

General Information Document

Call for Projects 2026 of the Mitigation Action Facility

November 2025



On behalf of:



of the Federal Republic of Germany

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1. Introduction

The Mitigation Action Facility is a go-to platform providing technical support and climate finance for ambitious mitigation projects with the aim of decarbonising key sectors of the economy and society. In 2012, the governments of Germany and the UK 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 that it would be renamed the Mitigation Action Facility from 2023 onwards and would henceforth focus on decarbonising the priority sectors **energy, industry, and transport**.

The Mitigation Action Facility funds ambitious climate change mitigation projects to implement Nationally Determined Contributions (NDCs) and long-term strategies (LTS) that are crucial for achieving the Paris Agreement goals. The Call for Projects 2026 will offer climate finance for the implementation of mitigation projects aligned with new ambitious NDCs. While the Mitigation Action Facility primarily focuses on three priority sectors, it 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)¹, energy, transport and industry together account for 73% 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 fill the shortfall in climate finance required to avoid the worst impacts of climate change.

Beyond this, the Mitigation Action Facility significantly contribute to initiatives like the Just Energy Transition Partnerships (JETPs) and the Climate Club. According to the Breakthrough Agenda Report 2024², technical and financial assistance is needed to improve the affordability, accessibility and attractiveness of clean technologies and sustainable practices. **Grant-based funding** provided by the Mitigation Action Facility is used for a combination of **Technical Assistance** (TA) measures and **Financial Cooperation** (FC). The aim of the latter is to develop and offer market-based, sustainable and scalable financial mechanisms for unlocking investment in technologies and practices that can lead to a reduction in GHG emissions. Mitigation Action Facility support in the form of TA not only catalyses investment but also strengthens institutional capacities and triggers recipient behaviour change, resulting in sector-wide shifts that improve livelihoods and create environmental, social and economic co-benefits.

This General Information Document (GID) provides an overview of the Mitigation Action Facility, including its objectives and operational framework (Part A). It also outlines the requirements, project cycle details, and the selection process for funding under the **Call for Projects 2026** (Part B). The GID is designed to support potential applicants in preparing and submitting Project Concepts and, if selected, in developing full Project Proposals.

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

² <https://breakthroughagenda.org/report-2024/>

1.1 Call for Projects 2026 – Adjustments for continuous action and consistent impact

The Mitigation Action Facility continues to launch annual competitive Calls for Projects. The most ambitious and feasible climate change mitigation projects are selected for funding support through a comprehensive assessment process.

To improve overall efficiency, the Mitigation Action Facility will introduce important adjustments to the Call for Projects 2026 as follows:

- **Simplified process:** The Outline Phase will be waived. Instead, certain additional information will be required at the Concept Phase to reduce duplication, save time, and lower the administrative burden for applicants.
- **Two-step Concept selection:** A limited number of applicants will be invited to the Pitch, where they will virtually present their Concepts. This was previously part of the Outline Phase.
- **Detailed Preparation Phase (DPP) duration:** The DPP will last up to 12 months.
- **Fast-track pathway:** Mature projects with proven readiness and strong government backing may be invited to bypass the DPP and submit their Project Proposal directly for consideration for implementation.

These adjustments aim to make the process more inclusive, efficient, and attractive to both public and private sector applicants, while maintaining the highest standards in project selection. This process will be explained in more detail in the following sections.

The key features of the Call for Projects 2026:

Strategic focus	<ul style="list-style-type: none">• Focus on three priority sectors – energy, transport, and industry – while also supporting cross-sectoral projects linked to one of these priority sectors.• Continued emphasis on the implementation of ambitious Nationally Determined Contributions (NDCs) in the context of NDCs 3.0, as well as on long-term strategies (LTS), the United Nations Framework Convention on Climate Change (UNFCCC) processes, and global cooperation (e.g., through the <i>NDC Partnership</i>).• As before, the ambition level of NDCs will be taken into consideration in the selection process.
Funding approach	<ul style="list-style-type: none">• Provision of grant-based funding for projects that combine both TA and FC for market-based, sustainable and scalable financial mechanisms.• Overall funding volume of the Call: up to EUR 100 million.• Maximum funding per project: up to EUR 25 million.

Introduction of Light-house Pilot Projects

- The Lighthouse Pilot Projects are an optional modality in addition to the established main mode of delivery of Mitigation Action Facility projects. It builds on and replaces the former Piloting modality from previous Calls.
- Pioneering projects that act as visible beacons, test bold solutions, and chart new pathways for ambitious climate action will be identified as fitting the Lighthouse Pilot Projects.
- While all Mitigation Action Facility projects aim at transformation and scalability, the Lighthouse Pilot Projects add distinct value by highlighting a first-of-its-kind aspect or novel technological solution for a particular sector transition in a particular country context and demonstrating its potential, systematising the dissemination of learning to strengthen the Mitigation Action Facility's role as a knowledge and learning hub, and boosting visibility and leadership through the positioning of selected projects as global reference points for ambitious climate action.
- Lighthouse Pilot Projects place novel technologies and systematic knowledge management at their core. Innovation is understood in a broad sense; the technology, solution or pathway may be novel globally or within the specific country context in which the project operates.
- Lighthouse Pilot Projects:
 - » Test innovative technologies such as tidal stream energy generation for harnessing renewable marine resources, green hydrogen-based production for decarbonised industrial processes, locally manufactured lithium-ion batteries for custom-built e-mobility solutions, reactive power compensation systems for enhanced grid stability, etc.
 - » Apply a structured approach to capturing and sharing lessons across countries and sectors.
 - » Take calculated risks and demonstrate what is possible beyond the current state of practice.
 - » Act as front-runners illuminating opportunities for replication and inspiring broader sectoral transformation.
- Lighthouse Pilot Projects will be identified from the Concept Phase onwards and will follow the same application and selection process as other projects. Expectations under the ambition criteria will be adapted to reflect their innovation-focused nature. While potential for transformational change, GHG mitigation and financial leverage will be assessed, greater emphasis will be placed on technological innovation, demonstration effect, and the project's ability to generate and disseminate insights for future replication and scaling.

Application process and project cycle	<ul style="list-style-type: none"> Public and private actors are invited to submit Project Concepts (see Chapter 3.5 for details). Each applicant (including regional representatives and/or subsidiaries) may submit a maximum of six Project Concepts. The Project Outline Phase is no longer part of the project cycle. Instead, additional information will be required at the Concept Phase. The Concept Phase will now feature the Pitch, an application step for a limited number of applicants selected by the Board that was previously part of the Outline Phase (formerly known as in-depth assessment). Up to 25 applicants will be invited to pitch their Project Concepts to the Technical Support Unit (TSU) and external experts. DPP duration is capped at 12 months. Mature projects with proven readiness and strong government backing may be invited to develop a Project Proposal, bypassing the DPP.
Supporting carbon markets through TC³	<ul style="list-style-type: none"> This Call introduces the provision of TC support to relevant projects for carbon market readiness and funding activities that build national capacity, frameworks, and infrastructure in line with Article 6.4 of the Paris Agreement. The Mitigation Action Facility will provide financial support for carbon market activities. Implementation Organisations will receive assistance from the TSU, supported by external experts contracted by the Facility. This support may include methodology development, the design of regulatory and legal frameworks, and the development of public-carbon market interfaces.

The Mitigation Action Facility remains committed to facilitating an accessible, efficient, and attractive application process, while maintaining the highest standards of fairness and transparency in project selection.

Full details on the Mitigation Action Facility and specifically on the Call for Projects 2026 are available on the Mitigation Action Facility's website at www.mitigation-action.org.

³ https://mitigation-action.org/wp-content/uploads/MAF_Carbon-Market-Policy-Paper.pdf

1.2 Quick checklist for applicants

The Mitigation Action Facility **strongly recommends that applicants read this document in full** to gain a complete understanding of the application process and to ensure their Project Concept has the best chance of being selected. The checklist below only summarises the “must-haves” and “must-knows”:

- As an applicant at the Concept Phase, you are either (i) a **national ministry**, or (ii) a **legal entity** (e.g., governmental agency, development bank, NGO, INGO, private financial institution, commercial company, foundation)
- The country in which your project will be implemented (subsequently referred to as the “partner country”) is included on the **OECD Development Assistance Committee (DAC) List**⁴.
- Your project is implemented in one of the three priority sectors – **energy, transport or industry** – or proposes a **cross-sectoral approach** with a clear link to one of these sectors.
- The chosen priority sector is included in the **partner country's NDC**.
- Your project is aligned with the **partner country's plan** developed under the **NDC Partnership**, if such a plan exists.
- Your project is **country-driven** and embedded in **national development strategies and plans**.
- Your project combines both **policy and/or regulatory reforms** with **financial mechanisms**.
- You intend to use project funds to **leverage additional public and/or private capital investment**, with a clear strategy to phase out Mitigation Action Facility support and phase in other financing sources by the end of the project's implementation.
- Funds provided by the Mitigation Action Facility and associated investments **qualify as Official Development Assistance (ODA)** throughout the implementation period.
- Funds provided by the Mitigation Action Facility are used in line with the public benefit purpose of promoting **sustainable development** in the partner country.
- Your project is **implementation-ready**⁵.
- Your project applies an intersectional understanding of **gender equality and social inclusion (GESI)**.
- The **implementation period** of your project ranges from **36 to 66 months**.
- The **funding requested** for project implementation ranges from **EUR 5–25 million**.

