

NAMA Facility



7th Call for NAMA Support Projects

Clarification Notes II

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Abbreviations

ASP	Applicant Support Partner
CN	Clarification Note
DPP	Detailed Preparation Phase
FAQ	Frequently Asked Questions (a NAMA Facility document)
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse gas
GID	General Information Document (a NAMA Facility document)
M&E	Monitoring and Evaluation
NAMA	Nationally Appropriate Mitigation Action
NDC	Nationally Determined Contribution
NSO	NAMA Support Organisation
NSP	NAMA Support Project
OECD DAC	OECD Development Assistance Committee
TSU	Technical Support Unit
UNFCCC	United Nations Framework Convention on Climate Change

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I. General Issues and Selection Criteria

CN II–01 Can we receive feedback on our project idea or specific annexes before the 7th Call submission deadline?

No, this is not possible. In line with the NAMA Facility's policy on clarifications, the TSU does not provide any individual advice on project concepts to ensure a transparent and fair competition among all potential applicants.

Please make use of our webinars to participate in further exchanges or use the opportunity to lodge clarification requests should you have general questions pertaining to the GID and/or application documents.

CN II–02 Are projects with a focus on social issues that also support low-carbon developments prioritized in the selection process?

The NAMA Facility's focus is on supporting the implementation of mitigation actions. As we are looking for NSPs that have the potential to trigger transformational changes towards carbon-neutral development pathways, significant co-benefits (social, economic, environmental) are considered important drivers for transformational change. In short, while the focus of the NSP should be on mitigation action, social and other co-benefits are positively evaluated as part of the potential for transformational change.

CN II–03 Does the NAMA Facility recommend a specific tool or guidance for evaluating the additionality of an NSP?

No, the NAMA Facility does not provide such guidance or recommendations. The Applicant should demonstrate why the measures supported by the NAMA Facility funding are considered additional to other national or donor-funded initiatives that are being implemented in the same sector, how additional funding is mobilised and how a sustainable and transformational impact can be achieved by the NSP. To substantiate its analysis, the Applicant may use tools and guidance of other initiatives and funding mechanism, such as the CDM Additionality Tool and GEF Incremental Cost Reasoning, but this is not a requirement of the NAMA Facility.

CN II–04 Does NAMA Facility have guidance on how much of the resulting GHG mitigation can be claimed by the country as domestic mitigation action?

The resulting mitigation can be accounted and claimed by the country as domestic mitigation action throughout the NSP and beyond its lifetime, i.e. donor countries may not claim these as their own mitigation actions.

II. Eligibility of Countries

CN II–05 Should a country have submitted a NAMA to the UNFCCC in order to be eligible?

No, this is not a requirement. The NAMA Facility does not require a NAMA to be registered with the UNFCCC in order to be eligible for support. For countries' eligibility, please also note FAQ 10.

CN II–06 In case of a cross-border or regional NSP with several countries involved, do we have to nominate a lead government?

In case of cross-border or regional NSPs with several countries involved, the ownership and commitments from each government would be required and assessed. For this, in each country the relevant sector ministry and climate change ministry should at least endorse the NSP. In short,

we do not expect the nomination of a government of one country to take the lead for all countries involved. See also FAQ 13.

CN II–07 In case of a cross-border or regional NSP with several countries involved, who will nominate the legal entity to act as Applicant Support Partner and/or NSO?

The nomination of the legal entity to act as Applicant Support Partner and/or NSO shall be agreed amongst the project proponents. The NAMA Facility will not be responsible for the nomination of the legal entity.

CN II–08 Are countries prioritised that have not received funding in the previous Calls?

No, the NAMA Facility has no regional or country-group specific focus. It continues to select the most ambitious yet feasible NSPs, where each NSP is assessed on its own merits according to the selection criteria outlined in GID section 5.1.3.

III. Eligibility of Applicants and Applicant Support Partners

CN II–09 What is the difference between the Applicant and NSO and who is doing what during which phase?

