



Mitigation Action Facility

The climate fund driving
sectoral decarbonisation

Regional Cooperation Mechanism on Low Carbon Transport: Identification and Development of Climate Financing Mechanisms
Regional Meeting, 16-17 May 2024, Asian Development Headquarters, Manila Philippines

INTERNAL. This information is accessible to ADB Management





Mitigation Action
Facility

Closing the gap

Challenge

To keep 1.5° goal in reach, emissions need to be halved by 2030. To avoid the worst impacts of climate change, at least USD 4.3 trillion is needed annually by 2030. Only 16% of needed climate finance is currently being provided.

Mission

Accelerate decarbonisation to keep temperature rises to below 1.5° by financing measures that shift priority sectors in partner countries towards a sustainable carbon-neutral pathway.

Value Proposition

An agile, high-impact and country-driven fund, the Mitigation Action Facility supports scalable, replicable sector-wide solutions incl. pilots that enable Official Development Assistance (ODA)-eligible partner countries to meet their climate goals.



Mitigation Action
Facility

Offer

Solution

Multilateral funding for a blend of technical and finance cooperation through bilateral projects selected in annual calls, demonstrating that climate finance can effectively catalyse transformational change and enhance carbon-neutral development.

Political relevance

Alignment and implementation support for Breakthrough Agenda, Nationally Determined Contributions (NDCs), Long-term Strategies and UNFCCC processes.

Proven Success

In 2023, more than 300 project concepts were submitted from 105 countries, indicating the Facility's ongoing success in attracting the best mitigation projects from around the world.

Building on experience from the NAMA Facility (2013-2022)

826

Million € committed

1.6

Billion € leveraged

47

projects selected

25.5

Million people benefitting

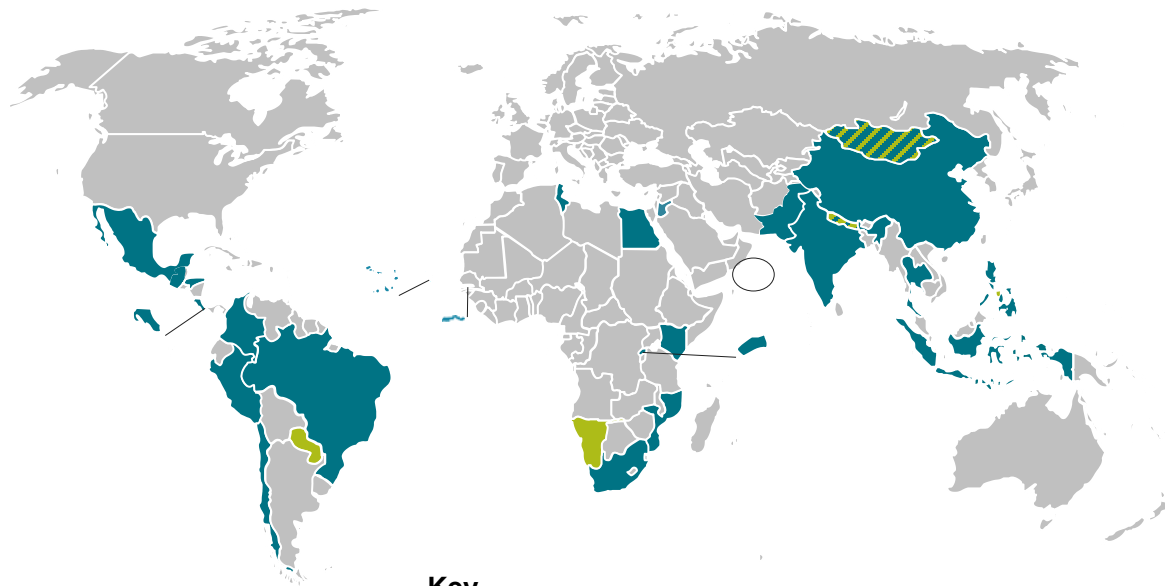
9.7

Million tons CO₂ reduced



Mitigation Action
Facility

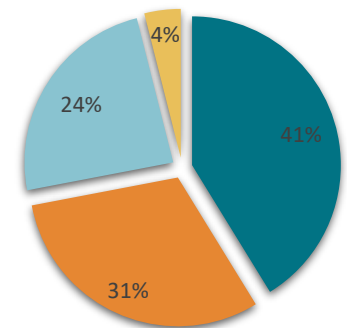
Who we are



Key

- Countries with active projects
- Countries with projects approved for funding in 2022
- Countries with active and newly approved projects in 2022