⁴ <https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions/dac-list-of-oda-recipients.html#oda-recipients-list>

⁵ Refer to the term „readiness“ in *Annex 2: Glossary*



PART A

The Mitigation Action Facility at a glance

2. The Mitigation Action Facility at a glance

In 2023, the Mitigation Action Facility evolved from the NAMA Facility, which operated from 2012 to early 2023. Since 2012, its portfolio has grown to 66 projects across 38 countries with a total funding volume of EUR 835 million (as of November 2025).

Grant-based funding provided by the Mitigation Action Facility is used for a combination of TA measures and FC. The aim of the latter is to develop and offer market-based, sustainable and scalable financial mechanisms for unlocking investment in technologies and practices that can lead to a reduction in GHG emissions. The Mitigation Action Facility's support in the form of TA not only catalyses investment but also strengthens capacities and triggers behaviour change, resulting in sector-wide shifts that improve livelihoods and create environmental, social and economic co-benefits. As part of its objective of creating sustainable co-benefits, the Mitigation Action Facility aims at advancing gender equality and social inclusion (GESI) in climate action, among other impacts.

2.1 The Mitigation Action Facility's vision and mission

Our vision is to

Accelerate decarbonisation to keep temperature rises to below 1.5 degrees Celsius by financing projects that shift priority sectors in ODA-eligible countries towards a sustainable, carbon-neutral pathway.

Our Mission is to

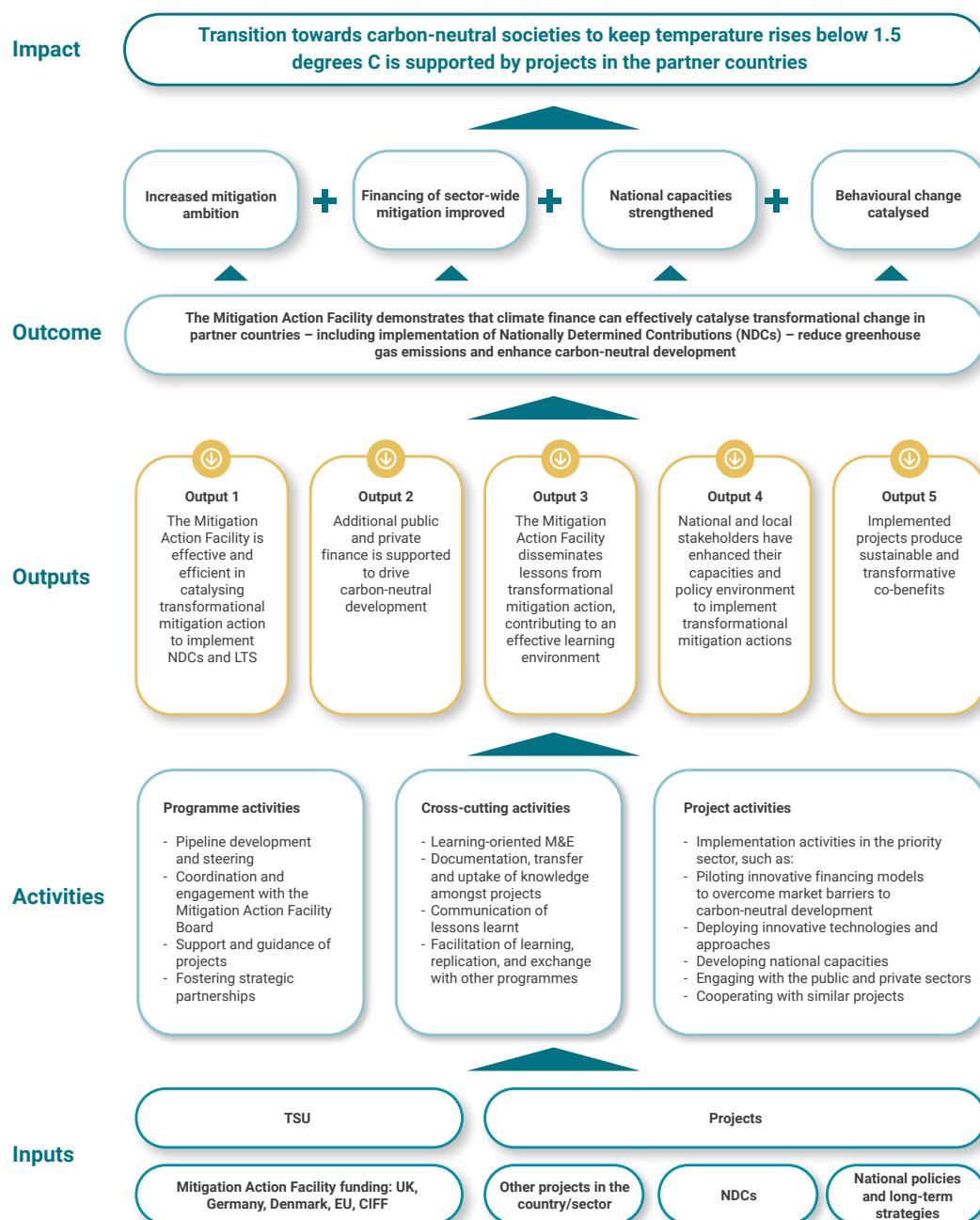
- **Finance climate mitigation projects** that address key barriers to sectoral decarbonisation and demonstrate strong potential for upscaling and replication.
- **Provide targeted finance for TA**, including policy advice, training, awareness-raising, and technology transfer, to strengthen capacities and enable effective policy development.
- **Unlock investment opportunities** by delivering tailor-made climate finance to projects that:
 - » Strengthen their partner countries' national capacities to implement carbon-neutral activities aligned with their NDCs, LTS, and other relevant climate and development plans.
 - » Pilot innovative financing models to overcome market barriers to carbon-neutral development.
 - » Boost private sector participation in delivering ambitious climate action.
 - » Deploy new technologies and approaches that require ODA funding to support national development goals.
 - » Demonstrate novel technologies and systematic knowledge management through the Lighthouse Pilot Projects, illuminating opportunities for replication and inspiring broader transformation.

2.2 The Mitigation Action Facility's 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 sectoral decarbonisation. 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.

Figure 1. Theory of Change



The Theory of Change (ToC) (see *Figure 1*) seeks to illustrate transformational potential by depicting the pathway of changes to be initiated through the Mitigation Action Facility's support for bold climate mitigation projects⁶.

Projects are considered conducive to sector-wide transformational change if they:

1. Promote a demonstration effect by manifesting the feasibility of the mitigation solutions implemented, ensuring that they are embedded in a sectoral and national climate policy context, showing evidence of buy-in from key stakeholders, and guaranteeing 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

2.3 The Mitigation Action Facility's project characteristics

Sector and NDC alignment	<ul style="list-style-type: none">• Projects must be 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 these sectors.• They should demonstrate strong alignment with national climate priorities by explicitly linking to the sector(s) included in the partner country's NDC, thereby supporting NDC implementation, alignment with long-term strategies (LTS), and contribution to the UNFCCC process.• Where relevant, synergies with and a clear reference to the political agreement of the JETPs as well as subsequent documents (such as an investment plan or an implementation plan) and the Climate Club priorities on transforming industries in the respective countries are highly encouraged.• And where relevant, projects should also build on existing plans and advisory work developed under the <i>NDC Partnership</i>.
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⁶ Read more in the *Potential for Transformational Change* factsheet.