The Applicant is the institution submitting the NSP Outline to the NAMA Facility, in some cases together with the Applicant Support Partner. The Applicant or Applicant Support Partner become the contracting partner for the DPP and develop the NSP Proposal during the DPP.

The NSO(s) needs to be identified during the DPP. The NSO will become the contractual partner for the potential implementation of the NSP and it will be responsible for executing the NSP.

CN II–10 Are NSOs mandatory for an NSP?

Yes, each NSP requires an NSO that is identified by the latest during the Detailed Preparation Phase. Please note that it is NOT mandatory to already identify the NSO in your Outline. Please refer also to FAQ 23.

CN II–11 Could you provide examples of legal entities to act as NSO?

Examples include national and international development banks, national and international NGOs, public utilities, public agencies, foundations. For further examples, please also check out GID section 3.4. Please note that the legal entity must fulfil the capacity criteria as per GID section 5.2.1 and special eligibility criteria as per Annex 3 of the GID.

CN II–12 Can a ministry suggest more than one legal entity to become Applicant Support Partner?

Yes, it is possible that the Applicant Support Partner is made up of a consortium of legal entities. Please also check FAQ 20.

CN II–13 How many organisations can be part of an NSO consortium during the Implementation Phase?

Please see FAQ 20, which applies accordingly to NSO consortia.

CN II–14 Is it possible to have one organization as the NSO for the technical part of the NSP and another organization as the NSO for the financial part of the NSP?

Yes, this is possible. The NAMA Facility has several NSPs in its portfolio where one NSO is responsible for the financial cooperation and another for the technical cooperation.

CN II–15 What kind of entities are you looking for that fulfil the NSO's capacity criteria 'proven experience with the implementation of ODA projects >EUR 5 million' (GID section 5.2.2)?

We are looking for entities that have a track-record of developing and implementing projects with a funding volume of at least EUR 5 million, where the funding has been earmarked as Official Development Aid (ODA) funding as defined by the OECD DAC committee (for more information, check out the following link: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/officialdevelopmentassistancedefinitionandcoverage.htm>)

Good to know: In GID section 3.4, you will find examples of typical NSOs.

CN II–16 Can UN organisations act as Applicant or Applicant Support Partner or later, as NSO?

Yes, UN organizations are eligible for such roles, if they receive endorsement of the relevant national ministries.

CN II–17 Can a private for-profit enterprise that is established outside the EU fulfil the project-related capacity requirements of Applicants/Applicants Support Partner as mentioned in GID section 5.1.1 – if it can demonstrate experience in conducting relevant projects?

Yes, this is possible.

Please note that the question and our clarification do not cover or respond to the question of whether such private for-profit enterprises established outside the EU also fulfil all other eligibility criteria – including the NAMA Facility requirement that funding may only be used in line with a public-benefit purpose (see GID section 5.1.1).

CN II–18 Are private for-profit enterprises established outside EU allowed to be Implementing Partners?

Yes, this is possible. The NAMA Facility defines Implementing Partners as key national partners that have a specific national mandate for the implementation of the NSP. As a rule, Implementing Partners are thus located in the partner country.

CN II–19 Can a European-registered for-profit organization (public limited company) be part of a consortium?

As per GID section 5.1.1., private for-profit enterprises that are registered within the EU are excluded from participation as Applicant or Applicant Support Partner. This applies mutatis mutandis to members of a consortia.

CN II–20 Can the Applicant consortium include a technology provider that has a private for-profit status.

For technology providers that are private for-profit enterprises, the same requirements would apply as for any private for-profit enterprise. All funding from the NAMA Facility must be spent in line with public benefit purpose, i.e. NAMA Facility funding and NSP activities in general may not be used to obtain a commercial benefit for the involved Applicant consortium members.

