#### Selection Process and Selection Criteria

The Mitigation Action Facility aims to fund the implementation of ambitious and transformational projects. For this purpose, a transparent and competitive bidding and selection process has been developed. The Mitigation Action Facility uses a set of eligibility, ambition and feasibility criteria, which will apply to all submitted projects.

Eligibility Criteria

Ambition Criteria

Feasibility Criteria

Criteria of the Mitigation Action Facility

The selection and implementation of projects follows a four-step process: launch of a Call for the submission of Project Concepts, then submission of Project Outlines, the Detailed Preparation Phase (DPP) and Implementation Phase. The first two steps comprise the submission and assessment of firstly a Project Concept and then, upon selection, a Project Outline. A limited number of inexperienced applicants submitting promising Project Concepts are eligible for external support in the Outline development. In the third step – the Detailed Preparation Phase – the Mitigation Action Facility provides all successful applicants with technical and financial resources to further elaborate their Project Outline into a thorough Project Proposal. The decision to proceed into Implementation is then based on the assessment of the newly elaborated Project Proposal.

For the latest updates, relevant application materials and supporting documents, visit the Mitigation Action Facility's website: www.mitigation-action.org

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For further information visit our website www.mitigation-action.org





# **Driving Sectoral Decarbonisation**

















#### Background and Sectoral Focus

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 27th Conference of Parties (COP27) in Egypt, while celebrating the 10th 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.

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 IPCC's Sixth Assessment Report, energy, transport and industry cumulatively account for more than 40 GtCO2e, or 67% of global annual GHG emissions (as of 2021). To shift the targeted sector 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, provision of technical and financial assistance are needed to improve the affordability, accessibility and attractiveness of clean technologies and sustainable practices.

## Activities and aims of the Mitigation Action Facility

The Mitigation Action Facility will continue to launch annual competitive Calls enabling partner countries, or organisations on their behalf, to apply for funding. The most ambitious and feasible climate change mitigation projects are selected for support through a comprehensive assessment process. 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.

Mitigation Action Facility support, in the form of technical assistance, not only catalyses investments, but also strengthens capacities and triggers behaviour change, resulting in sector-wide shifts to improve livelihoods and create other co-benefits – environmental, social and economic. Since 2012, the portfolio has grown to 47 projects across 33 countries and a total funding volume of EUR 668 million (as of February 2023).

As a valuable knowledge and learning hub, the Mitigation Action Facility expands its reach and disseminates lessons learnt generated through monitoring and evaluation. It also strives to ensure alignment with the most up-to-date findings and research devoted to the topic of climate change, in particular, with the Breakthrough Agenda Reports. To promote collaboration within the climate community, the Mitigation Action Facility supports activities of the NDC Partnership (NDCP) encouraging projects to build upon and achieve targets set in NDC Partnership Plans and other country engagement processes. More broadly, the Mitigation Action Facility contributes to the global dialogue on how to use international climate finance to catalyse transformational change towards sustainable carbon-neutral development. Within the objective of creating sustainable co-benefits, the Mitigation Action Facility, in addition to other impacts, aims at advancing gender justice in climate action.

#### Means of Support

Mitigation Action Facility funding can be used to develop financial mechanisms and deliver technical assistance to tackle wider policy, regulatory or other barriers that inhibit investment and constrain carbon-neutral development. Examples of technical supports include technical assistance, regulatory frameworks and capacity developing workshops for institutions involved, whereas financial support mechanisms can include grants, loan quarantees and concessional loans.

#### Means of Support

#### **Outcomes of Project**

E. G. GREENHOUSE GAS (GHG) MITIGATION INVESTMENTS

## Outputs

## Financial Cooperation (FC)

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#### Examples

- · Investment grants
- Concessional loans
- · Guarantee funds
- Development of bankable project pipeline
- Advisory services (e. g. banking training, design of financial support mechanisms)

### Technical Cooperation (TC)

#### Examples

- Training and Capacity
  Development
- Pre-feasibility studies
- Development of bankable project pipeline
- Knowledge exchange
- Advisory services MRV development