

NAMA Facility

On behalf of
 Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

 Department for
Business, Energy
& Industrial Strategy

 Danish Ministry
of Energy, Utilities
and Climate



7th Call for NAMA Support Projects

Clarification Notes III

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Abbreviations

ASP	Applicant Support Partner
CN	Clarification Note
DPP	Detailed Preparation Phase
FAQ	Frequently Asked Questions (a NAMA Facility document)
GHG	Greenhouse gas
GID	General Information Document (a NAMA Facility document)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
M&E	Monitoring and Evaluation
NAMA	Nationally Appropriate Mitigation Action
NFGA	NAMA Facility Grant Agent
NSO	NAMA Support Organisation
NSP	NAMA Support Project
OECD DAC	OECD Development Assistance Committee
TSU	Technical Support Unit

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I. General Issues and Selection Criteria

CN III–01 What procurement rules do Applicants, Applicant Support Partners and NSOs need to follow if they want to contract a consultancy as an external service provider?

In principle the regulations of the partner country are to be observed. However, the standard grant agreement that is to be signed between the grant recipient and GIZ (as the NFGA), contains procurement rules at a minimum standard. In summary, the grant agreement stipulates basic procurement regulations, which may be further expanded upon based on the partner country's own procurement regulations. More information can be found [here](#).

CN III–02 Where can we find information about NSPs financed by the NAMA Facility that are already in the DPP or Implementation?

Information can be found on the NAMA Facility website under Projects, where information on all NSPs in DPP or Implementation is provided.

CN III-03 Does the GHG mitigation achieved through TC activities implemented during the NSP implementation count as direct or indirect mitigation?

GHG mitigation achieved through TC activities counts as indirect mitigation – irrespective of whether it has been achieved during or after the NSP lifetime. Only emission reductions that are achieved by measures (partially) financed or leveraged by the financial cooperation (FC) component during the NSP period are counted as direct mitigation.

CN III-04 Annex 6 makes reference to other performance indicators that applicants might introduce. Are there examples you could share with applicants to illustrate what kind of indicators this could be?

The range of additional performance indicators is very broad and depends on the sector the NSP is targeting, as well as the individual project activities. An example in the transport sector could be emissions per passenger kilometre for a certain mode of transport (g CO₂/km), or for a renewable energy project, CO₂ intensity of the new power generation capacity installed (g CO₂/kWh).

II. Eligibility of Applicants and Applicant Support Partners

CN III–05 Can the NSO of the FC be a state-owned for-profit bank?

Yes, state-owned banks are eligible to be the NSO, as long as it receives endorsement of the relevant national ministries and the NAMA Facility funding is used in line with the public-benefit-purpose.

Please note that the question and our clarification do not cover or respond to the question of whether such state-owned for-profit banks also fulfil all other eligibility criteria (see GID section 5.1.1).

CN III–06 Can a local government organisation together with a bilateral development agency form a consortium to become the NSO of an NSP?

Local government organisations are not excluded from receiving support, but they will require a thorough case-by-case assessment on their general eligibility as an NSP (see GID, section 5.2.2).

CN III–07 Do all implementing partners need to be national, or if at least some are national, can an international institution also be considered as an implementing partner?

According to the GID (section 3.5) implementing partners are the key national partners for the implementation of the NSP. According to the NAMA Facility's understanding, implementing partners have a role to play in the sustainability of an NSP, i.e. to maintain the implemented changes in the country, also beyond the NSP. International institutions usually cannot fulfil this role.

CN III–08 Can a for-profit-enterprise based in an eligible partner country (outside the European Union) serve as applicant / NSO?

A case-by-case review is conducted for organisations that are not public entities, e.g. private for-profit enterprises established outside the European Union. For more information see GID, Annex 3.

CN III–09 One eligibility criterion for applicants is "Experience in development of investment/climate finance policies and/or programmes". Can you please elaborate if an institution experienced with climate and environmental projects would generally meet this?

To assess the eligibility, the applicant would need to provide details on at least five reference projects for the TSU to assess whether they hold "Experience in development of investment/climate finance policies and/or programmes". If this expertise cannot be proved, the applicant should consider building a consortium (see GID 5.1.1).