CN II–21 Can development banks act as Applicant or Applicant Support Partner or later, as NSO, even though they have a status as for-profit organizations?

Yes, national, regional and international development banks are eligible for such roles, if they receive endorsement of the relevant national ministries. Development banks are public organizations set up for a public-benefit purpose.

CN II–22 Are international (technical) cooperation institutes eligible as Applicant or NSO?

Yes, they would be eligible, if they receive endorsement of the relevant national ministries and fulfill requirements as per GID, section 5.1.1. (for Applicants/Applicant Support Partners) and/or section 5.2.1 (for NSOs).

CN II–23 Can several legal entities form an NSO consortium to combine their expertise and experience to comply with the capacity criteria for NSOs as per GID 5.2.1 and to provide the necessary sector expertise for implementation?

Yes, this is possible. Please also check FAQ 20, which applies mutatis mutandis to NSOs.

CN II–24 Can an Implementing Partner, such as a private for-profit enterprise established outside the EU, be part of an NSO consortium during the DPP/Implementation Phase?

Yes, this is possible in cases where the private for-profit enterprise outside the EU is established in the partner country and that the requirement that the NAMA Facility funding will only be used in line with the public-benefit-purpose is fulfilled (see GID section 5.1.1).

CN II–25 Could a dedicated programme from a national ministry become a member of an Applicant consortium or NSO consortium during the Detailed Preparation Phase / Implementation Phase?

Each member of the consortium must be a legal entity and fulfil the specific eligibility criteria as mentioned in the GID section 5.1.1, 5.2.1. and Annex 3. We recommend checking whether a programme under a national ministry can fulfil such criteria.

CN II–26 Can a national ministry that is not part of the host country's government where the NSP will take place become part of the Applicant consortium for the Detailed Preparation Phase or NSO consortium in the Implementation Phase?

The NAMA Facility has not excluded such organisational set-ups; however, this would be highly unusual. This is because the national ministries of the partner (i.e. host) country are expected to play a crucial role in the design and implementation of the national mitigation actions, while a national ministry from another country would lack the mandate to act accordingly in the partner country. It is also unclear at this stage whether a national ministry would comply with the eligibility criteria.

Good to know: A national ministry from another country might consider providing co-financing to the NSP or to finance specific additional components.

CN II–27 Does the NSO need to establish a separate bank account for accepting the funds from the NAMA Facility?

No – in most cases, a separate bank account is not necessary as long as the NSO can ensure a project-specific accounting system to be able to settle the financial transactions resulting from the grant agreement with the NAMA Facility Grant Agent. Before contracting, this question will be clarified.

CN II–28 In the case that two NSOs are proposed, can the NAMA Facility funding for the NSP be distributed separately to both NSOs according to a pre-defined share? And if one of these NSOs transfers the NAMA Facility funding to the other NSO, can both NSO's apply two different overhead rates?

Yes, this is possible to distribute the funding separately to both NSOs. As result of the DPP, NSPs with more than one NSO will be requested to clearly delineate the NSOs' roles and responsibilities as well as budgets in the NSP Proposal.

In the above case and if one NSO transfers the funding to the other NSO, different overhead rates might be applied by the different NSOs. Please note that overhead rates are carefully reviewed with regard to their appropriateness.

CN II–29 As GIZ has been commissioned as NAMA Facility Grant Agent (NFGA), does this mean that GIZ will be the contractual partner for NSPs? If yes, would GIZ become the NSO's contractual partner? If yes, would such a contract also include content-related components or would it rather be restricted to administrative execution?

It is correct that GIZ in its function as the NFGA will become the contractual partner to the NSP. The contract between NFGA-NSO (in most cases a grant agreement) would regulate the administrative execution, whereas the NSP Proposal with its substantial / content-related components would become an annex to this grant agreement. The NFGA will not involve itself in content-related project requirements.

IV. Eligibility of Sectors and Technologies

CN II–30 Does a sector have to be mentioned in the NDC?