Call for Proposals 2024



- Afrika
- Asia and Pacific
- Latin America & the Caribbean
- Europe

Learn more about
our projects on our
[website](#)



Mitigation Action
Facility

Key features

Open to all Official
Development Assistance
(ODA) eligible countries
and no pre-accreditation
required for applicants

Entirely grant-based
funding for technical
assistance and financial
cooperation to support
ambitious mitigation
actions in key sectors

Funds demonstration
projects to enable
innovation & upscaling

Cooperates with NDC
Partnership to speed up
the implementation of
NDCs



Priority sectors

- Energy, transport and industry contribute 67% of annual global emissions.
- Global emissions must be halved by 2030 to tackle the climate emergency.
- Cross-sectoral projects linked to priority sectors are also supported.



Renewable energy supply,
integration and storage,
energy efficiency



Land transport, shipping,
aviation, e-mobility, charging



Heavy and light industry,
production processes,
product use



How the Facility works



Annual Calls for Projects for implementation in ODA-eligible countries focused on the 3 priority sectors providing:

Competition based project selection

- Country-driven projects
- Diversity of delivery partners
- Increased quality and innovation



Technical Assistance to enhance policies & enabling environment

Technical Assistance

- Building capacity in countries
- Policy support
- Enabling environment
- Transformative impact



