

5th Call of the NAMA Facility

Combined Frequently Asked Questions (FAQs) and Clarification Notes I+II

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Question	A) Eligible countries
FAQ 1	<p>Q: Which countries can apply?</p> <p>A: The country must be ODA-eligible throughout the NSP implementation; the country must be included in the OECD DAC list. Please note that the OECD DAC list is under review in 2017, applicants should check for updates on the OECD website.</p>
FAQ 2	<p>Q: Can a country apply in the 5th Call if the NAMA Facility already supports it in implementing NAMAs that were selected in previous Calls?</p> <p>A: Yes, it can. Previous decisions do not influence the funding decision of subsequent NAMA Facility Calls. The NAMA Facility seeks to select the most ambitious NSPs submitted in a Call; it does not have a regional or country-specific focus.</p>
FAQ 3	<p>Q: Can a country submit more than one NSP Outline in the 5th Call?</p> <p>A: Yes, it can. Please note that for each NSP Outline, a complete separate Outline should be submitted. Each Outline is assessed on its own merits based on the same selection criteria, regardless of whether it comes from the same or different countries.</p>
FAQ 4	<p>Q: Do least-developed countries (LDCs) have a chance to be selected?</p> <p>A: Yes, absolutely. Submissions to the NAMA Facility are assessed on their ambition and feasibility. The ambition level is assessed taking into account the country-specific context, including the overall mitigation potential and development level. NAMA Support Projects from LDCs have been selected in previous Calls of the NAMA Facility. The Donors of the NAMA Facility continue to encourage LDCs to develop nationally appropriate mitigation actions/programmes in relevant sectors and submit respective NAMA Support Projects for those mitigation actions/programmes that are already in an advanced development stage.</p>
FAQ 5	<p>Q: Are cross-border and /or regional projects eligible for funding in the 5th Call?</p> <p>A: NSPs in the cross-border but also regional context are eligible; however, the NSP would be evaluated as if the NSP were submitted by each country. So, for all countries involved, the political commitment, readiness, implementation structure, etc. would be assessed. Endorsement letters from national ministries of all involved countries are required.</p> <p>In addition, such cross-border or regional approaches would need to demonstrate a common “raison d’être”; for instance, several small island states of a region could join forces within one NSP in order to achieve a reasonable project size. However, it would be difficult to make a case for the common raison d’être simply because an organisation is active in three or four countries across a continent.</p>
CN II-1	<p>Q: Small island developing states (SIDS) are noted to have received limited funding in the previous Calls, while middle-income countries have received a lot of funding for NAMA implementation. Will this influence the decision process for the 5th Call?</p> <p>A: The Donors of the NAMA Facility have acknowledged the continuously high demand for support to NAMA implementation of developing countries and emerging economies, including SIDS and LDCs. Therefore, they intend to provide for the 5th Call the largest funding contribution since the NAMA Facility’s inception. While the NAMA Facility already supports some LDCs, it continues to strongly encourage submissions from both SIDS and LDCs in the 5th Call. The Donors of the NAMA Facility would be keen to see more successful applications from further LDCs and SIDS. Nonetheless, it is reconfirmed that projects are evaluated on their merits only and the assessment process aims at identifying the most promising NAMAs based on the</p>

	<p>ambition level in the individual country-context. Therefore, the NAMA Facility does not apply any focus based on a regional focus or an affiliation to a certain group of countries. (see also FAQ 4 and CN II-2).</p>
CN II-2	<p>Q: Does the NAMA Facility provide earmarked funding for capacity building and implementation in SIDS? A: No, the NAMA Facility does not provide earmarked funding for capacity building and implementation in SIDS but strongly encourage submissions from SIDS and LDCs (see also FAQ 4 and CN II-1).</p>
CN II-3	<p>Q: Does the NAMA Facility apply a waiver process for Small Island States that are not ODA-eligible, but still are very vulnerable to climate change, suffer from large debt, and are in need for international support? A: Donors' commitments are earmarked ODA funding. There is no waiver process foreseen for non-ODA eligible countries. A country must be ODA-eligible throughout the entire NSP implementation period. (see also FAQ 1)</p>
CN II-4	<p>Q: NAMAs are national as per se, how does a regional focus fits in? Could you please explain what you define as "regional"? A: NAMAs are indeed national per se; regional NAMAs could be considered in cases when several countries of a geographic region pursue a very similar mitigation policy and would join forces in submitting one NAMA application to develop a relevant size and lower transaction costs for the NAMA development and implementation, e.g. several SIDS of one region (see also FAQ 5).</p>