CN III–10 Can governments be directly contracted for the DPP or Implementation?

The NAMA Facility cannot directly contract national ministries for the DPP or implementation due to administrative reasons. If the Applicant is a national ministry, then the NAMA Facility requires the nomination of an Applicant Support Partner (that is a legal entity) as the contracting partner for providing the funding support during the DPP. For a potential implementation, an NSO needs to be nominated (with a legal entity) that will become contracting partner for the implementation (see also GID section 5.1.1 and 5.2.2)

CN III–11 At what stage will an NSO be required?

An NSO will be required for the implementation and it needs to be nominated three months after starting the DPP (see GID section 5.1.1).

III. Eligibility of Sectors and Technologies

CN III–12 Can 'technology transfer' as understood in the Paris Agreement be included in the NSPs?

Yes, technology transfer with a focus on reducing GHG emissions can be included as a project feature of the NSP.

CN III–13 Since technology transfer is primarily a task of the companies investing and operating in the partner countries: is it admissible to win business associations which represent certain technologies for partnerships in the NSPs

Yes, this is possible as long as this partnership and associated activities are in line with the public benefit purpose. (see GID section 5.1.1., 5.2.1 and Annex 3)

IV. Eligible Support Instruments in NSPs

CN III–14 Is the definition of financial leverage of an NSP limited to those funds that would not be spent on the same purpose in the absence of an NSP?

Yes, this is correct.

CN III–15 Where in the NSP Outline should an Applicant indicate funds that will be required for the NSP implementation but are not leveraged by the NSP itself (for example, an existing government program, or a complementary project approved by another international or private sector funder)?

Those budget items, if they will be essential for the implementation of the NSP, could be added in the Outline under *4 Expected Budget and Financing Structure of NSP Implementation Phase*. It will be important that the applicant explicitly states that those funds are available irrespective of the NSP being implemented. The amounts must not be included in the M4 and M5 indicator on public and private funds leveraged.

CN III–16 For the financial modelling, will it be correct to assume that the total NSP funds requested will be disbursed at the beginning of the project or will there be smaller tranches?

In Implementation Phase 1, the budget will usually be limited to cover initial NSP launch activities and some minor TC activities as detailed in the GID (see GID section 6 NSP Implementation).

In Implementation Phase 2, the payment schedule depends to a large extent on the NSP and the financial mechanisms proposed; usually, funds are disbursed in several tranches.

CN III–17 In the fictional NSP Outline presented in the second webinar, you presented numbers on the leveraged funds. Can you please explain the relation of the ratios and the numbers presented in section 3.2?

The ratio should be calculated based on the numbers presented in the budget under 4. The budget itself is of course fictional, as this is a mock Outline.

CN III–18 Does the co-funding have to be already confirmed from national budget/private sector?

The co-funding does not necessarily need to be confirmed, but in the NAMA Facility's assessment of the NSP Outline's feasibility, the status of confirmation will play a role. For more information see also FAQ 37.

CN III–19 Is it required for NSPs to generate a revenue stream (to explain: projects on sustainable forest practices often do not generate a revenue)?

In general, it is not required for NSPs to generate a revenue stream. However, in the NAMA Facility's assessment a special focus lies on the sustainability and the upscaling of the project activities, which are often more likely in a set-up with an underlying and attractive business case that generates revenue streams. If sustainability and upscaling are achieved in other ways without revenues (e.g. through regulation and its enforcement), this will also be acceptable to the NAMA Facility.

CN III–20 Is co-funding from the national government compulsory?

Co-funding from the national government is not compulsory. For more information see FAQ 33 and FAQ 34.

V. Submission of the NSP Outline and Annexes

CN III–21 For a resubmission of an NSP Outline from the previous Call, should the ministry's endorsement letter(s) be updated, or can the endorsement letter(s) from the last Call be resubmitted?

In order to ensure the full endorsement of the national government and also demonstrate continued support, the NSP Outline should be accompanied by updated letter(s).

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 19 July 2020 – be sure to submit your question to the NAMA Facility by 17 July 2020 to ensure that your clarification is included.