The NAMA Facility expects NSPs to support the implementation of NDCs and sectors where the NSP can support further increases in NDC ambition. As not all NDCs include specific sectors for achieving the country's mitigation objectives, it will facilitate the cause of the NSP, if it demonstrates the link to the NDC even in cases, where the NDC does not specify priority sectors.

CN II–31 Can an NSP cover several sectors, if they are all relevant to NDC?

Yes, an NSP could cover several sectors relevant to the implementation of the NSP if the mitigation action is of cross-sectoral relevance. It is nevertheless recommended to put a clear focus in the proposed NSP in order to achieve a relevant impact and trigger transformation in a sector.

CN II–32 Is an NSP in the forestry sector of a developing country eligible for support if it is supported by the relevant national ministries?

Yes, NSPs in the forestry sector are eligible. The NAMA Facility has no sector focus and accepts applications from all mitigation-relevant sectors. In all cases it will be crucial to have the endorsement and buy-in from the relevant sector ministry.

Good to know: FAQ 24 provides further information and links to sector-specific lessons learnt from previous Calls of the NAMA Facility.

CN II–33 Can transformational change of a sector be focussed on a sub-national level rather than at the sector at national level?

NSPs might propose to focus their work on a certain (relevant) sub-national level to enhance impact from their TC and FC. However, it will be important to demonstrate how these impacts are fed into the national level and how the NSP – along with its national implementing partners – enables upscaling and replication at national level.

CN II–34 Are projects focusing on energy efficiency in buildings and green buildings eligible for support?

Yes, mitigation actions in the buildings sector are eligible.

Good to know: Potential applicants are strongly encouraged to check out the webinar on lessons learnt from the 5th Call and a 6th Call that include also observations on NSPs in the building sector.

CN II–35 How do circular economy principles guide NSP selection?

The NAMA Facility wants to see the circular economy approach not just as a buzzword, but in action. As an example, in the waste sector, Donors would not select projects displaying an end-of-pipe approach (limited to waste treatment prior to discharge into the environment) – but rather only projects with a holistic approach to waste management, including waste prevention and circular activities such as repair, reuse or recycling.

CN II–36 Can a project propose mitigation actions that would result in mitigation effects compared to a BAU scenario, even though in absolute terms there is an increase in emissions compared to the base year?

Mitigation actions that help a country to significantly reduce emissions compared to a BAU or baseline scenario are accepted even if that means that in absolute terms, there would still be an increase in emissions compared to a base year. Therefore, it is important to clearly define the BAU and baseline scenario for the mitigation actions proposed under the NSP.

V. Eligible Support Instruments in NSPs

CN II–37 Are proposals on policy research for low-carbon development eligible, given that this might be relevant for many countries?

No, policy research projects and other research projects are not eligible for funding, as this is beyond the scope of the NAMA Facility. The NAMA Facility's objective is to support countries in implementing ambitious mitigation action.

CN II–38 Which entities from the public sector can provide financial contributions?

Typical examples of such entities include national ministries (e.g. from their budgets), authorities or publicly funded agencies, national and international development banks. Of course, this list of examples is not exhaustive.

CN II–39 How much of the total NSP finance envelop should be provided from public sector sources?

The NAMA Facility does not set a minimum threshold for this. It is important to demonstrate how the mitigation action proposed in the NSP will be financed. This could be from public as well as private sector sources.

Good to know: FAQs 31-34 provide additional useful information related to funding from the public sector. You are also encouraged to visit our [webinar on financial mechanisms](#) for additional guidance.

CN II–40 Is there a minimum contribution expected from national implementing partners or the NSO?

No, the NAMA Facility does not set a minimum contribution amount from public or private sector sources of funding, neither in absolute nor in relative terms.

It will be important to demonstrate that funding provided by the NAMA Facility is most efficiently used to achieve ambitious mitigation actions, in particular by leveraging additional finance. See also FAQ 32.