Question	B) Eligible sectors and technologies
FAQ 6	<p>Q: Are there any eligibility criteria or restrictions of the NAMA Facility regarding certain sectors and technologies? A: The NAMA Facility has no sectoral focus; therefore, in principle, NSPs from all sectors with a relevant mitigation potential are eligible. It is, however, required to demonstrate that the NSP supports transformational change towards a low-carbon pathway. The NAMA Facility's interpretation of transformational change encompasses a significant technological paradigm shift that is quicker than business-as-usual, irreversible/permanent (i.e. not slipping back to the situation before the project) and that there is a strong political will and commitment to implement these changes. Therefore, certain technologies targeting a fossil fuel switch, a reduction of gas flaring, upgrading and modernising fossil fuel-based energy generation (e.g. coal) are likely to find it challenging to demonstrate the potential for transformational change. Based on the assessment of proposed NSPs from previous Calls, the NAMA Facility has compiled lessons learned for certain (sub-)sectors and technologies, including waste, energy efficiency in buildings, cook stoves, forestry and agriculture and supply chain approaches [see webinar and presentation]. Applicants are strongly advised to consult these and other NAMA Facility dissemination sources.</p>
FAQ 7	<p>Q: Are technological pilots and research projects eligible for funding? A: Research projects and piloting of new technologies, which are not yet commercially available on the global market, are ineligible, whereas demonstrating an available technology that is new in a certain country context would be considered eligible.</p>
FAQ 8	<p>Q: Are individual investment projects eligible?</p>

	<p>A: No, the NAMA Facility supports governments and their implementing partners in implementing (sub-) sector-wide mitigation actions rather than single investment projects such as one PV plant or the refurbishment of a single building.</p>
CN I-1	<p>Q: Are projects on agricultural supply chain development to improve livelihoods and rural economic development eligible for funding in the 5th Call?</p> <p>A: Supply chain development is a common element in NSPs targeting the agricultural sector. It is up to the Applicants to identify and detail the respective measures and their positive impacts on the livelihoods of rural communities. The NAMA Facility does not set any specific requirements with regard to these or other sectors. The Technical Support Unit has provided a number of sector-specific lessons learned from previous Calls in a webinar that Applicants are encouraged to revisit.</p>
CN I-2	<p>Q: How can Information and Communication Technologies (ICT) in agriculture be utilized with the NAMA Facility?</p> <p>A: It is up to applicants to identify and propose appropriate measures that could include ICT applications. The NAMA Facility does not set any limitations or restrictions with regard to ICT applications.</p>
CN II-5	<p>Q: Will the learning from previous Calls with regard to the mitigation effects in certain sectors like forestry and agriculture influence the focus of this 5th Call?</p> <p>A: The NAMA Facility does not preclude projects types from certain sectors, i.e. NSPs targeting the agricultural and forestry sectors are not disadvantaged per se. Each Outline is assessed on its own merits. The guidance and lessons learned provided suggest that NSPs are strongly encouraged to take into account appropriate calculation tools, methodologies and databases when calculating emission reductions in order to avoid an overestimation.</p>

Question	C) Eligible applicants
FAQ 9	<p>Q: What is the difference between an Applicant and an Applicant Support Partner?</p> <p>A: As the NAMA Facility cannot directly contract national ministries for the Detailed Preparation Phase due to administrative reasons, if the Applicant is a national ministry, then the NAMA Facility requires an Applicant Support Partner (i.e. a legal entity) as the contracting partner. This legal entity could also submit the Outline itself if it has sufficient endorsement from the relevant national ministries. In this case, the legal entity would be called the Applicant. In either case, sections 1.2., 1.3. and 1.4. of the Outline template must be completed and endorsement letters from the national ministries must be submitted.</p>
FAQ 10	<p>Q: What kind of legal status should the Applicant/Applicant Support Partner have?</p> <p>A: When the NSP Outline is not submitted by a national ministry, the Applicant/Applicant Support Partner should be a public benefit legal entity. All Applicants/Applicant Support Partners need to demonstrate that funds provided by the NAMA Facility serve and will be spent in line with the public benefit purpose in the context of international cooperation for sustainable development. Support granted by the NAMA Facility may not provide an economic advantage to the Applicant/Applicant Support Partner or any of the implementing partners.</p>
FAQ 11	<p>Q: Can a sub-national government unit submit a NAMA for funding from the NAMA Facility?</p> <p>A: The NSP needs to be endorsed by the national government. National ministries and/or qualified entities as defined in the General Information Document can submit a NAMA Support Project to the NAMA Facility. A sub-national government body can</p>

