Introduction to the 7th Call

NAMA Facility Webinar
29 April 2020
Welcome to this Webinar

- Thank you for your interest in the 7th Call of NAMA Facility!
- **Goals for today:**
  - Provide overview of the NAMA Facility and of the 7th Call process
  - Share lessons learnt and common challenges
  - Point to resources such as General Information Document (GID)
The NAMA Facility Webinar Team

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Technical Overview

- **Grab tab** – Here you can:
  1. Hide the Control Panel
  2. View the webinar in full screen
  3. Choose your preferred language

- **Questions window** – Send us your thoughts:
  - Enter your question and click send.
Structure of the Webinar

1. Introduction to the NAMA Facility
2. 7th Call Process, Timeline and Resources
   Q&A
3. 7th Call Application Documents
   Q&A
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Who We Are

Multi-Donor fund by
- Germany
- UK
- Denmark
- EU

- Created in: 2013
- Total funding volume: EUR 524m
- Current portfolio: 29 NSPs
  - 23 countries
  - Many different sectors: transport, energy efficiency, renewable energy, forestry, waste, agriculture
Characteristics of a NAMA Support Project

- Integrated into sector-wide programs or Policies with specific reference to NDC
- Have phase out-strategy for long-term sustainability
- Implementation ready
  - Must trigger transformational change
- Combine TC and FC:
  - TC: policy reform, regulation
  - FC: financial mechanism

Characteristics of NSPs
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7th Call Launched on 1 April

- Donors renewed their commitment to the NAMA Facility
  - UK and Germany intend to commit up to **EUR 60 million** in additional funding for the implementation of the 7th Call
  - UK announced up to **EUR 38 million** for past and future Calls

- Donors raised ambition from low-carbon to target **carbon neutrality**

- Selection based on ambition and feasibility, no regional or sectoral focus

- Slight changes compared to the 6th Call
General Information Document (GID)

Available in:
- English
- Spanish
- French

Download
7th Call Process and Timeline

**New!**

- **Implementation:** 3 – 5.5 years
- **Call:** 1 April 2020 – 1 September 2020
- **Up to 15 months**
- **End of month 10 or 15**
- **Approx. four months**
- **Submission deadline: 1 September 2020; 3 pm CEST**
- **Spring 2021**
- **Up to 15 months**
- **New!**

**Board**

- **TSU / “NFGA” and/or External Evaluators/Assessors**
- **Applicants / NSOs**

**Board Decision**

- **Assessment of Proposals**
- **Outlines**
- **Assessment of Outlines**
- **Board Decision**
- **Proposal**
- **DPP**
Who Can Submit an NSP Outline?

- **When**
  - **Outline Phase**
    - Submission of Outline

- **What**
  - **DPP/Proposal Phase**
    - Contracting of DPP
    - Submission of Proposal

- **Who**
  - **National Ministry** (‘Applicant’)
    - Should suggest a legal entity as ‘Applicant Support Partner’ for the DPP
  - **Legal entity** (‘Applicant’ or ‘Applicant Support Partner’)
    - Is the contracting partner to the NFGA for the DPP
    - Implements DPP in close cooperation with national Ministries and NSO
    - Needs to fulfill eligibility criteria (see GID, 5.1.1.
  - **Legal entity** (‘NSO’)
    - Submits the NSP Proposal to the NAGA Facility
    - Will be the contracting partner to the NFGA for the Implementation, if the NSP is approved for Implementation
    - Needs to fulfill eligibility criteria (see GID, 5.1.1.

Section 5.1.1., 5.2.1 and Annex 3 (GID)
Who Can Submit an NSP Outline?

- National Ministry ('Applicant')
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- Legal entity ('Applicant')
  - Must demonstrate the endorsement of Ministries

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  - Needs to fulfill eligibility criteria (see GID, 3.4 and 5.2.2, Annex 3)

- Legal entity ('NSO')
  - Needs to fulfill eligibility criteria (see GID, 3.4 and 5.2.2, Annex 3)
  - Implements NSP in close cooperation with national Ministries and other implementing partners
Who Can Submit an NSP Outline?

When

Outline Phase

Submission of Outline

What

National Ministry ('Applicant')

- Should suggest a legal entity as 'Applicant Support Partner' for the DPP

or

Legal entity ('Applicant'

- Must demonstrate the endorsement of Ministries

Who

DPP/Proposal Phase

Contracting of DPP

Submission of Proposal

Implementation Phase

Contracting of NSP implementation

Legal entity ('Applicant'

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- **Implementation Phase**
  - Needs to fulfill eligibility criteria (see GID 3.4 and 5.2.2, Annex 3)
  - Implements NSP in close cooperation with national Ministries and other implementing partners
7th Call Assessment Criteria

1. Eligibility Check

- Timely submission
- Completeness of documents
- Documents provided in English
- Funding for implementation: 5€-20€ million
- DPP duration: either 10 or 15 months
- Implementation duration: 3-5.5 years
- ODA-eligibility of the country
- Additionality of the NSP