Financial mechanism to support the significant mobilisation of climate finance

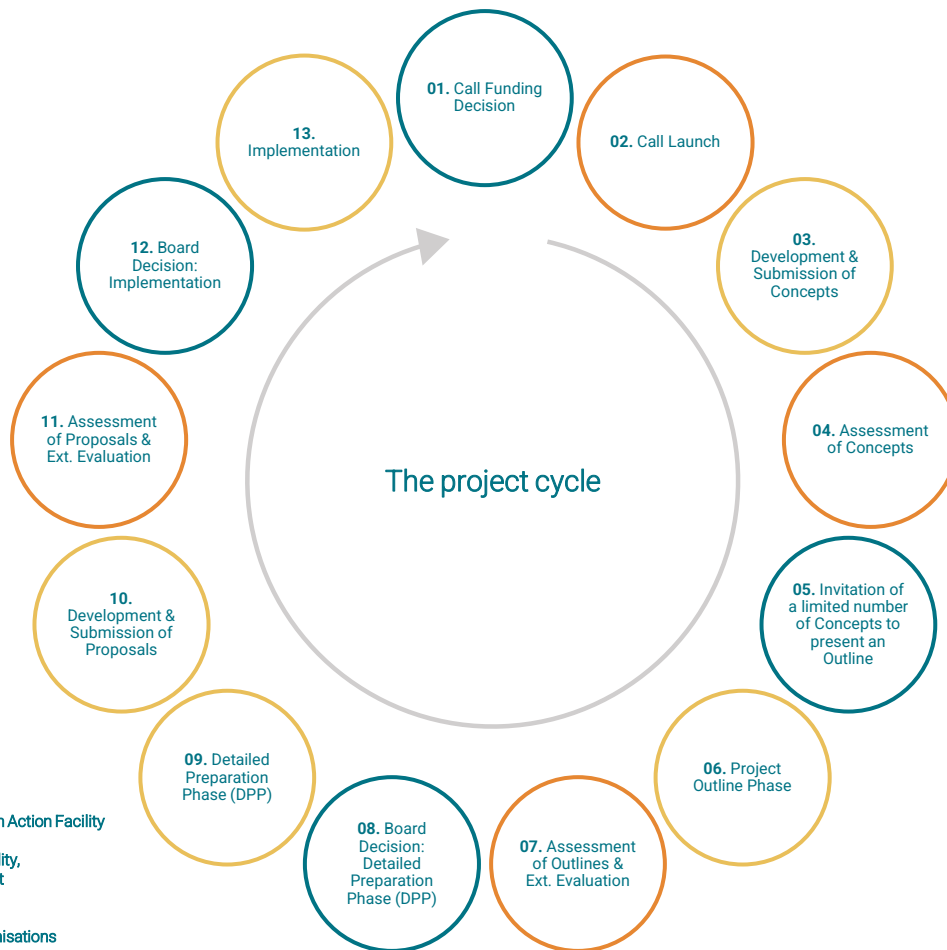
Financial Mechanism

- Unlock public & private investment
- Scaling and replicating solutions in countries
- Sustainability beyond project

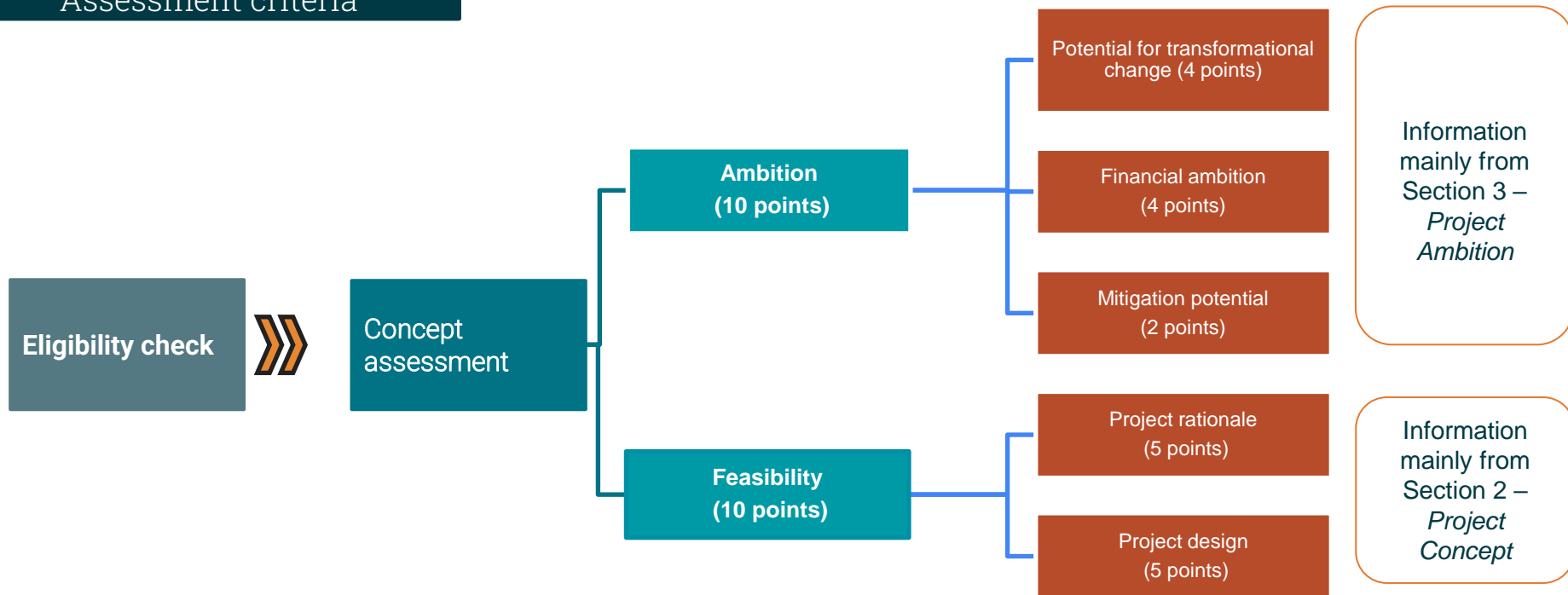


Project Cycle

- No automatism for projects passing Concept/Outline phases, receiving DPP funding to reach implementation.
- Funding decision contingent on Assessment of Submitted Project Proposal and availability of funds
- Where funding is limited projects passing DPP can be submitted to other financing facilities



More information can be found in the [General information Document](#) -





Mitigation Action
Facility

Assessing projects

Mitigation potential

Realistic, clear and well-substantiated calculations for direct and indirect emission reductions