	<p>be a key implementing partner as defined in the General Information Document in section 3.5.</p>
FAQ 12	<p>Q: Can a legal entity act as Applicant/Applicant Support Partner and NAMA Support Organisation (NSO)?</p> <p>A: Yes, a legal entity can act as Applicant/Applicant Support Partner and NSO if it complies with the capacity requirements for NSOs. The distinction between the two roles was introduced to extend the possibility to participate in the 5th Call to entities that have the experience and capacity to design projects without necessarily having the mandate, experience or capacity to implement them. Note that the capacity requirements for NSOs are higher than those for Applicants/Applicant Support Partners.</p>
FAQ 13	<p>Q: What is the requirement for a consortium to apply?</p> <p>A: A consortium needs to fulfil the eligibility and capacity criteria as stated in the General Information Document, section 5.1. A leading partner should be identified and the roles of all consortium partners must be well-defined and justified. The NAMA Facility does not set an upper limit to the number of organisations in a consortium but recommends keeping the number as small as possible. A formalised consortium is not a prerogative for two eligible entities to co-operate under one NSP.</p>
CN I-3	<p>Q: How can private investors and private consultancies engage with the NAMA Facility's processes?</p> <p>A: Private investors can benefit from the NSP e.g. from improved framework conditions and support mechanisms newly established. As private investments are crucial for the transformation in most sectors, a close interaction between NSPs and the private sector is expected. The NAMA Facility funding may only be used for activities in line with the public benefit purpose and according to the applicable regulations on public procurement and state aid.</p> <p>Consultancies from the private sector are usually involved at several steps of the project cycle – they might be engaged in the development of NAMAs and even in formulating Outlines. During both the DPP and NSP implementation, Applicants/Applicant Support Partners or NAMA Support Organisations (NSOs) might also decide to engage external service providers to work on specific tasks. As a rule, the legal entity contracted for the DPP or NSP implementation will conduct and oversee the procurement process.</p> <p>The TSU requires private sector expertise for certain tasks like the assessment processes, monitoring and evaluation, communication, etc.</p>
CN I-4	<p>Q: Can a private investor be the lead organisation, along with a public institute? Who will pay the cost of the private investor?</p> <p>A: In the case of a consortium, all Applicant Support Partners should be public benefit legal entities. The support provided by the NAMA Facility can only be used for public benefit purposes.</p>
CN I-5	<p>Q: Can you provide information on the more stringent capacity requirements that you will require from the NSO?</p> <p>A: The capacity requirements applicable for the NSO are listed in section 5.2.2 of the General Information Document (GID). NSOs need to demonstrate that they fulfil these. Please also note that more information on the role of the NSOs and examples of NSOs are provided in section 3.4 of the GID.</p>
CN I-6	<p>Q: Are there any specific nationality requirements as part of the eligibility criteria that apply to the NSO?</p> <p>A: No, the NAMA Facility does not apply any nationality requirements to the NSO.</p>

CN I-7	<p>Q: Can the NSO be a national ministry?</p> <p>A: No, the NSO is the contracting partner during the NSP implementation and the NAMA Facility funding may not be provided directly to national ministries due to administrative constraints. A national ministry could, however, be a key national implementing partner. Please also refer to section 3.4 of the GID.</p>
CN I-8	<p>Q: Can the main implementing partners be international partners with regional or national offices in the country?</p> <p>A: The main implementing partners should possess a specific national mandate for the implementation of the NAMA, which includes the mandate to take decisions that trigger transformational change. An international partner, as the main implementing partner, would need to demonstrate that it has this explicit mandate.</p>
CN I-9	<p>Q: What would be the role of the Applicant Support Partner if the NSO is a different entity? Would the Applicant Support Partner become an implementing partner for the NSP?</p> <p>A: The Applicant Support Partner fulfils a functionality explicitly introduced for the DPP. The legal entity acting as Applicant Support Partner does not necessarily have a role to play in the implementation of the NSP. The Applicant Support Partner is, however, to closely collaborate with the designated NSO in the event that these two functions (Applicant Support Partner and NSO) are taken up by different legal entities. The separation of these functions was introduced to enhance access to the NAMA Facility, as some legal entities might be able to deliver high-quality support in detailing and preparing the NSP, but would not have the capacity or experience in implementing such large-scale projects.</p>

