable for the proper delivery of funds and/or services, the financial and administrative management of the project, as well as monitoring and reporting to the Technical Support Unit (TSU) and the Board. A suitable Implementation Organisation can be nominated latest during the first three months of the Detailed Preparation Phase (DPP) to then be in charge of the Project Proposal submission. The architecture of the Mitigation Action Facility does not allow for a direct transfer of funds to government institutions (i.e. Ministries) in partner countries. The Ministries therefore cannot serve as Implementation Organisations but are widely represented as Project Partners.

**Indicators:** Quantitative or qualitative indicators provide evidence on the achievement of results. Indicators add greater precision to the project goals and serve as a binding standard for measuring the attainment of goals and thus the success of the project. The Mitigation Action Facility Monitoring & Evaluation (M&E) framework defines three types of indicators: core mandatory indicators, sector-specific outcome indicators and project-specific output indicators. All indicators have to be SMART (specific, measurable, achievable, realistic and time-bound).

**Logframe:** A results matrix drawn from the results model or Theory of Change. The logframe shows the linear causal relationship between the impact, the outcome(s) and related outputs and activities of a project. Indicators are quantitative and qualitative variables for measuring changes and results, and sources of verification are needed to substantiate these elements. Central assumptions and risks for achieving the defined targets must also be described in the logframe as it is the basis for the project's monitoring and evaluation (M&E) plan.

**Mitigation action:** A broad range of concrete instruments and activities developed and implemented in order to meet the objectives of Nationally Determined Contributions (NDCs) to achieve the goals of the Paris Agreement. Under the Mitigation Action Facility, mitigation actions are focused on driving decarbonisation in priority sectors, including energy, transport and industry.

**Mitigation Action Facility:** Jointly established by the governments of Germany and the United Kingdom and co-funded by the Danish government, the European Union and the Children's Investment Fund Foundation (CIFF). Formerly known as the NAMA Facility and renamed in 2023, it provides financial support to developing countries and emerging economies that show leadership on tackling climate change and that want to implement transformational country-led mitigation actions within the global mitigation architecture, specifically implementation of Nationally Determined Contributions (NDCs) and long-term strategies (LTS).

**Mitigation ambition / potential:** This is one of the ambition criteria of the Mitigation Action Facility and describes the direct and indirect greenhouse gas emission (GHG) reductions caused by the project. The mitigation potential is also reflected in one of the mandatory core indicators of the Mitigation Action Facility.

**Outcome:** The overarching direct project goal and direct effects that can be causally attributed to the interventions of a project funded by the Mitigation Action Facility and reflect the utilisation of the outputs by the target group.

**Output:** Products, goods, services and regulations/ standards that have arisen as a result of the activities of the project funded by the Mitigation Action Facility.

**Partner country:** An ODA-eligible country in which a project of the Mitigation Action Facility is being developed (DPP), implemented or has concluded the Implementation Phase.

**Partner ministry:** (Sub-) National ministry or ministries that due to their mandate are essential for the success of the project of the Mitigation Action Facility, and that endorse the Project Outline and, upon selection for DPP, the Project Proposal. Partner ministry /-ies usually serve as Project Partners and have formalised relationships with the Implementation Organisation (e.g. in a form of a Memorandum of Understanding (MoU) or Implementation Agreement). These are often line/sector ministries and ministries in charge of environmental and climate change related matters.

**Project:** Projects are funded by the Mitigation Action Facility and provide support to governments for the implementation of mitigation actions through the provision of financial support and technical cooperation instruments. Under the NAMA Facility, these were called NAMA Support Projects (NSPs).

**Project Partner:** Project Partners consist of national (sector) ministries, financial institutions such as regional or national (development) banks and other public and/or private entities working closely with the Implementation Organisation(s) and together with them mandated by the national government to implement and operate the project. The strong involvement and ownership of the project partners is considered to be essential for the success of the project. Under the NAMA Facility, they were called implementing partners (IPs).

**Project Concept:** An initial project idea outlined in a concise manner according to the requirements of the Mitigation Action Facility for Phase 1 (Project Concept Phase) of the project selection process.

**Project Outline:** A detailed project concept and the proposed intervention prepared according to the requirements of the Mitigation Action Facility for Phase 2 (Project Outline Phase) of the project selection process.

**Project Proposal:** A comprehensive description of the project and the proposed intervention that is prepared during DPP (Phase 3 of the selection process).