Financial mechanism

Well-defined institutional set-up, clear rationale for the proposed mechanism, coherent phase-out concept

Technical and economic viability

Inclusion of the technological rationale, appropriate business model

Barrier analysis

Proper analysis of the targeted sector- or country-context as well as that of the project



Means of Transportation and Infrastructure

- Charging infrastructure sufficient to ensure EV uptake
- Address in addition to financial and regulatory barriers: reservations to about technology and range anxiety

Energy Mix

- Electricity used to power vehicles shall come from renewable sources
- Where grid reliability is an issue, swappable batteries can be a solution
- Level of grant intensity/cost per tCO2 reduction

Regulatory framework

- Clear and transparent
- Removal of subsidies for fossil fuels as strong incentive for e-mobility

Other considerations

- Focus on specific identifiable areas or transport corridors to achieve concentration impact
- Focus on modal shifts (individual to mass transport)
- Coherent urban planning linked with transport decarbonisation efforts in cities
- Include support for development of local value chain including manufacturing/maintenance to achieve transformational impact
- Circular economy to consider whole technology life cycle incl. end-use and e-waste disposal
- Consider impact on old technology displacement and the informal economy



Kenya: Small Vehicles E-mobility

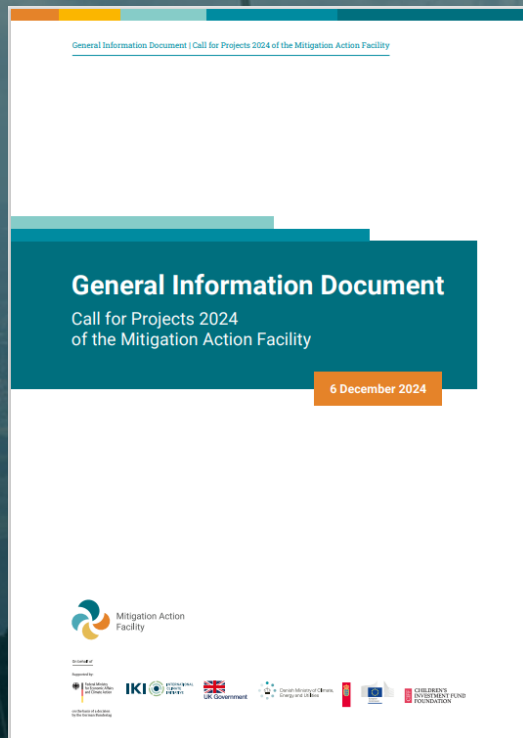
- **Priority sector:** Transport
- **Ambition:** 1.06 m tonnes CO₂e
- **Mobilised climate finance:** EUR 142.5 m
- **Innovation:** micro-mobility electrification (2eWs and 3eWs)
- **Implementation organisation:** WRI
- **Funding:** EUR 26.5 m

Project aims at accelerating the transition towards e-mobility via the penetration of e-2Ws and e-3Ws in peri-urban and rural areas, as well as create green jobs and industrial growth in the assembly and manufacturing of e-vehicles.



Mitigation Action
Facility

Mitigation Action Facility Resources



[General Information Document](#)

[Theory of Change](#)

[Financial instruments](#)

[Previous Examples](#)



Mitigation Action
Facility

Network of partners

Funding partners

Supported by:



Federal Ministry
for Economic Affairs
and Climate Action



INTERNATIONAL
CLIMATE
INITIATIVE

on the basis of a decision
by the German Bundestag



Funded by
UK Government



European
Commission



Danish Ministry of Climate,
Energy and Utilities



CHILDREN'S
INVESTMENT FUND
FOUNDATION

Delivery partners

National
organisations & FIs



nacional financiera



International
organisations & IFIs



Local Governments
for Sustainability



Bilateral
development agencies





Contact

Mitigation Action Facility
Köthener str. 2-3
10963 Berlin

www.mitigation-action.org
Contact@mitigation-action.org



Photo credit: iStock ceded to GIZ (page 1 & 13); iStock ceded to GIZ (page 2, 3-8, 12)