Questions	D) Eligible support instruments in NSPs
FAQ 14	<p>Q: What financial mechanisms and products can be supported by the NSP?</p> <p>A: At the level of NAMA Support Projects, funding provided by the NAMA Facility is expected to leverage public and private funds in order to make best use of this grant. This leverage can be achieved by a variety of financial mechanisms and products. The chosen mechanism or product should be the most appropriate and feasible one to overcome identified key barriers. Potential mechanisms include (but are not limited to) guarantee schemes for commercial loans, soft loan programmes, and even direct grant payments. All supported financial mechanism need to demonstrate that the subsidy element does not crowd out commercial finance (it should “crowd in” commercial finance), that it is the most efficient and effective solution for overcoming a certain barrier and that there is a clear phase out concept for the subsidy or other ways to ensure a sustainable impact of the financing mechanism beyond the NSP’s lifetime. The NAMA Facility does not set a rule for the percentage blend of subsidies/credits/equity, etc., but the choice and mix of instruments should be adequately justified.</p> <p>Applicants are strongly advised to consult the NAMA Facility’s factsheet, the presentation and webinar on financial mechanisms and their links to transformational change.</p>
FAQ 15	<p>Q: Will the project units installed with the support from the NAMA Facility be eligible to earn carbon credits, e.g. to ensure a sustainable funding mechanism for the operation of the units?</p>

	<p>A: In order to ensure the additionality of greenhouse gas reductions and of the Donors' contribution to international climate finance, no emissions certificates or other emissions credits (such as CERs or VERs) generated by NAMA Support Projects may be traded on the market either during or after the NSP term. Certificates generated with the support from the NAMA Facility must be permanently cancelled. The NAMA Facility funding may be used for the generation of emission reduction certificates for the voluntary market (VER) insofar as they are of good quality, verifiable and demonstrably used to ensure the sustainable funding of climate protection projects in the fields of agriculture, forestry or land use.</p>
FAQ 16	<p>Q: Are there any restrictions or limitations for the use of NAMA Facility funding for technical cooperation?</p> <p>A: No, there are no restrictions with regard to the types of technical support measures. However, the technical assistance should be linked to and enable investments in low-carbon technologies.</p> <p>The NAMA Facility does not apply a minimum ratio between the requested funds for financial and technical support to cater for the different needs of support in different countries and sectors. Nonetheless, it is expected that the NSP can demonstrate that the funding provided by the NAMA Facility directly leverages funding from other sources for investments into climate friendly technologies.</p> <p>While NSPs approved for implementation from previous Calls have had an average TC to FC support ratio of 40/60, the NAMA Facility is aiming to increase the ratio of FC support in future projects.</p>
CN I-10	<p>Q: Does the NAMA Facility provide technical assistance in the preparation of the Outlines?</p> <p>A: No, the focus of the NAMA Facility's support is on the implementation of NAMAs. Support for the development of a NAMA should be sought from other sources. The NAMA Facility does not provide funding for the preparation of NSP Outlines. However, The NAMA Facility will provide funding for the DPP of selected NSPs to elaborate a fully-fledged proposal.</p>
CN I-11	<p>Q: Does the readiness criterion for financing mechanisms mean that all financing mechanisms should be new and created within the NSP or could existing international mechanisms be used?</p> <p>A: Existing mechanisms or variations thereof can be built upon provided they specifically meet the objectives of the NAMA. Examples from our current portfolio include existing loan guarantee schemes provided by national development finance institutions that have been adapted for NSPs. These scored well during the assessment as the institutions have the relevant frameworks, contracts and processes in place to ensure a rapid implementation and the mechanism is associated with a high level of readiness.</p>
CN II-6	<p>Q: Does the NAMA Facility provide support to revisit the Nationally Determined Contributions (NDCs) in a certain sector?</p> <p>A: The NAMA Facility support is targeted at the implementation of mitigation measures in line with NDCs; lessons learned from the NAMA implementation in a certain sector that often is combined with an enhanced MRV system and database for the sector can be used by countries in updates or revisions of their NDCs. However, the NAMA Facility does not provide specific support for the revision or update of the NDCs. Other support programmes (e.g. the NDC partnership) should be directly contacted for potential support in this regard.</p>

