

**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



# 7<sup>th</sup> Call for NAMA Support Projects

## **Clarification Notes VI**

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## Abbreviations

CN	Clarification Note
DPP	Detailed Preparation Phase
GID	General Information Document
NAMA	Nationally Appropriate Mitigation Action
NFGA	NAMA Facility Grant Agent
NSO	NAMA Support Organisation
NSP	NAMA Support Project

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## Eligibility of Applicants and Applicant Support Partners

### **CN VI-01 Can an Applicant assign a for-profit subcontractor that is registered in the European Union for specific activities in the planning and implementation phases? Do specific rules apply to subcontracting after awarding?**

This is certainly possible and requires that applicable contract and award procedures are observed. The NFGA publishes these [here](#).

### **CN VI-02 Is an Applicant (that is part of a group of several Applicants) allowed to withdraw from the selection process of the NAMA Facility after submitting the NSP Outline? If yes, would there be any legal consequences or penalties enforced by the NAMA Facility for this Applicant that decides to withdraw from the process?**

Applicants are free to withdraw their application throughout the process without legal consequences or penalties unless the Applicant is the grant recipient and NAMA Facility funding has already been disbursed for the DPP or Implementation. As the NAMA Facility provides funding support to fill a funding gap in developing countries, it is of course possible that this funding gap does not exist any longer, i.e. NAMA Facility would not be required any more.

In case that the institution withdrawing from the application is part of a group/consortium and is not the grant recipient, this change must be communicated to the NAMA Facility which would assess whether the remaining partners are still in compliance with the NAMA Facility eligibility criteria and in the position to implement the NSP as proposed.

### **CN VI-03 What is the difference between consortium partners and implementing partners?**

Consortium partners and Implementing Partners have different roles in the NSP: Organisations can form a consortium to act as Applicant/Applicant Support Partners during the DPP and as NAMA Support Organisation during the NSP Implementation. Applicants or Applicant Support Partners and later NSOs become the contracting partner for the NAMA Facility and are responsible for the proper delivery of the funds to the country of implementation. Consortium partners could be national or international organisations.

Implementing partners are national/local institutions that are key for a successful preparation and implementation of the NSP as they have the mandate in the country to take relevant decisions and the authority to implement changes. Implementing partners may or may not be part of the consortium.

### **CN VI-04 What type of partner country organisations should be closely involved in in the DPP and NSP preparation? Could a national ministry be part of the consortium, considering that it will not receive resources for their administration?**

The types of organisations participating in the NSP preparation depend on the projects' content. During the DPP, usually government (national ministries, authorities), financial institutions (e.g. national development bank) and target group representatives (e.g. associations) are involved.

A national ministry can be a consortium partner if this is deemed helpful to ensure national ownership; for the sake of clarity: the NAMA Facility does not require or expect national ministries to become a consortium partner. Funding from the NAMA Facility may not be channelled to the national ministry.

Good to know: Check out FAQ 20 and CN-II 24 for further information on consortium partners as well as the [General Information Document](#) section 3 on the different roles in the NAMA Facility project cycle.

## Submission of the NSP Outline and Annexes

### **CN VI-05 In Annex 5 “business scenarios optional”, can we insert (additional) comparisons of end user payback or IRR in the baseline and new scenarios?**

Yes, you are free to expand the model and adjust it to your needs in order to present the business and financial model.

### **CN VI-06 In Annex 5 “business scenarios optional”, is simply entering depreciation values enough (common financial accounting practice) or should “Depreciation” be subtracted when calculating the “Result”?**

The NAMA Facility recommends subtracting depreciation values from expected income/savings. Throughout the Annex, please include formulas and no hard-coded figures in the model.

### **CN VI-07 Concerning Annex 6, how can we include the carbon sequestration that is obtained from certain project activities along with a set of mitigation activities? Should carbon sequestration be included as a negative value in the direct emissions?**

In case of carbon sequestration activities, emission reductions (ER) or ‘net anthropogenic GHG removals’ (e.g. as Gold Standard denominated CO<sub>2</sub> certificates) are calculated as the ‘Actual net GHG removals’ minus the ‘Baseline net GHG removals’ minus ‘Leakage GHG emissions’ minus ‘Other emissions’.