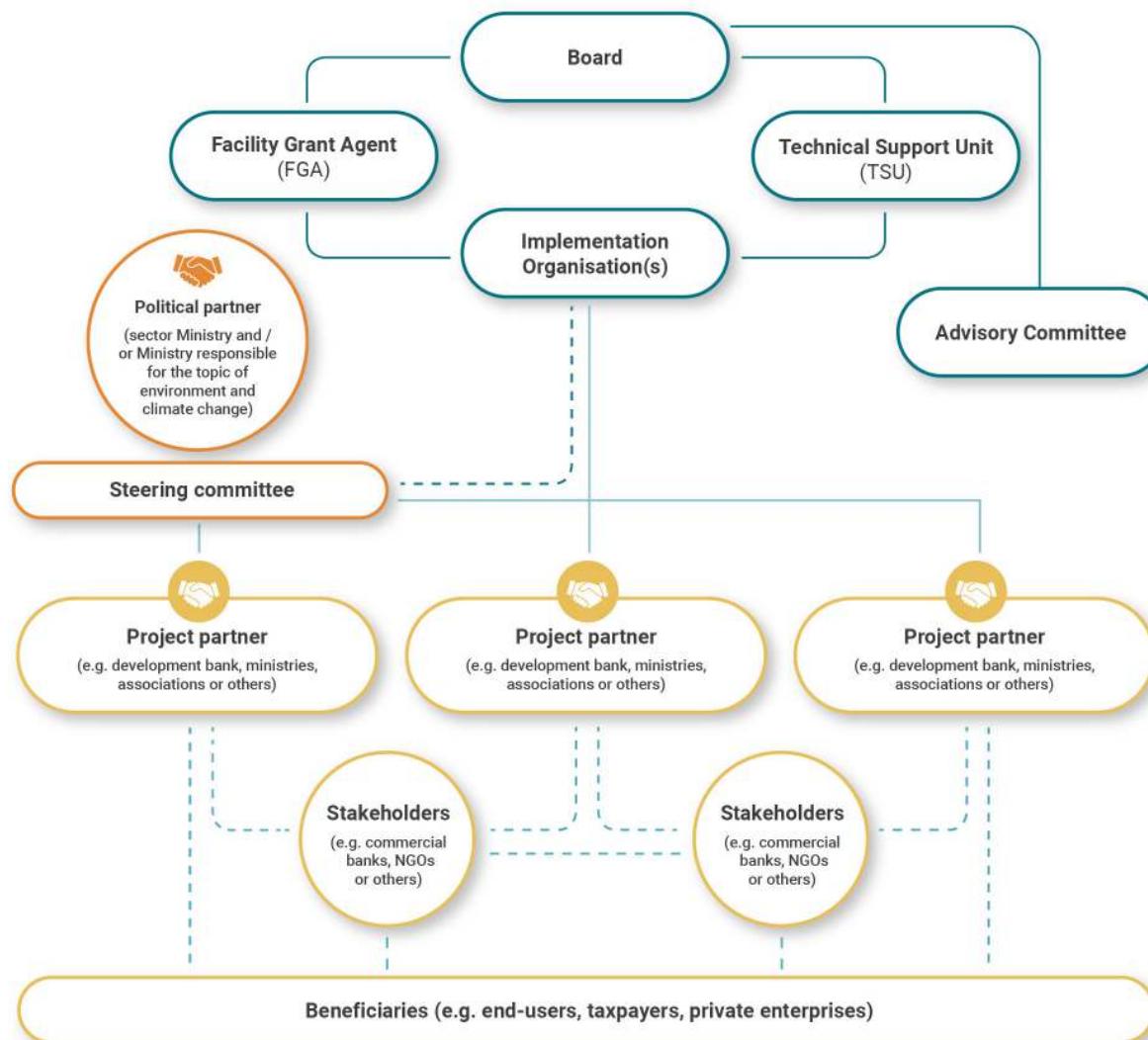
Country-driven	<ul style="list-style-type: none"> Projects are country-driven and embedded in national development strategies and plans.
Financial Cooperation and Technical Assistance	<ul style="list-style-type: none"> Projects consist of a combination of both policy and/or regulatory reforms, and financial 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.
Leveraging other finance	<ul style="list-style-type: none"> 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.
Official Development Aid (ODA)	<ul style="list-style-type: none"> Funds from the Mitigation Action Facility must qualify as ODA throughout the project's implementation and be used for public benefit, promoting sustainable development in partner countries on the OECD DAC list. The project should aim to create significant positive societal and environmental impacts in these partner countries. The funds cannot be used for individual economic advantage, commercial gain, or profit for the applicant, ASP, IOs, or Project Partners. Only reasonable project-related costs and overheads can be covered by Mitigation Action Facility funds, including for final recipients and beneficiaries.
Project readiness	<ul style="list-style-type: none"> Projects are implementation-ready, which means that they can be practically implemented (incl. the planned scope and scale) after a short phase of detailed preparation. Mitigation Action Facility funding cannot be used to finance research activities or the conceptual development of climate change mitigation technologies.
Gender equality and social inclusion (GESI)	<ul style="list-style-type: none"> Projects apply an intersectional understanding of GESI and acknowledge gender-related and social inequalities. To overcome any prevailing inequalities, projects adopt a gender-responsive and inclusive approach through concrete measures and activities.

Phase timeframes	<ul style="list-style-type: none">Projects must comply with the timeframes for the DPP and Implementation Phase set out as follows:<ul style="list-style-type: none">» DPP time: <u>up to 12 months</u>;» Project Implementation time: 3-5 ½ years.
Funding volume	<ul style="list-style-type: none">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. Projects may request 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 the DPP.

3. The Mitigation Action Facility's governance and structure

This chapter includes introduces the Mitigation Action Facility's overall governance structure and the stakeholders involved in supporting the development and implementation of a project (see *Figure 2*).

Figure 2: Organisational structure of the Mitigation Action Facility



3.1 Board of the Mitigation Action Facility

The Board is the decision-making body for strategy, project selection and funding. Formalised Board decisions are the basis for a grant award to the applicant or Applicant Support Partner (ASP) (see [Chapter 3.5](#)) for the DPP and to the IOs (see [Chapter 3.5](#)) for the Implementation Phase. The Board comprises representatives of the Mitigation Action Facility Donors.

3.2 Advisory Committee

In 2023, the Board established an Advisory Committee to provide the Board with strategic advice and to enhance the political recognition of the Mitigation Action Facility. The Advisory Committee is made up of leaders in the areas of climate policy, green finance, and sustainability. The latest information on the Advisory Committee can be found on our [website](#).

3.3 Technical Support Unit

The Technical Support Unit (TSU) serves as the secretariat and portfolio manager of the Mitigation Action Facility and supports the Board in decision-making. The TSU is also the focal point for national governments, IOs, Project Partners, and other stakeholders.

The TSU is responsible for:

- **Organising Calls for Projects** and steering the assessment of Project Concepts and Proposals,
- **Advising applicants/ASPs and IOs** during the DPP, including providing support directly and/or through external experts,
- **Monitoring and evaluating** the overall performance of the Mitigation Action Facility and reporting to the Board,
- **Coordinating external communication and stakeholder engagement,**
- **Facilitating knowledge sharing** and the dissemination of lessons learnt

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 reporting directly to the Board in order to ensure impartiality and avoid potential conflicts of interest.

3.4 Facility Grant Agent

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is commissioned to implement the Mitigation Action Facility, and acts as the Facility Grant Agent (FGA). Its responsibilities include staffing the TSU 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 administering the Mitigation Action Facility.

In this regard, the FGA also performs eligibility checks and due diligence on IOs in line with its guidelines, which encompass administrative and financial procedures and capacities as well as the general ability of the nominated IO to implement a project (see [Annex 3](#)). The FGA will ensure that adequate funding for the DPP and implementation of projects is provided to applicants/ASPs and IOs.

3.5 Applicant, Applicant Support Partner and Implementation Organisation

Applicant/Applicant Support Partner

Project Concepts can be submitted by the following applicants:

- A national ministry; in this case, a separate legal entity should be identified as the Applicant Support Partner (ASP) for contracting purposes on or before the date on which the applicant is invited to the Pitch (not yet required at the time the Project Concept is submitted). The ASP must comply with certain capacity and eligibility criteria, which are set out in more detail in [Chapter 4.1.1](#) and [Annex 3](#).
- Legal entities that comply with certain capacity and eligibility criteria, as set out in more detail in [Chapter 4.1.1](#) and [Annex 3](#), and receive sufficient endorsement by the national government institutions relevant for the potential implementation of the project. The endorsement must be demonstrated at the DPP in the form of endorsement letters (not yet required during the Concept Phase).

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

Applicants are strongly encouraged to design their projects in a way that maximises local ownership and implementation capacity. This includes engaging national or local organisations, institutions, and contractors throughout project execution. Projects should implement a significant part of the project funding through local organisations, contractors/subcontractors, and/or funding recipients.

Applicants/ASPs can form a partnership and cooperate to prepare and submit a Project Concept. In this case, the partners' profiles and roles must be well defined and clearly described in the Project Concept. The responsible entity leading the partnership/cooperation should be identified, and will become the contractual partner of the FGA for the purposes of receiving funding for the DPP.

The capacity criteria for legal entities acting as applicant/ASP for the DPP differ from those for the Implementation Organisations (IOs), who will be responsible for the implementation of the project. **The Concept Phase is open to applicants and ASPs that do not necessarily need to qualify as Implementation Organizations (IOs)**⁷.

⁷ IOs need to fulfil certain capacity and eligibility criteria, as described in more detail in this chapter, in [Chapter 4.2.1](#), and in [Annex 3](#). The eligibility of the IO must be confirmed within the first three months of the DPP at the latest.

Implementation Organisations (IOs)

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

The IO (alone or in a partnership/cooperation) must demonstrate that it has all the relevant capacities required to implement the project, including the financial mechanism. If an entity only meets some of the requirements, e.g. an NGO with a purely TA background and no experience in handling major investment funds, identifying a partner to cover the remaining requirements is recommended. The required competencies could also be provided by a national Project Partner. In the event that a partnership/cooperation is formed, all partners and their roles must be clearly defined and, if applicable, the responsible entity leading the partnership/cooperation should be identified as the future contractual partner of the FGA.

Possible legal entities

Legal entities eligible to act as applicants, ASPs, or IOs include:

National entities	International organisations
<ul style="list-style-type: none">• Development banks and funds• Public utilities and agencies• Foundations• National NGOs• Commercial entities	<ul style="list-style-type: none">• Regional and international development banks• UN agencies and programmes• Bilateral and multilateral development agencies• INGOs• International foundations• Commercial organisations

Since each project must serve the public good, national and international commercial organisations are encouraged to partner with not-for-profit organisations such as domestic NGOs when submitting Project Concepts and Proposals. However, commercial organisations may also submit these on their own.