Questions	E) Submission of NAMA Support Project Outlines
FAQ 17	<p>Q: How many endorsement letters from national ministries have to be submitted with the Outline?</p> <p>A: Each NSP Outline submitted to the NAMA Facility should include an endorsement letter of the relevant national ministry in charge of climate change AND the national sector ministry/ies concerned; therefore, typically two endorsement letters are expected.</p> <p>Only if the ministry in charge of climate change is also the responsible sector ministry, then one endorsement letter from this ministry would be sufficient.</p>
FAQ 18	<p>Q: What is the expected content of the endorsement letter and the level of signatory in the endorsement letters?</p> <p>A: The endorsement letter should be signed by a duly authorised representative of the ministry. Annex 1 of the Outline template (on the endorsement letters) lists aspects which could be considered in the governmental endorsement letters. The national ministries providing the letters are free to formulate the letter as they deem appropriate. Endorsement letters are carefully studied during the assessment process as an indicator of national political commitment and embeddedness.</p>
FAQ 19	<p>Q: Can further annexes be submitted with additional information, i.e. will they be taken into account during the assessment process?</p> <p>A: The NAMA Facility does not expect any additional annexes and cannot guarantee that these will be taken into account during the assessment of the NSP Outline.</p>
CN I-12	<p>Q: Can the DPP concept be presented in languages other than English?</p> <p>A: No, the NAMA Facility will accept submissions of the NSP Outline including the DPP concept in English only. Endorsement letters from national ministries are accepted in another language if they are submitted together with an English translation.</p> <p>Please note that the NAMA Facility provides the GID for the 5th Call in Spanish and French as courtesy translations.</p>
CN I-13	<p>Q: Are there any specific requirements regarding a MRV (monitoring, reporting, and verification) system that is accountable to Nationally Determined Contribution (NDC) targets, etc.?</p> <p>A: The NAMA Facility's Monitoring and Evaluation Framework sets out the overall requirements and guidance with regard to monitoring and reporting at the NSP level. Many NSPs in implementation have a dedicated MRV component to facilitate the integration of monitoring at the NSP level and national monitoring systems.</p>
CN I-14	<p>Q: Is it compulsory to have an Applicant Support Partner?</p> <p>A: No, it is not compulsory as long as the Applicant itself is an eligible legal entity that can act as the contracting partner during the DPP and receives the full endorsement from the national ministries for both climate change and the relevant sector. If the Applicant is a national ministry, it is strongly encouraged to identify a qualified Applicant Support Partner.</p> <p>Please note that if the proposed Applicant Support Partner should be found non-eligible during the Outline assessment process, the government will be assisted in identifying a suitable Applicant Support Partner.</p>
CN I-15	<p>Q: Does the NAMA Facility expect only ONE main outcome or can two or more outcomes be identified?</p> <p>A: The NSP can identify several outcomes; the logframe template in Annex 2 can be adapted to include several outcomes.</p>

CN I-16	<p>Q: Is there any indication on how to quantify indirect emissions in the Outline? Shall it consider only the indirect emission from the part financed by the NAMA Facility or for the entire NAMA?</p> <p>A: As a general rule, indirect emissions should relate to the parts of the NAMA as financed by the NAMA Facility. If sufficient data is available for the entire NAMA, Applicants/Applicant Support Partners are encouraged to include the data on the entire NAMA as well as.</p>
CN I-17	<p>Q: Does the NAMA Facility require NSPs to be registered with the NAMA registry at the UNFCCC before submission?</p> <p>A: No, the NAMA Facility does not require a registration with the NAMA Registry as a precondition for submitting an Outline. However, selected NSPs are encouraged to register the support received from the NAMA Facility in the NAMA Registry at the UNFCCC.</p>
CN I-18	<p>Q: Does a NSP need to carry an official NAMA “label” in order to be eligible?</p> <p>A: No, this is not required. Other terms could be used as well. For the NAMA Facility, the name is not decisive but rather the content. The NAMA Facility looks for ambitious NSPs that can trigger transformational change across the sector with strong country ownership and leadership.</p>