For further details check the 7th Call General Information Document
Clarifications and FAQ Series

- TSU collects written questions and publishes clarification notes every month on the NAMA Facility’s website: www.nama-facility.org
- Submit your questions to: contact.nama-facility.org
- Clarification notes will be published on:
  - 1 April, 13 May, 24 June, 22 July and 25 August 2020
- Join our next webinars:
  - Webinar: Case Studies and Examples on 27 May 2020
  - Webinar: 7th Call FAQs and Clarifications on 14 July 2020
Highlighted Resources from the NAMA Facility Website

Webinars
- Introduction to the 6th Call
- Lesson learnt from the 6th Call
- Financial Mechanisms and the NAMA Support Project

Central Documents
- Application documents & 7th Call General Information Document
- M&E framework

Further Information
- 7th Call clarifications and FAQ
- Transformational change working definition
- Sustainable development co-benefits in the NAMA Facility
- 10 things about the NAMA Facility you always wanted to know – but never dared to ask!
Lessons Learnt from 6th Call – General

### Interesting observations

- Cities as developers of Outlines
- Behavior change: Investment is often a main driver, but changes in behavior can also drive transformational change

### Features that contribute to positive assessment

- Acknowledgement of uncertainty
- Ambitiousness while being realistic
- Phase-out concepts

Please see our lessons learnt webinar for more information.
Lessons Learnt – Financial Mechanisms

Financial mechanism

Financial mechanisms are #1 weakness of Outlines

Important points in design of your financial mechanism:

▪ Financial mechanism must reduce/remove investment barrier
▪ They must also leverage additional private and public funds

Typical weaknesses of financial mechanisms

▪ Link between financial mechanism and barrier analysis is too weak
▪ Insufficient explanation why specific instrument was chosen over alternatives
▪ Financial mechanism works around barriers but does not remove them
▪ Simple investment grant is not an attractive financial mechanism
▪ “Financial mechanism” is not simply description of how funds are spent

Factsheet on Financial Mechanisms
Lesson Learnt – Example of Poor NSP Design

- Example: “Launch national programme to exchange inefficient AC units. NAMA Facility funds used as grant to compensate the higher costs of the efficient AC units.”

- Valid approach, but poor fit for NAMA Facility

- Challenges:
  - This is a one-time effort. However, in the future there will be even more efficient AC units. How will these penetrate the market?
  - More efficient AC units will still be more expensive at end of NSP – barrier was not removed but merely lifted during NSP.
  - Financial mechanism (grant) leverages no additional funds.
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7th Call Application Documents

- Four even “lighter” sections
- Roughly 20 pages / 10,000 words maximum in total

NSP Outline Template

Mandatory Annexes

1. Endorsement letters
2. Logframe
3. Applicant / ASP
4. DPP concept & budget
5. Business and financial model
6. GHG mitigation potential
The Outline Template

- In one sentence...
  - What is the NSP about?
  - What will have changed at the end of the NSP?

- We now have better and more structured guiding topics

- Well-written NSP Outlines have in common:
  - Clear picture of how intervention overcomes identified barriers
  - Central piece, elaborate (and not repeat) details in Annexes
  - Quality over quantity
  - Figures and graphs
Annex 2 – Logframe

- Logframe must contain two types of indicators
  - 5 NAMA Facility core indicators as defined in M&E framework
  - NSP-specific indicators

- Good logframes:
  - Identify assumptions and risks for achieving output, outcome, impact
  - Are consistent with main Outline template
  - Provide a high-level but complete overview of NSP
  - Contains overview of proposed activities
Annex 5 – Business Model and Financial Mechanism

- This annex helps us understand:
  - Business as usual, technology, financial sector
  - Business model of the targeted technology(ies)
  - Financial mechanism(s) and phase-out strategy
  - Provides additional details to Outline
  - Feasibility and appropriateness in the country/sector

- Problems in the past
  - Incomplete sections
  - Inserted figures with no explanations or formulas
  - Conflicting information/numbers

- Good sources:
  - Factsheet on Financial Mechanisms
  - Webinar on Financial Mechanisms and the NAMA Support Project
Annex 6 – Mitigation

- This annex helps us understand the GHG mitigation potential
- We completely revised it
  - More guidance
  - More details required: for example, more information on source data
- Problems in the past
  - Simple numbers with no explanations
  - Formulas overwritten, making it impossible to follow calculations
- Completed example will be available in May on our website
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What’s Next?

**Upcoming webinars:**
27 May: “Case studies and examples”
14 July: “7th Call FAQs and Clarifications”

**Upcoming clarifications:**
1 April
13 May
24 June
22 July
25 August

- NAMA Facility website: [dedicated page for 7th Call](#)
- Contact the Technical Support Unit at [contact@nama-facility.org](mailto:contact@nama-facility.org)
Thank you!