Legal compliance

The submission of Project Concepts and Proposals does not give rise to a legal entitlement to receive any Mitigation Action Facility funding. Funding through the Mitigation Action Facility will only 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 EU law concerning state aid (where applicable). Adjustments to the design of the project and the inclusion of corresponding provisions in contracts governing the use of Mitigation Action Facility funding may also be required for legal compliance purposes.

3.6 Project Partners

Project Partners are essential national partners in project implementation. IOs must include Project Partners with a national mandate unless the IO already holds that mandate. The Mitigation Action Facility strongly encourages the involvement of national institutions, agencies, NGOs, and local organisations or contractors to ensure substantial implementation at the local level. It is recommended that IOs establish formal relationships with Project Partners through instruments such as cooperation agreements and memoranda of understanding so that their roles and responsibilities are clearly defined.

Examples of typical Project Partners:

- National (sector) ministries and other public and/or private entities, NGOs/associations
- 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 relevant experience to implement climate change mitigation actions/NDCs. They must also contribute actively to local project implementation wherever feasible.

3.7 Steering Committee

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

To ensure political oversight and guidance by the Project Partner, especially a political partner, the establishment of a steering committee for each project is recommended. The composition and functions of this steering committee should be defined during the DPP and set out in the Project Proposal.

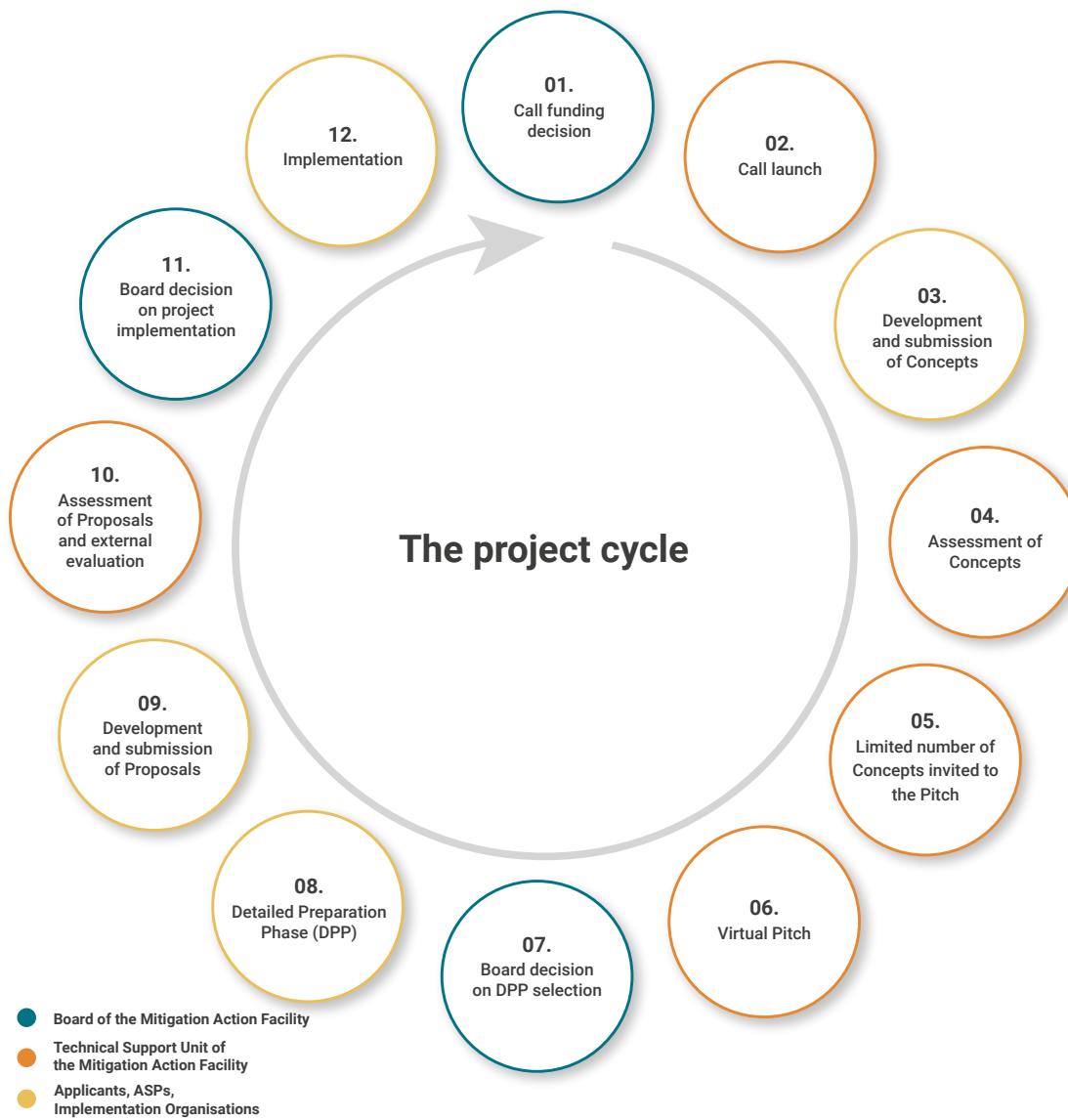


PART B

Project cycle of the
Mitigation Action Facility

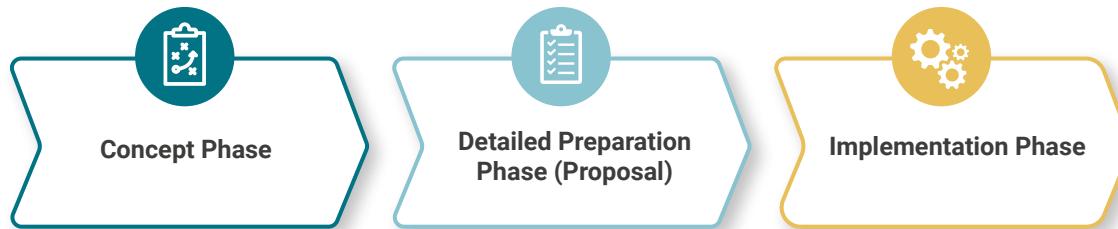
4. Project cycle

Figure 3: The project cycle



The project cycle is the structured process (see *Figure 3*) through which climate mitigation projects are selected, funded, developed, and implemented under the Mitigation Action Facility. Each phase of the project cycle ensures that only the most ambitious projects are selected and financially supported, and that there is a clear focus on their feasibility, resulting in effective mitigation actions aligned with national and international goals. After the Board's decision to provide funding for new projects, the public Call for Projects will be officially launched, with all relevant information and documents available on the official website. The project cycle starts with the competitive **Concept Phase**, followed by the **DPP**, and finally the **Implementation Phase**.

Figure 4: Phases of the Mitigation Action Facility's project cycle



Phase 1: Concept Phase

The Concept Phase was introduced in the 2023 Call for Projects to simplify the application process and attract a diverse pool of applicants.

- Application: Applicants have three and a half months to submit a Project Concept providing only basic details on the idea, rationale, required support, and intended impacts (no annexes are required). When submitting a Project Concept, applicants/ASPs must provide responses to all the questions in the application form. All information must be provided in English.
- Assessment: Each Concept undergoes a structured, multi-stage assessment. Eligibility checks and initial concept filtering are supported by an artificial intelligence (AI)-driven tool.
- Selection: Up to 25 Project Concepts are then invited to a virtual Pitch conducted jointly by the TSU and external experts, with the aim of identifying the most ambitious yet feasible projects, including some Lighthouse Pilot Projects, to advance to the DPP.

Phase 2: Detailed Preparation Phase

During the DPP, projects are further refined with expertise and technical guidance made available by the TSU to support applicants.

- Duration: This phase lasts up to 12 months. Applicants are encouraged to submit the Project Proposal before the deadline.
- Proposal assessment: Once the Project Proposal has been submitted, it undergoes a comprehensive review by the TSU and external experts.
- Approval for implementation: Based on the assessment results, the Board approves projects for funding under the Implementation Phase.
- Fast-track pathway: For well-developed and mature projects, the fast-track pathway is an option for bypassing the DPP. A full proposal is still required under this approach, however. Projects approved for the fast-track pathway will submit the complete proposal along with all annexes after the decision to bypass the DPP has been made.