To translate this into the Annex 6 template, the template needs to be filled in as follows:

‘Actual net GHG removals’ (amongst others, removals from avoided deforestation and degradation, removals resulting from afforestation/reforestation activities, removals from improved forest management, soil carbon removals) shall be presented in the section of *baseline emissions (BE)* (e.g. in Gold Standard methodology denominated as ‘CO<sub>2</sub> Fixation’) and any *discount* for existing baseline tree/non-tree biomass and/or clearance of existing baseline tree/non-tree biomass shall be added in the section for *project emissions (PE)*. Depending on the standard or methodology applied, the terminology might be different, but the general concept of using the template and filling the sections on baseline emissions and project emissions would remain the same. Please explain your approach with regard to presenting carbon sequestration activities in the different sections of the template.

If you target both, mitigation of anthropogenic emissions (e.g. by implementation of renewable energy) and carbon sequestration activities (removals), it is recommended to copy the corresponding calculation sheet “3 Direct mitigation” to use a separate sheet for the different types of activities.

### **CN VI-08 In Annex 6, how much weight is given to NSP’s cost-effectiveness with respect to overall Annex 6 indicators and to the entirety of NSP Outline?**

The cost-effectiveness (as part of Annex 6 and the overall NSP Outline) is assessed as part of the assessment of the overall GHG mitigation potential of the NSP. The overall GHG mitigation potential of the NSP is weighted 8 out of 50 points. For further information on the assessment criteria, please check out the [GID, section 5.1.3](#).

### **CN VI-09 Annex 6, Results Tab: Regarding NSP cost efficiency (NSP Funding) & (NSP + 10 years), is there a range of acceptable values that should be taken in consideration when developing the NSP?**

The NAMA Facility does not prescribe a certain range of acceptable values, noting that this also heavily depends on the country and sector context as well as on the NSP design.

**CN VI-10 In Annex 6, is it acceptable to have a constant baseline emission factor (EF) and not a dynamic one in cases where long-term future estimates for the change in the value of the EF are difficult to make?**

Yes, this is acceptable but should be made transparent in the assumptions. Please make sure to explain why a constant baseline EF is reasonable to be applied and why it is deemed conservative.

**CN VI-11 In annex 6, is there a rule of thumb (or expected range) for the ratio between indirect mitigation and direct mitigation potential?**

No, there is no ratio or range set by the NAMA Facility. The direct and indirect mitigation effect will heavily depend on the NSP support mechanisms, but also the overall sector context.

Good to know: The indirect mitigation potential is considered an important element to demonstrate the transformational change potential of the NSP.

### **Detailed Preparation Phase (DPP)**

**CN VI - 12 Item 8 in the DPP budget form in Annex 4b is called “Forwarding of Funds – a separate budget needs to be provided”. Please explain what is meant by forwarding of funds and why and in which form shall the separate budget be provided?**

‘Forwarding of funds’ refers to those funds that are channelled by the main grant recipient (Applicant or Applicant Support Partner) to a consortium partner or implementing partner as a grant (in contrast to service contracts with consultancies).

If you intend to forward funds, you would be requested to indicate the total amount of the forwarded grant funding on the sheet of the main grant recipient of the NAMA Facility funding and include a second sheet in the excel file where this forwarded grant sum is displayed in the same budget categories as for the main sheet but limited to the amount forwarded to the consortium partner or implementing partner.

For the sake of simplicity, we strongly recommend to simply copy the main sheet and use to copied sheet to display the budget for the forwarded funds.

In case you intend to forward funds as grants to several consortium partners or implementing partners, please include a separate budget sheet for each partner.

**CN VI-13 In Annex 4b, can we present contributions to the DPP budget from national partners? Should we add a separate tab for this or should we add these contributions to the total DPP budget requested?**

For partner contributions, please add an additional tab to the budget.

### **Last but not least...**

This has been the last round of clarifications in the 7<sup>th</sup> Call and hope, clarifications and our webinars have been helpful for you to prepare your NAMA Support Project (NSP).

**We are looking forward to receiving your NSP Outline submission latest by 30 September 2020, 3pm CEST.**