Questions	F) Selection criteria
FAQ 20	<p>Q: Is there any minimum ratio for the financial leverage, i.e. between the requested grant from the NAMA Facility and the mobilised public and private finance?</p> <p>A: No, the NAMA Facility does not require a minimum financial leverage; however, during the assessment of Outlines the leverage ratio is taken into consideration in the country- and sector-specific context. NAMA Support Projects that have been selected in previous Calls propose an average financial leverage factor of 1:7, i.e. each Euro of NAMA Facility funding provided to NAMA Support Projects mobilises a further seven Euros in additional investment.</p>
FAQ 21	<p>Q: Will a NSP score decrease in the assessment if it provides more conservative estimates with regard to its mitigation potential and financial leverage potential?</p> <p>A: All assumptions underlying the mitigation potential and financial leverage should be realistic and in case of uncertainties, applicants should rather take a conservative approach. In particular, emission reductions over the lifetime of infrastructure projects should take into account the temporal impacts of planning and timescale of investments, including allowances for permitting, planning and procurement, amongst others, in relation to the lifetime of the NSP. During the assessment of Outlines, the underlying assumptions and numbers are subject to rigorous plausibility checks.</p> <p>Please note that if the fully fledged Proposal that is eventually developed deviates from the initial Outline in terms of significantly lower ambition criteria (not only direct mitigation and financial leverage, but also transformational change), the NSP risks not passing the threshold for funding consideration. Therefore, applicants are encouraged to base their estimates on conservative figures.</p>
FAQ 22	<p>Q: What is the difference between direct and indirect mitigation potential?</p> <p>A: The direct mitigation potential refers to GHG emission reductions as a result of investments that were directly benefitting from the support of the NSP, in particular its financial support mechanism(s). In contrast, the indirect potential refers to GHG</p>

emission reduction that cannot be directly linked to the NSP intervention because of an attribution gap, e.g. if the NSP supports the amendment of a regulatory framework that might result in more climate-friendly investment decisions.

The NAMA Facility considers both, the direct and indirect mitigation potential, as very relevant selection criteria. Therefore, both effects should be indicated and substantiated in the NSP Outline. The [GHG calculation tool](#) is recommended for determining the mitigation potential. Applicants are encouraged to submit the calculation as an annex to the Outline (non-mandatory). Further guidance on determining the direct mitigation potential is provided in the NAMA Facility's [Guidance Sheet](#).

FAQ 23 Q: How does the NAMA Facility assess the scalability of a NSP in the context of transformational change?

A: During the assessment process, it is checked whether a scaling-up or replicability is foreseen at the national or even regional level. Specific activities planned and / or financial mechanism(s) aiming at scaling-up or replication are elements to support the assumption that a NSP can achieve impacts beyond the NSP boundaries.

FAQ 24 Q: What kind of information do you expect on whether the funding is secured?

A: For each distinct direct funding source used for the NSP implementation (including contributions from the public sector, private sector and from other donors), the degree to which the funding has been secured should be clarified, whether it is an existing funding stream, firmly committed or simply earmarked (e.g. included in the national budget plan approved for a certain year; or, has been in principle agreed without a formal commitment).

FAQ 25 Q: Can NAMA Facility funding be combined with funding from other funds, e.g. bilateral or international, such as GEF, GCF?

A: Yes, NAMA Facility funding can be combined with funding from other sources. However, the additionality of the NAMA Facility funding must be demonstrated.

CN I-19 Q: Does the NAMA Facility apply a minimum ratio regarding emission reductions (emission reduction/€ NAMA funding) that the NSPs need to achieve?

A: No. While the NAMA Facility requires the emission abatement cost to be cost effective and appropriate to the sector at hand, there are no general benchmarks as abatement costs are very context-specific (e.g. sector, urban/rural and country).

CN I-20 Q: Is it acceptable and sufficient if the national government is fully involved and committed, but cannot financially contribute to the funding? E.g. if the national government only can contribute with indirect funding (e.g. by contributing through institutional services (experts, services, etc.), in-kind contributions, tax exemption, etc.)?

A: Yes. In-kind contributions may be counted. However, greater weight is given to directly mobilised funds by governments through public sector budgets, funds raised through taxes (and exemptions), grants, loans, guarantees etc. In the assessment process, the country context - in terms of public funds but also development of financial markets - is taken into account.

CN I-21 Q: What are the (indirect) funding categories that can be used to calculate leverage?