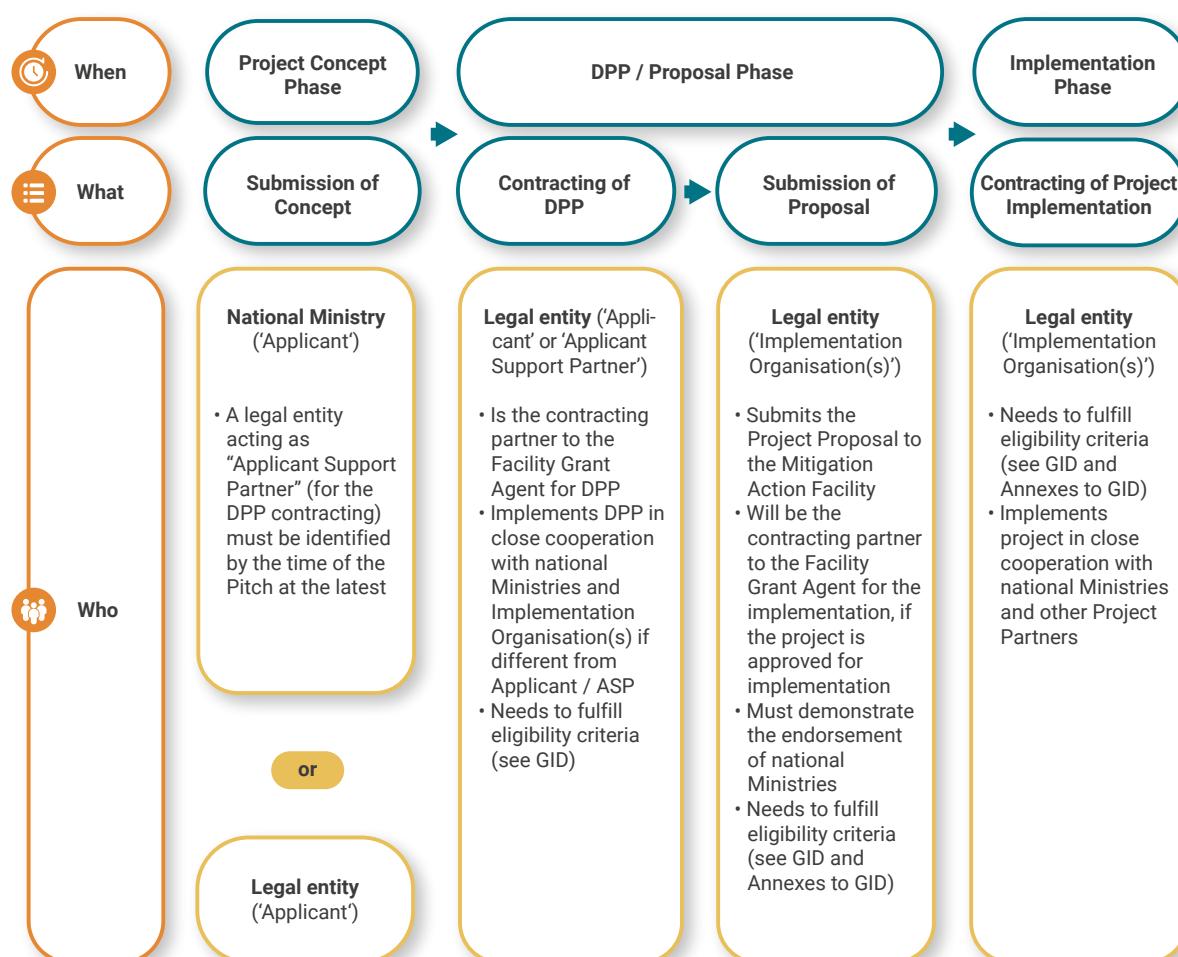
Important note: Passing the Concept Phase does not guarantee implementation funding; the final decision depends on the detailed Proposal assessment following the DPP and the availability of funds.

Phase 3: Implementation Phase

Following the final approval of a Project Proposal by the Board, the FGA will enter into a grant agreement with the qualified IOs. All the rules and procedures that have been defined in the underlying contractual arrangements between the Board and the FGA and that are relevant for the implementation of the project will be reflected in the grant agreement.

The IOs are fully responsible for implementing the project according to the Project Proposal and any conditions stipulated in the grant agreement.

Figure 5: Overview of phases and actors



4.1 Concept Phase

4.1.1 Applicants in the Concept Phase

As described in [Chapter 3.5](#), Project Concepts can be submitted by applicants such as a national ministry in cooperation with an ASP, a legal entity (endorsement by the national government institutions relevant for the implementation of the project should be demonstrated as part of the Pitch), or by a partnership of legal entities/ASPs.

Applicants and ASPs must ensure that they fulfil the following capacity requirements by the time of DPP contract conclusion:

- 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)
- 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 the DPP, the applicant/ASP shall provide annual budgets and supporting financial statements (preferably audit reports) for the last 3 years, evidence of internal and external control and reporting structures and, if relevant, information on its procurement and contract award procedures. Qualified applicants/ASPs will be contracted by the FGA for the DPP based on a specific eligibility check (see also [Annex 3](#)).

Note: In the Concept Phase, i.e. with the submission of a Project Concept, it is not necessary for an applicant to meet all of the capacity requirements and/or eligibility criteria. Nevertheless, if selected for the Pitch, an applicant with insufficient capacities and/or eligibility will have to identify an Applicant Support Partner (ASP) for the DPP. An ASP must be able to meet all capacity requirements and eligibility criteria in order to become a contractual partner of the FGA for the DPP. A consortium will have to be established with this ASP under the leadership of the ASP.

Letters of endorsement

No letters of endorsement are required during the Concept Phase. However, if a legal entity acts as an applicant, it is encouraged to indicate if any consultations on the proposed Project Concept have been held with the key national ministries and stakeholders prior to the application.

4.1.2 Submission of Project Concepts

Web-based application platform: Project Concepts are submitted through a web-based application platform ([OAP](#)) where applicants/ASPs are asked a number of guiding questions. All information must be provided in English. The information requested is split into four broad categories :

- (1) General information on the Project;
- (2) Project Concept;
- (3) Project ambition; and
- (4) Project feasibility

No annexes and/or supplementary documents are required during the Concept Phase. Confirmation of the receipt of Project Concepts is provided automatically.

4.1.3 Project Concept assessment criteria

Ambitious projects are defined by their potential for transformational change, their mitigation potential, and their potential for leveraging additional 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 the redirection of public and private investment decisions beyond the project's lifetime, leading to a carbon-neutral development pathway.

Once selected for further development and assessment, Project Concepts should then be elaborated and substantiated both quantitatively (e.g. business model, GHG emission reduction calculations, etc.) and qualitatively (e.g. stakeholder consultations, government endorsement, safeguards pre-screening, etc.) during the DPP.

Eligibility criteria

Based on the mandatory characteristics of a project as outlined in [Chapter 4](#), Project Concepts must meet certain eligibility criteria to ensure that the Concepts submitted fulfil the formal competitive bidding requirements for Mitigation Action Facility support:

- Timely submission (i.e. by the closure of the Concept Phase of the Call for Projects 2026, as communicated by the Mitigation Action Facility)
- Focus on one of the three priority sectors – energy, industry or transport – or on a cross-sectoral project linked to one of the priority sectors
- Completeness of information (all mandatory fields of the Concept template filled out online)
- Information provided in English
- ODA-eligibility of the country according to the OECD DAC List throughout the entire envisaged project implementation period
- Qualification of 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
- Applicants may submit up to six Project Concepts

Ambition criteria

The ambition criteria are aimed at ensuring that the Mitigation Action Facility supports only the most ambitious projects. Ambition is assessed relative to the country and sector context.

Projects are evaluated on their potential for transformational change, their financial ambition, and their mitigation potential. Transformational change refers to the project's ability to create lasting, system-wide shifts towards carbon-neutral pathways by addressing key barriers and creating demonstration effects that can be scaled or replicated. Financial ambition assesses how effectively the project can mobilise public and private investments to contribute to the long-term sustainability and scalability of future financial flows. Mitigation potential focuses on the project's expected impact in reducing greenhouse gas emissions both directly and indirectly, ensuring that it contributes meaningfully to national and international climate targets. These criteria ensure that selected projects not only align with climate and development goals but also create a foundation for ongoing sectoral shifts. In this way, the ambition criteria help to prioritise projects with high transformative capacity, financial viability, and substantial environmental impact. Projects are expected to take a conservative approach to their financial and mitigation potential.

Note: Expectations under the ambition criteria for Lighthouse Pilot Projects will be adapted to reflect their innovation-focused nature. While potential for transformational change, GHG mitigation and financial leverage will be assessed, greater emphasis will be placed on technological innovation, demonstration effect, and the project's ability to generate and disseminate insights for future replication and scaling.

Feasibility criteria

The feasibility criteria are aimed at ensuring that projects are not only highly ambitious but are also likely to be implemented successfully.

The feasibility criteria assess a project's practical potential for successful implementation, focusing on its rationale, design, and readiness for execution. The project rationale evaluates how well the project addresses key barriers in the sector and defines clear target groups, including considerations for gender equality and social inclusion. It also examines the project's alignment with other initiatives and the appropriateness of its scope. Project design is another crucial element, requiring a sound financial mechanism, institutional set-up, and the use of suitable technologies to overcome identified challenges and promote sector-wide change. The design must also include clearly defined cooperation measures with stakeholders and partners, ensuring technical and financial feasibility. Overall, the feasibility criteria emphasise the need for projects to set achievable goals given the available resources and timelines, helping to ensure that only well-prepared and implementable projects are selected.

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 DPP will have in order to provide the information required for the Project Proposal and all the relevant Annexes accompanying it.

4.1.4 Assessment process in the Concept Phase

Eligibility checks and initial filtering of all Project Concepts submitted will be supported by an AI-driven tool. Afterwards all eligible Project Concepts are evaluated by the TSU and external assessors.

Each project is assessed by the latter on two dimensions – ambition and feasibility – with each rated on a scale of up to 10 points each, for a maximum possible score of 20 points. Based on the assessment and recommendation of the TSU, the Mitigation Action Facility's Board then selects up to 25 Project Concepts to proceed to the Pitch.

