

5th Call of the NAMA Facility

Clarifications I

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Question	Eligible sectors and technologies
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>

Question	Eligible Applicants
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. 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. 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>

	A: No, the NAMA Facility does not apply any nationality requirements to the NSO.
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	Eligible support instruments in NSPs
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>

Questions	Submission of NSPs
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.</p> <p>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	Selection criteria
CN I-19	<p>Q: Does the NAMA Facility apply a minimum ratio regarding emission reductions (emission reduction/€ NAMA funding) that the NSPs need to achieve?</p> <p>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).</p>
CN I-20	<p>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.)?</p> <p>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.</p>
CN I-21	<p>Q: What are the (indirect) funding categories that can be used to calculate leverage?</p> <p>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 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</p>

	<p>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>

Questions	DPP
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>

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.

As a general rule, taking the time to ensuring a good quality of the Proposal should be prioritized to shortening the DPP timeframe.

Questions	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 further question during the next webinar dedicated to the 5th Call 31 January 2018.