A: We have no specific definition of eligible funding categories. However, in addition to the domestic sources (e.g. taxes, environmental fees), financing from other international sources (bilateral, multilateral, foundations/non-governmental) and private sector finance (including commercial banks, but also equity contributions

	<p>from project owners, end users such as SMEs, industrial enterprises, households etc. are taken into account.</p> <p>The difference between direct and indirect leverage is that in the case of directly mobilised finance, there is a clear causal link between the NSP intervention and the finance mobilised. For further information and definitions please also refer to the Monitoring and Evaluation Framework.</p>
CN I-22	<p>Q: Many NDCs do not specify sectoral details. If there is only a general reference to sectoral targets in the NDC, but there is a sector-wide programme in the country, would that be sufficient for indicating that the NAMA is "embedded"?</p> <p>A: The NAMA Facility is aware that at this stage, many NDCs do not refer to specific sector-targets. However, the targeted sector/measure should be described or at least mentioned in the respective NDC as a foreseen mitigation area or action. Additionally, a NAMA could be mentioned as embedded by the national government by virtue of its endorsement letter.</p>
CN I-23	<p>Q: What is meant by "Readiness"?</p> <p>A: The NAMA Facility's definition of "Readiness" has been included in the glossary of the GID (Annex 2, page 28). Readiness refers to the degree of maturity or development of a NAMA Support Project. Activities to prepare a project are generally referred to as readiness activities. In the context of the NAMA Facility, a NSP is considered to be ready when it is able to move to the implementation stage of the activity after having completed the DPP. The NAMA Facility provides support for the implementation of NAMAs.</p>
CN I-24	<p>Q: Are NSP Outlines also screened against existing NAMAs? If a similar NAMA exists in a different country/region, does that impact the likelihood of a positive assessment?</p> <p>A: As in the previous Calls, the NAMA Facility does not have a sector-specific focus, thus NSPs are not selected based on their thematic focus, but rather based on their ambition and quality. During the assessment of NSP Outlines, the sector relevance and NSP's potential to induce transformational change within the relevant sector is assessed in the individual country context.</p> <p>A NAMA must be country-driven and appropriate in the country context, thus designed individually. As there might be similar mitigation actions appropriate in a number of countries, proposed sectors and even proposed financing mechanisms might be similar across several countries.</p> <p>As a general rule, it is always positive if the proposed NSP incorporates lessons learnt in comparable programmes, whether they are financed by the NAMA Facility or by other sources.</p>
CN I-25	<p>Q: Is there a recommended ratio of public domestic funds and private sector investments which is supposed to be leveraged by the NSP funds?</p> <p>A: No, the NAMA Facility has no such recommendation as the financial leverage ratios will differ across sectors and country contexts.</p> <p>Please refer also to clarification note "FAQ 20" published on 13 November 2017.</p>
CN I-26	<p>Q: How do you measure the level of ambition for transformational change and financial and mitigation potential? Do you have examples of indicators that can be used?</p> <p>A: The Monitoring and Evaluation Framework provides guidance on how to define and measure respective indicators. It also provides some examples from different sectors.</p>

CN II-7 **Q: On page 20 of the General Information Document, it is stated that an applicant must have greater than three years of proven work experience in the country of implementation. Must these three years be related to the technical area which is proposed in the Outline or is it just three years in any area of work?**

A: It would be preferable if the experience pertains to the sector in which the project intends to intervene but also experience in other sectors will be taken into account.

CN II-8 **Q: What is meant by “Replicability/at national and/or regional level” when the NAMA Facility assesses the potential for transformational change?**

A: The support provided by the NAMA Facility can finance only the most ambitious parts of the overall NAMA. In order to assess whether the support can trigger changes in the (sub-) sector beyond the directly supported interventions, the level of replication within the country (at national level) or in other countries of the region (at regional level), ideally within the NSP implementation period, is an indicator for the potential for transformational change (see also FAQ 23).

Questions **G) Detailed Preparation Phase (DPP)**

FAQ 26 **Q: Is there a budget limit for the Detailed Preparation Phase?**

A: No, there is no explicit upper limit for the DPP. Nevertheless, it should be kept in mind that large budgets requested for the detailed preparation could be an indicator that the NAMA Support Project is actually not ready for implementation. The appropriateness of the requested funding will be assessed on a case-by-case basis. As part of the finalisation of the DPP concept before a funding agreement is concluded, amendments to the budget might be necessary and will be negotiated with the applicant. The budget as part of the DPP concept is subject to approval by the NAMA Facility Board. During the DPP itself, increases to budgets are not foreseen.