The Pitch (formerly known as the in-depth assessment) is conducted virtually and results in a final recommendation on whether a project should be considered for DPP funding. Assessors may also propose conditions or prescriptive measures to be incorporated into the DPP concept. These may include, for example:

- Changes to or identification of a suitable Implementation Organisation,
- Adjustments to Project Partners, or
- Inclusion of external expert advice (e.g., on financing)

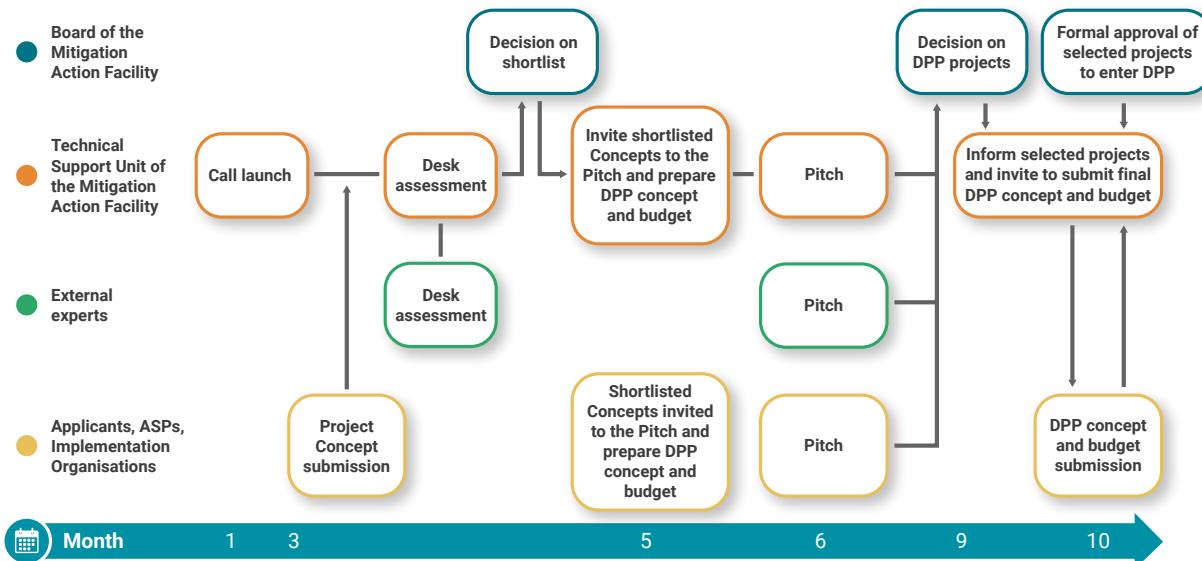
Project Concepts are assessed by external experts recruited through a public tender. In parallel, the TSU conducts its own review to ensure consistency and to remain well-informed.

However, it is the external assessors who establish the project ranking and put forward recommendations to the Board. Once the Board has decided which projects will proceed to the DPP, the applicant/ASP must fulfil the following requirements in consultation with the TSU **within three weeks**:

- Prepare and submit the DPP Concept and DPP Budget using the templates provided by the TSU,
- Assign a focal point for contract negotiation and conclusion of the grant agreement with the FGA,
- If applicable, identify an Applicant Support Partner (ASP) meeting all capacity requirements and eligibility criteria to serve as the contractual partner of the FGA for the DPP. A consortium must then be established with this ASP as the lead entity.

The submitted DPP concept then forms the basis for contracting an individual DPP. Funding recommendations are submitted to the Board for official approval. Applicants are notified of the outcome, and those selected for the DPP proceed to conclude a grant agreement with the FGA.

Figure 6: Actors and activities in the Concept Phase



4.2 Detailed Preparation Phase (DPP)

Overview

The ultimate purpose of the DPP is to make the project ready for implementation. Therefore, projects in the DPP prepare a comprehensive Proposal for project implementation. The DPP is not a competitive process; its focus is on supporting the development of high-quality, implementation-ready projects.

During this phase, projects selected for the DPP will prepare elaborate project proposals with:

- Substantiated quantitative (e.g. business model, GHG emission reduction calculations, etc.) and qualitative (e.g. stakeholder consultations, government endorsement, safe-guards pre-screening, etc.) components
- Financial mechanisms elaborated to a level of detail ready for implementation by the end of the DPP, so that swift implementation can commence upon funding approval for implementation. For this 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, assess potential environmental and social risks, and conduct other activities that might be necessary for the detailed project preparation.

Support provided and collaboration

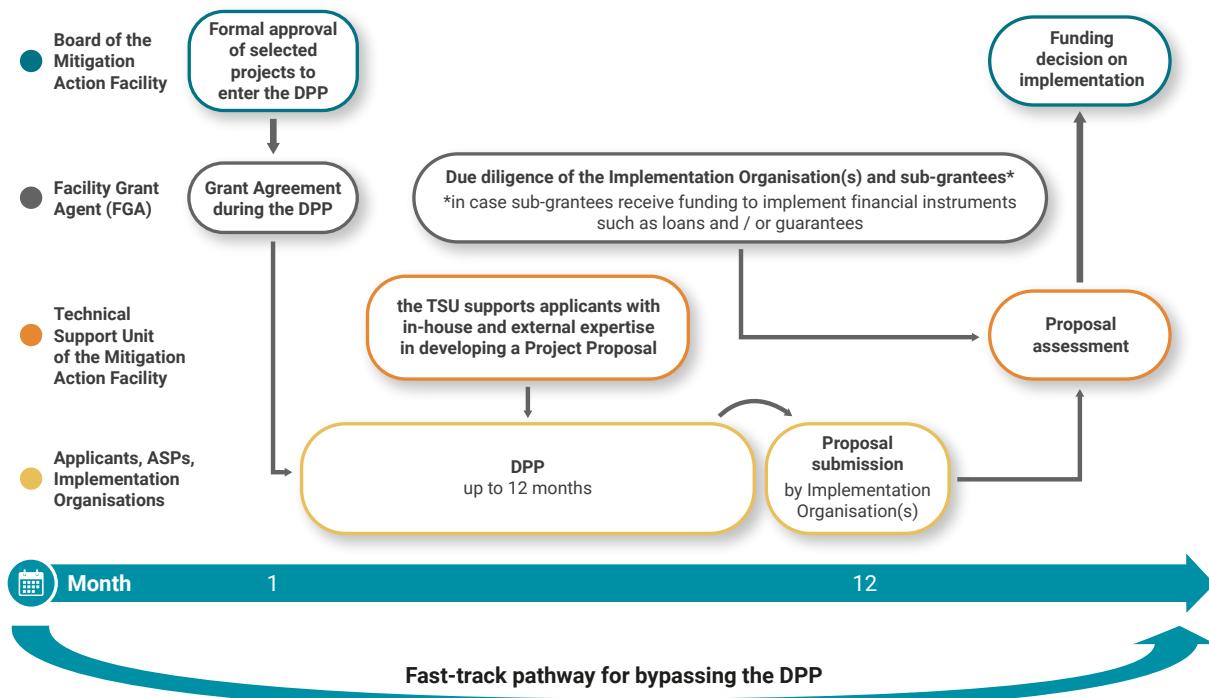
All applicants will have access to close support and ongoing engagement from the TSU, including tailored guidance on financial mechanism development and project design, and advice on key deliverables (specific annexes or advance version of the Proposal). This support will mainly draw on the TSU's in-house expertise, however in the specific cases of GHG emission reduction calculations and financial mechanism development, the TSU may

provide additional support from external experts. Applicants are encouraged to treat the proposal development as an iterative process, incorporating feedback and refinement at each stage to ensure a robust and well-substantiated final submission. They are welcome to openly engage with the TSU during the DPP to strengthen their Project Proposal as much as possible prior to its assessment at the end of the DPP.

During the DPP, close cooperation with the national Project Partners is considered crucial in order to confirm the necessary ownership that is key to unlocking the project's transformation potential. The same holds true for cooperation with the envisaged Implementation Organisation if this is a different entity to the applicant/ASP. Projects are expected to advance with contract negotiations during the DPP, ensuring contracting aspects are agreed upon with Project Partners by the end of the DPP so that these contracts can be signed shortly after approval for implementation.

Timeline

The DPP has a total duration of up to 12 months from the date of signing of the grant agreement. Applicants are encouraged to submit their Project Proposal as early as their capacity allows, but no later than the maximum duration as indicated above. The provision of funding support for the DPP will be linked to the demonstration of satisfactory progress achieved with regard to crucial milestones in the DPP.

Figure 7: Actors and activities in the DPP

4.2.1 Identification and eligibility check of the Implementation Organisation

If the applicant/ASP for the DPP and the intended IOs for the Implementation Phase of the project are different entities, the IOs must be **identified and confirmed within three months from the start of the DPP at the latest**. The same requirement holds true for any sub-grantees set to receive funding from the IOs either for the implementation of (some of the) financial instruments as part of the project's financial mechanism and/or for the implementation of the technical cooperation component or its individual packages. General eligibility criteria for IOs are set out in Chapters [3.5](#), [4.1.1](#), [4.2.1](#) and [Annex 3](#).

A confirmation of the IOs and sub-grantees at the beginning of the DPP is important in order to enable the organisations' active participation in the DPP and the formulation of the Proposal that is to be submitted by the IOs. The IOs (and, in some cases, sub-grantees) have to undergo a specific eligibility check and enhanced due diligence by the FGA in line with its guidelines, which encompass administrative and financial procedures and capacities as well as the general ability of the IOs (and, in some cases, sub-grantees) to implement the proposed project (see also [Annex 3](#)). The IOs 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 IOs 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.