CN II–41 Is there a maximum contribution permissible from the private sector?

No, there is no limit for the private sector contribution. In fact, certain NSPs might be completely co-financed from private sector sources.

CN II–42 Are countries' GHG inventories from national communications and BUR acceptable to derive a BAU or baseline scenario and for demonstrating mitigation impacts?

Countries' GHG inventories and BURs can be a starting point to identify the relevant sectors for mitigation in a given country and to substantiate the cause for a wider mitigation potential. For the calculation of the direct and indirect mitigation effect of the NSP, Applicants are strongly encouraged to take a bottom-up approach in their calculations. Annex 6 guides you through this process.

CN II–43 Can carbon credits generated during the NSP implementation period be sold on the unregulated, i.e. voluntary market?

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 NSPs 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.

CN II–44 Does the NAMA Facility only provide grant funding to the NSP or also with other financial instruments such as soft loans, guarantees, etc.?

The NAMA Facility offers grants to the NSPs. NSPs are expected to propose financial mechanisms that enable the leveraging of public and private funds in order to make best use of the grant provided by the NAMA Facility to the NSP. For further information, see also FAQ 28.

CN II–45 Can the NAMA Facility share a good example of a business model and financial mechanism?

The NAMA Facility cannot share examples from NSPs that have been successful in the previous Calls. The NAMA Facility does provide the following resources on business models and financial mechanisms: a dedicated webinar on financial mechanisms and webinars on lessons learnt from the [4th](#), [5th](#) and [6th](#) Call that reflect on both business models and financial mechanisms.

Good to know: The NAMA Facility invites you to join the next webinar in the 7th Call on 27 May that will be dedicated to case studies and examples. This will also include looking at an example for a business model and financial mechanism.

VI. Submission of the NSP Outline and Annexes

CN II–46 To whom should endorsement and support letters be addressed?

Endorsement and/or support letters should be addressed to the NAMA Facility Board.

Good to know: The NAMA Facility requires only scans of endorsement and/or support letters; we do not expect any originals.

CN II–47 Should we include letters of support from the financial institutions that are willing to support the NSP?

Please see FAQ 45.

CN II–48 Do we need to present an endorsement letter by the NAMA National Focal Point of the country?

No, this is not required.

Good to know: The NAMA Facility does not require supported mitigation actions to be labelled as NAMAs, nor does the NAMA Facility require that a NAMA is registered with the UNFCCC's NAMA registry. Please also refer to FAQ 2.

VII. Detailed Preparation Phase (DPP)

CN II–49 Can we only submit our NSP proposal in either month 10 or month 15, or also in month 11, 12, etc.?

It is possible to submit the NSP Proposal before the chosen DPP deadline of either 10 or 15 months (but not after).

The two timeframes at the end of either month 10 or 15 of the DPP serve to provide greater clarity for Applicants and better alignment in the NSP Proposal assessment and decision-making process on implementation funding.

CN II–50 What details do you expect on the collaboration between Applicants/NSO and the National Ministries in the DPP concept, i.e. Annex 4a?

The DPP concept shall clearly define which key issues and questions still need to be clarified and defined during the Detailed Preparation Phase, e.g. which financial contribution would need to be secured from a national ministry or an exact definition of who would be responsible for what during the NSP Implementation Phase.

Good to know: Annex 4a (DPP concept) is not meant as a document to provide additional information on the NSP concept, e.g. additional analysis. Please make sure to include all relevant information in the Outline template itself.

Last but not least...

Couldn't find an answer to your question?

In line with our clarification policy for the 7th Call, please submit your question in writing to contact@nama-facility.org.

We will publish the clarification on the NAMA Facility's website as part of the Clarification Note publication and respond to your query directly. The next Clarification Note will be published on 24 June 2020 – be sure to submit your question to the NAMA Facility by 22 June 2020 to ensure that your clarification is included.