**Readiness:** Readiness refers to the degree of maturity or development of a project. Activities to prepare a project are generally referred to as readiness activities. In the sense of the Mitigation Action Facility, a project is considered to be ready, when it is able to move to the implementation stage of the activity right away, after a limited detailed preparation, e.g. of the envisaged financial mechanism.

**Stakeholders:** People or organisations that actively participate in the project or are directly affected by the project in a positive or negative way. They could be actively involved in the project as intermediary organisations in the implementation (e.g. micro finance institutions or associations) or passively associated rather as a recipient (benefitting from capacity development or being targeted for harm reduction purposes). Stakeholders are different from the targeted beneficiaries of a project.

**Sustainable development co-benefits:** Contributions to sustainable socio-economic, ecological and institutional development associated with a project and which go beyond the reduction of greenhouse gas (GHG) emissions. Co-benefits are mostly reflected in the respective sector policy and can be obtained at a regional or local level (e.g. increase in income, social security, reduction of airborne pollutants). Sustainable development co-benefits are considered a key element to create country ownership and a driver for transformational change. They thus can have an important impact on the long-term sustainability of a project.

**Technical Support Unit (TSU):** The Technical Support Unit (TSU) manages the Mitigation Action Facility on behalf of the Board. It serves as the secretariat of the Mitigation Action Facility and as the focal point for national governments, Project Partners as well as for Implementation Organisations and other stakeholders. The TSU is responsible for organising Calls for Projects, steering the assessment of Project Concepts, Outlines and Proposals; advising Applicants / ASPs during DPP, including the provision of support through external experts; monitoring and evaluation of the overall Mitigation Action Facility, reporting to the Board; communicating within the Mitigation Action Facility and with external stakeholders; facilitating the dissemination of lessons learned.

**Transformational change:** Change is considered transformational if it is significant, abrupt (quicker than the business-as-usual) and permanent/irreversible in bringing the country on a carbon-neutral development trajectory in line with the 1.5-degree-objective. Projects can support the transformational change by enabling a significant evolution in terms of scope (e.g. scaling-up or replication), a faster change or a significant shift from one state to another. They do so by influencing policies, regulation and enforcement, and by providing adequate financing mechanisms that manage to incentivise consumer/investor decisions in order to sustainably redirect the flow of funds in the sector towards the carbon-neutral pathway.

### **Annex 3: Indicative list of specific eligibility criteria for Applicants, Applicant Support Partners (ASPs) and Implementation Organisations**

Applicants, ASPs and Implementation Organisation(s) will be assessed on an individual basis in the project-specific context to determine their capability and suitability as a contracting partner of the Mitigation Action Facility.

Applicants, ASPs and Implementation Organisation(s) must:

1. Be or represent a legal entity
2. Demonstrate appropriate organisational structure and procedures
3. Have an appropriate accounting system with qualified personnel in place.  
It is expected that the annual budget and proper annual financial statements, annual sales and implemented budgets for the past three years will be made available
4. Have appropriate contract award procedures, which meet national legislation and international standards
5. Have appropriate internal and external control
6. Demonstrate an appropriate track record in the handling of (ODA) financing, including from (other) donors

During DPP, Implementation Organisation(s) are subject to enhanced due diligence initiated by the FGA that includes but is not limited to verification of the risk management, financial analysis, adherence to environmental, social and governance standards. The FGA might task a qualified external consultant to support the enhanced due diligence.

Applicants, ASPs and Implementation Organisation(s) must not be subject to any of the following aspects:

- They have entered insolvency proceedings, are having their affairs administered by the court, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in an analogous situation arising from a similar procedure provided for in national legislation or regulations
- They, or persons having the power of representation, decision making or control over them, have been convicted of an offence concerning their professional conduct by a judgment of a competent authority which has the force of res judicata (i.e. against which no appeal is possible)
- They have been guilty of grave professional misconduct proven by any means which the contracting authority can justify
- They are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with both the legal provisions of the country in which they are established or those of the country where the contract is being performed
- They, or persons having the power of representation, decision making or control over them, have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such an illegal activities are detrimental to the donor's financial interest.

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## Disclaimer

Some of the content in this document was authored under the NAMA Facility but is published by the Mitigation Action Facility. The Mitigation Action Facility is a continuation of the NAMA Facility and builds on its legacy. The NAMA Facility was active from 2012 to early 2023.

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