4.2.2 Applicants in the DPP/Implementation Organisations

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

The eligibility criteria for IOs are more stringent than for applicants or ASPs submitting a Project Concept. The Mitigation Action Facility does not require IOs to undergo an accreditation process, but they will be subject to due diligence by the FGA during the DPP. Both international and national organisations (legal entities) can qualify as IOs, provided they are endorsed by a national government for their role and meet the required capacity standards.

- Proven work experience in the country of implementation (> 3 years)
- Proven work experience in the respective sector (> 5 years)
- Proven experience of 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 of the implementation of ODA projects (> EUR 5 Mio)
- Proven experience of working with the public sector (>3 years)
- For entities other than financial institutions, an average annual turnover over the last 3 years > requested project funding volume

In addition, the eligibility criteria specified in [Annex 3](#) must be met.

The Implementation Organisation(s) is/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.

4.2.3 Submission of Project Proposals

Project Proposal template and Annexes

The template will be made available to the applicant/ASP at the beginning of the DPP. The Project Proposal must include the following elements, *inter alia*: an in-depth analysis of the underlying business model and proposed financial support mechanisms, a substantiated calculation of the expected direct and indirect GHG emission mitigation potential, details of the institutional set-up (including a steering committee and Project Partners with their respective roles and responsibilities), and assessments and definitions of environmental, social, and human rights safeguards. In line with its commitment to strive towards scoring a 1 in the OECD DAC gender equality policy marker, the Mitigation Action Facility requests that applicants conduct a gender analysis in the DPP and ensure that the project design is informed by it. Depending on the context, additional disadvantaged groups (e.g. ethnic minorities, people with disabilities, young people, extremely poor people, etc.) should be included in the analysis and benefit from the project.

Submission

The complete Project Proposal must be submitted by the end of the DPP. The specific interim deadlines for milestones and the final deadline for submission will be part of the individual grant agreement for the DPP.

The complete and signed Project Proposal must be submitted electronically as both pdf and Word/Excel versions to the following email address before the deadline: contact@mitigation-action.org

4.2.4 Fast-track pathway for bypassing the DPP

In exceptional cases, **mature projects** with proven readiness and strong government backing can bypass the DPP and be invited to develop and submit a complete Proposal for proposal assessment for proposal assessment and implementation consideration.

This option applies when a project can already demonstrate a robust design and confirmed feasibility, and has secured stakeholder commitments. The decision will be made after the Pitch following the Concept assessment, based on a formal request from the applicant, and will be evaluated on a case-by-case basis.

Projects approved for the fast-track pathway must still submit a complete Proposal, including all required annexes after the decision to bypass the DPP. This approach aims to accelerate implementation while maintaining the quality and rigour of the assessment process.

4.2.5 Project Proposal review criteria

Overview

Only Project Proposals that are complete and fulfil all formal requirements at the end of the DPP will be accepted for the assessment for implementation. 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. However, the feasibility assessment is emphasised at this stage.

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 environment and climate change (including the UNFCCC climate negotiations) endorse the project and implementation plan and 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 must issue letters of endorsement too.

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

The following section provides general information on the assessment criteria applied during the assessment process. Depending on whether a project will follow the Lighthouse Pilot Projects or not, expectations under the ambition criteria will be adapted to reflect their innovation-focused nature. While potential for transformational change, GHG mitigation and financial leverage will be assessed, greater emphasis will be placed on technological innovation, demonstration effect, and the project's ability to generate and disseminate insights for future replication and scaling.

Ambition criteria

The assessment of the Project Proposals follows the same criteria with the same rationale as applied to the Project Concept assessment, although a higher level of refinement is expected for the Project Proposal. This means, for example, that substantiated assumptions and calculations must be presented with respect to 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; and the financial contribution of the national public budget requires a higher level of commitment (secureness), etc.

The assessment criteria for ambition are as follows:

Criterion
Potential for transformational change <ul style="list-style-type: none">• Government commitment/endorsement• Embeddedness in national strategies including co-benefits as drivers for implementation as well as strong linkage to ambitious and enhanced NDC• Alignment with the Partnership Plan of NDC Partnership (applicable only to the countries that are members of the NDC Partnership)• Sectoral relevance (engagement of a project in the (sub)-sector explicitly included in the NDC)• Potential for creating a demonstration effect• Catalytic effect and ability of the project to induce systemic change• Replicability/scalability at national and/or regional level• Sustainability (irreversible change)

Criterion

Financial ambition	<ul style="list-style-type: none">• Potential of the financial mechanism to optimise investment flows and provide opportunities for private sector investments into GHG mitigation activities in the long run• Significant private sector participation• Significant public budget contribution
Mitigation potential	<ul style="list-style-type: none">• Plausibility of underlying assumptions, baseline, calculations• Direct mitigation potential• Indirect mitigation potential• Cost effectiveness

Feasibility criteria

Project Proposals will be assessed more strictly than the Concepts with regard to the feasibility criteria, and must 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 feasibility, as the implementation of the financial mechanism is to start immediately after a short set-up period. Furthermore, a plausible and clear institutional set-up for 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) must be clearly defined. The project is expected to demonstrate which national institution(s) will take the lead in monitoring during the project implementation and beyond. The proposed approach to knowledge management and communication will also be assessed.

The feasibility criteria are as follows:

Criterion

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

4.2.6 Assessment and funding decision process for Project Proposals

Project Proposals undergo a detailed assessment of their ambition and feasibility. During the assessment, the IOs may be contacted by the TSU or external assessors on behalf of the TSU for clarification. Project Proposals successfully passing the assessment are recommended to the Board. According to the assessment result and the available funding, the Board makes a final funding decision. The Board remains committed to providing funding options for ambitious and feasible projects that pass the assessment process. The IOs and the Project Partners, especially political partners, are informed in due course of the Board's decision. 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.

4.3 Implementation Phase

Following the final approval of a Project Proposal by the Board, the FGA will enter into a grant agreement with the qualified IOs. All the rules and procedures that have been defined in the underlying contractual arrangements between the Board and the FGA and that are relevant for the implementation of the project will be reflected in the grant agreement. The total project implementation period is capped at 5½ years (66 months).

The IOs are fully responsible for implementing the project according to the Project Proposal and any conditions stipulated in the grant agreement.

If a project shows significant potential for upscaling after implementation, an application for additional funds for upscaling activities may be submitted, provided that it contains adequate justification for these funds. The Board will decide based on project performance and available funding.

The Mitigation Action Facility values knowledge sharing and expects IOs and partners to contribute to broader learning. Projects must allocate resources to communication and knowledge management, and the TSU may request inputs for events or other initiatives.

4.3.1 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 develop and anchor monitoring capacities within national institutions in the partner country in order to ensure that monitoring and data collection mechanisms do not end when the project concludes. Project-level M&E should be based on the *M&E Framework*, which provides guidance on monitoring and reporting requirements. In addition to indicators measuring the progress of the project in terms of outputs and outcomes, attention must be paid to the monitoring of mandatory core indicators, Mitigation Action Facility indicators, and additional sector-specific indicators.

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 (direct and indirect) as a result of the project intervention (M1)
- Number of people (m/f/x) directly benefitting from the project (M2)
- Potential for transformational change – Degree to which the supported activities catalyse impacts (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)

Additionally, Mitigation Action Facility indicators measuring sustainable co-benefits of climate change mitigation actions, engagement on GESI, TA to public institutions and policy support, as well as scaling/replication efforts are also required. 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.

IOs are requested to provide a revised and finalised version of Logframe within **the first three months** of the Implementation Phase, building on the version developed during the DPP. This Logframe must include validated indicators with defined yearly target values. IOs must also become familiar with the digital reporting tool used by the Mitigation Action Facility for annual project reports. The information provided in the annual project reports, in particular on the status of the mandatory core indicators and additional Mitigation Action Facility indicators, is aggregated at the level of the Facility and feeds 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 approach for catalysing 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 project outcomes and lessons learnt. These elements are then analysed using a theory-based approach that is centred on the use of contribution analysis and reinforced by elements of process tracing.

4.3.2 Reporting

IOs are required to regularly submit progress reports to the Mitigation Action Facility using a template provided by the TSU. These reports cover:

- **Bi-annual risk reporting** using a Project Risk Matrix and focusing on project-specific risks, risk mitigation actions, Key Risk Indicators from the Mitigation Action Facility, and lessons learnt. This is complemented by quarterly calls with the TSU to discuss recent developments.
- **Annual reports** on the status and progress of the project, including an updated implementation schedule and information on the project's performance according to indicators, risk assessment, deviations from the original planning, lessons learnt and financial status of the project.
- A **final report** 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 and outputs and will discuss the impacts and lessons learnt.

4.3.3 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 systematically extracting and sharing this knowledge, the Mitigation Action Facility can exchange lessons across the wider climate finance community and support its main target group: countries that seek to be at the forefront of climate change mitigation action. In this way, the Mitigation Action Facility serves as a Knowledge & Learning Hub.