FAQ 27 **Q: Is the NAMA Facility’s pre-selected expert pool for the Detailed Preparation Phase (DPP) mandatory or can we select our own experts for the DPP?**

A: The DPP expert pool is an offer to NSPs that helps to identify scarce services and save time in otherwise potentially lengthy tender procedures. It is to support applicants to stay within the maximum DPP limit of 18 months and to develop the NSP, especially the financing mechanism, in line with the requirements of the NAMA Facility.

Please note that in certain cases, the approval of the DPP concept might be conditioned on the use of external expertise e.g. from the DPP expert pool to ensure that the DPP proceeds on time and in line with the NAMA Facility objectives.

FAQ 28 **Q: If a NSP needs a feasibility study, can this be a part of the DPP or project implementation?**

A: The need to conduct comprehensive feasibility studies at either the DPP or the implementation stage of the NSP would raise concerns as to the readiness of the NAMA. However, feasibility studies for specific aspects, e.g. of the financing mechanism, might be necessary and can be part of the DPP.

FAQ 29 **Q: Is the NSP proposal template publicly available?**

A: The NSP proposal template for NSPs from the 5th Call will be available in spring 2018. The [proposal template for NSPs from the 4th Call](#) is published at the NAMA Facility’s website and may serve applicants as an indication for the expected level of detail.

CN I-27	<p>Q: What were the average timeframes and funding levels for DPPs under the 4th Call? Is the funding level expected to increase?</p> <p>A: The average timeframe proposed by NSPs from the 4th Call for their DPP was 12 months and the average funding support requested was approximately EUR 250,000. We cannot say whether the level of funding for the DPP will increase in the 5th Call because this will be proposed by the Applicants/Applicant Support Partners. Please note that the requested funding volume and timeframe for the DPP is an indication of the NPS's level of readiness.</p>
CN I-28	<p>Q: Is the fully elaborated proposal due 18 months after the DPP conclusion, or is it 18 months including the DPP and the Proposal submission?</p> <p>A: It is 18 months for the DPP including the submission of the Proposal, i.e. 18 months in total for the DPP <i>AND</i> the Proposal submission.</p>
CN I-29	<p>Q: What are some examples of support currently being provided by the DPP expert pool?</p> <p>A: Currently, the DPP expert pool supports NSPs from the 4th Call in elaborating and fine-tuning their financial mechanisms (e.g. development of sensitivity analyses); in verifying and checking the quality of business models, financial mechanisms and their underlying assumptions and also the quality check of the project design and indicator formulation.</p>
CN I-30	<p>Q: If using the expert pool for the DPP, does one need to budget for those experts in the DPP budget, or does the NAMA Facility separately cover related costs?</p> <p>A: Related costs for the DPP experts are deducted from the DPP budget. Please also refer section 5.2 of the GID.</p>
CN I-31	<p>Q: How long should we take to prepare the full proposal (6-18 months)?</p> <p>A: The length of the preparation of the full proposal is determined by the state of preparation (readiness) of the NSP and by the individual project setting. For example, it might take a certain period of time to conduct in-depth financial analyses, to receive approvals from key implementing partners and/or to set up and conduct meetings with target groups.</p> <p>As a general rule, taking the time to ensuring a good quality of the Proposal should be prioritized to shortening the DPP timeframe.</p>

Questions	H) Selection Process
CN I-32	<p>Q: Before the Donors decide which NSPs are to receive DPP support, is any kind of onsite assessment envisaged during the assessment process?</p> <p>A: Yes, there will be an onsite assessment for shortlisted NSPs during the assessment process. More details on the assessment process are provided in section 5.1.4 of the GID.</p>
CN I-33	<p>Q: When does the Board decide if a fully-fledged Proposal can be funded? Are there any precise dates available?</p> <p>A: The Board will take a decision on a rolling basis as it receives NSP Proposals and TSU recommendations. The assessment and decision process is expected to take approximately three months from receiving the Proposal to information of the Applicant.</p>

Last but not least...

Could you not find an answer to your question?

In line with our [clarification policy for the 5th Call](#), please submit your question in writing to contact@nama-facility.org. We will publish the clarification on the NAMA Facility's website and also respond to your query directly. You can also submit your question during webinars dedicated to the 5th Call on 29 November 2017 and 31 January 2018.