Knowledge management and communication are integral to **all** Mitigation Action Facility projects. Both the TSU and the IOs are responsible for ensuring that knowledge management and communication are not treated as by-products, but as core functions of project implementation directly contributing to the overall intended impact. This involves a pro-active approach to learning, with regular reflections on lessons learnt and structured sharing of those lessons with Mitigation Action Facility stakeholders, together with a comprehensive range of communication measures including publications, presentations, participation in events, and engagement with the wider climate finance/NDC community. IOs are therefore requested to submit communication strategies in line with the guidance provided by the Mitigation Action Facility and to allocate sufficient resources for the implementation of knowledge sharing and communication related activities.

IOs may also be contacted by the TSU and asked to:

- Contribute content, pictures or other elements to presentations, sometimes at a short notice

- Represent the project as part of the Mitigation Action Facility at a national or regional event with a jointly prepared presentation
- Provide updates on implementation progress

To standardise the presentation and corporate identity of the Mitigation Action Facility, the TSU provides a set of logos, together with guidance on visibility and branding. These are shared with the IOs at the beginning of the Implementation Phase and are mandatory for use.

As part of the Call for Projects 2026, all projects should be structured around learning through:

- A dedicated budget line for knowledge management and dissemination in project implementation
- Granular monitoring to track innovation outcomes and learning progress where possible
- Systematic engagement with stakeholders, local institutions, and peer projects (national and international) to share knowledge and create a clear lighthouse effect for replication and scaling where possible.



ANNEXES

Annexes

Annex 1: List of abbreviations

Abbreviation	Meaning
ASP	Applicant Support Partner
BMUKN	German Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety
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
GESI	Gender Equality and Social Inclusion
GHG	Greenhouse Gas
GID	General Information Document
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
INGO	International Non-governmental Organisation
IO	Implementation 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, national ministries or legal entities may function as applicants, i.e. submit a Project Concept to the Mitigation Action Facility. If a national ministry acts as an applicant, it must define an Applicant Support Partner (ASP) (see below). Legal entities acting as applicants and ASPs must comply with capacity requirements as detailed in Chapters [3.5](#), [4.1.1](#) and [Annex 3](#). Upon selection of the Project Concept for the DPP, the legal entity (applicant/ASP) will then function as a contracting partner for the DPP.

Applicant Support Partner (ASP): If a national ministry submits a Project Concept, a legal entity complying with the capacity criteria as detailed in Chapters [3.5](#), [4.1.1](#) and [Annex 3](#) should be identified by the time of the Pitch at the latest. This legal entity will serve as an Applicant Support Partner (ASP) for the contracting of the 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. the German Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN), the UK Department for Energy Security and Net Zero (DESNZ), the Danish Ministry of Climate, Energy and Utilities (KEFM) and the Danish 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 steered towards a carbon-neutral pathway. The underlying assumption is that consumers/investors will change their commercial/financial decisions if this is economically beneficial for them and 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 adopting the role of an applicant, ASP or IO in the preparation/implementation of a project as set out in [Chapter 3.5](#).

Detailed Preparation Phase (DPP): The Project Proposal development stage with a duration of up to 12 months that follows the Concept Phase and precedes the submission of Project Proposals. The DPP is not a competitive process; its focus is on supporting the development of high-quality, implementation-ready projects. To learn more about what it takes to craft a detailed Project Proposal, visit our website’s [download library](#).

Facility Grant Agent (FGA): As Facility Grant Agent, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is commissioned to administer the Mitigation Action Facility. This involves financial and contractual management activities, and the performance of due diligence checks in respect of IOs (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. Financial potential is also reflected in two of the mandatory core indicators of the Mitigation Action Facility.

Financial mechanism: One of the key interventions of the Mitigation Action Facility projects and a crucial part of their FC components. Financial mechanisms aim to address and overcome financial barriers that hinder investment 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); and grant instruments that address gaps in the financial viability.

Gender mainstreaming: This is the strategy of systematically considering the diverse needs and conditions of different genders and the impacts any actions to achieve gender justice may have on them. Gender mainstreaming entails organising or reorganising, improving, developing and evaluating political and non-political activities and processes at all levels, thereby ensuring that the experiences and needs of all genders are integral elements of the design, implementation and evaluation of all policies and programmes. The aim is to reduce discrimination and inequality, secure equal benefits for all genders, and harness potential. Gender mainstreaming is a supplementary strategy rather than a substitute for policies, programmes, projects, legal provisions, institutional mechanisms, and interventions specifically aimed at gender equality.

General Information Document (GID): This document. It provides general information on the Mitigation Action Facility and its objectives and functioning as well as specific information on the selection process for projects seeking funding under the Mitigation Action Facility's Call for Projects. The purpose of this document is to assist national governments of partner countries and other potential applicants in preparing Project Concepts and Project Proposals 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 phase in which the project design, institutional set up, measures and activities are developed and prepared to the point where the project can get started on the ground.

Implementation Organisation (IOs): IOs, 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, and for monitoring and reporting to the Technical Support Unit (TSU) and the Board. A suitable Implementation Organisation can be nominated within the first three months of the DPP to be responsible for submitting the Project Proposal. 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. Ministries cannot therefore act as IOs, 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 hence 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, 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 want to implement transformational, country-led mitigation actions within the global mitigation architecture, specifically the implementation of Nationally Determined Contributions (NDCs) and long-term strategies (LTS).

Mitigation ambition/potential: One of the ambition criteria of the Mitigation Action Facility. It describes the direct and indirect greenhouse gas emission (GHG) reductions delivered by the project. 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 a project funded by the Mitigation Action Facility.

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

Partner ministry: (Sub-) National ministry or ministries that, due to their mandate, are essential to the success of the Mitigation Action Facility project and endorse the Project Concept (and, upon selection for the 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 support governments in implementing 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 and national (development) banks, and other public and/or private entities working closely with the Implementation Organisation(s) and mandated by the national government to implement and operate the project jointly with them. The strong involvement and ownership of the Project Partners are considered 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 (Concept Phase) of the project selection process.

Project Proposal: A comprehensive description of the project and the proposed intervention that is prepared during the DPP (Phase 2 of the selection process).

Readiness: Refers to the degree of maturity or development of a project. Activities to prepare a project are generally referred to as “readiness activities”. Within the context 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 immediately after a limited detailed preparation, e.g. of the envisaged financial mechanism.

Social inclusion: Refers to the removal of institutional barriers and exclusionary practices, creating a situation where all members and segments of society enjoy equal rights, and benefit and participate in the political, economic and social spheres without discrimination. Social inclusion enhances the dignity of people who are disadvantaged due to their social characteristics and improves their ability and provides additional opportunities for them to participate in society.

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 involved in the project actively as an intermediary organisation assisting with its implementation (e.g. a micro finance institution or association) or passively as a recipient (benefiting from capacity development or being targeted for harm reduction purposes). Stakeholders are not the same as the targeted beneficiaries of a project.

Sustainable development co-benefits: Contributions to sustainable socio-economic, ecological and institutional developments associated with a project and going beyond the reduction of greenhouse gas (GHG) emissions. Co-benefits are mostly reflected in the respective sector policy and can be achieved 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 for creating country ownership and a driver for transformational change. As a result, they 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 acts as the secretariat of the Mitigation Action Facility and the focal point for national governments and Project Partners, as well as for IOs and other stakeholders. The TSU is responsible for organising Calls for Projects and steering the assessment of Project Concepts and Proposals; advising applicants/ASPs during the DPP, including the provision of support through external experts; monitoring and evaluating the overall Mitigation Action Facility and reporting to the Board; communicating within the Mitigation Action Facility and with external stakeholders; and facilitating the dissemination of lessons learnt.

Transformational change: Change is considered transformational if it is significant, abrupt (quicker than business as usual) and permanent/irreversible in bringing the country on a carbon-neutral development trajectory in line with the 1.5-degree target. Projects can support 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 incentivise consumer/investor decisions to sustainably redirect the flow of funds in the sector towards a carbon-neutral pathway.

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

Applicants, ASPs and IOs 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 IOs must:

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

During the DPP, IOs will be subject to enhanced due diligence initiated by the FGA, including but not limited to verification of their risk management, financial analysis, and adherence to environmental, social and governance standards. The FGA may task a qualified external consultant to assist with this enhanced due diligence.

The following must not apply to applicants, ASPs, or IOs:

- They have entered into 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 these matters, or are in an analogous situation arising from a similar procedure provided for in national legislation or regulations
- They, or persons with powers of representation, decision-making, or control over them, have been convicted of an offence concerning their professional conduct through a judgment by a competent authority with the force of res judicata (i.e. against which no appeal is possible)
- They are guilty of grave professional misconduct, proven by any means justifiable by the contracting authority
- They are not in compliance with their obligations relating to the payment of social security contributions or taxes under the legal provisions of the country in which they are based or the country in which the contract is being performed

- They, or persons with powers of representation, decision-making, or control over them, have been the subject of a judgment with the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering, or any other illegal activity, where such illegal activities are detrimental to the Donor's financial interests

Donor acknowledgement

The Mitigation Action Facility is a joint initiative of the German Federal Ministry for the Economic Affairs and Climate Action (BMWK), Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN), UK's Department for Energy Security & Net Zero (DESNZ), the Danish Ministry of Climate, Energy and Utilities (KEFM), the Danish Ministry of Foreign Affairs (MFA), the European Union and the Children's Investment Fund Foundation (CIFF).

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.

Imprint and contact

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