


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

Frequently Asked Questions (FAQ) and Clarification Notes I, II, III, IV, V and VI

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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)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
M&E	Monitoring and Evaluation
NAMA	Nationally Appropriate Mitigation Action
NDC	Nationally Determined Contribution
NFGA	NAMA Facility Grant Agent
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

FAQ 1 Does the current situation of COVID-19 impact the 7th Call?

This is an extraordinary situation with circumstances changing almost daily. The NAMA Facility is closely monitoring the effects of COVID-19 and its spread around the world. As things currently stand, the 7th Call timeline is proceeding according to the original, already lengthened schedule, and will close at 3pm CEST on 1 September 2020.

Good to know: As in previous Calls, Applicants are expected to only submit application documents via e-mail. The NAMA Facility does not require any original documents.

FAQ 2 Is it necessary for the NSP Outline to be directly linked to a specific NAMA?

No, this is not required. Despite its name, the NAMA Facility supports a wide range of mitigation actions, including sector programmes and initiatives, as long as they are in line with a country's NDC and endorsed by the national government.

FAQ 3 Can we submit an NSP for a second time, if we were not selected in the previous Call?

Yes, certainly. If you consider a re-submission make sure you take into account the insight you were given during the feedback call with the TSU – an opportunity afforded to all non-selected Applicants – as incorporating these details will surely help your re-submission.

While there is no preference for re-submitted NSPs and as a rule, re-submitted Outlines are treated the same as new submissions during the assessment, the NAMA Facility portfolio of NSPs includes 14 NSPs that were selected after they were resubmitted.

FAQ 4 Is it possible to obtain a successful NSP Outline as a reference?

No, the NAMA Facility is not authorized to share or publish NSP Outlines it has received in previous Calls.

Good to know: The second webinar during the Call (on 27 May) is dedicated to examples and case studies. This and the other webinars offered by the NAMA Facility will hopefully support you in preparing your NSP Outline.

FAQ 5 Can questions be submitted after the last Clarification Note?

No, this will not be possible to ensure a fair and competitive 7th Call. Please make sure to submit your questions at least two days before the publication date, so that your enquiry can be addressed in the last round of Clarification Notes.

Good to know: There is a dedicated clarification policy and process in place, through which you can submit your question to the NAMA Facility. You will find more on our website.

FAQ 6 Can an NSP Outline be submitted to obtain NAMA Facility funds for a project already underway?

A project already underway would typically not be eligible for NAMA Facility support.

To be eligible in such a scenario, the NAMA Facility-supported element would need to be one project component within a much larger project context, e.g. a transit line within a much larger metro system development. Keep in mind that it will be crucial to clearly demonstrate additionality of the NSP.

FAQ 7 Will we be penalized in scoring if we take very conservative approaches in measuring project results?

Not at all. Applicants are highly encouraged to only propose what is truly realistic to achieve. If the NSP Proposal deviates from the initial NSP Outline in terms of proposing significantly lower ambition criteria (not only direct mitigation and financial leverage, but also transformational change), the NSP risks not being considered for the Implementation Phase. Therefore, Applicants are encouraged to base their estimates on conservative figures from the very beginning.

All assumptions underlying the mitigation potential and financial leverage should be realistic and in case of uncertainties, applicants should take a conservative approach. In particular, GHG emission reductions over the lifetime of infrastructure projects should take into account the temporal impacts of planning and timescale of investments, including allowances for permitting, planning and procurement, amongst others, in relation to the lifetime of the NSP. During the assessment of NSP Outlines, the underlying assumptions and numbers are subject to rigorous plausibility checks.

For example, in order to reach a goal of installing and operating 100 units of a mitigation technology, you would likely need to work on a lot more than 100 units, as some might not enter operation at all and some might encounter technical or financial defaults during operation. In short, not every activity that is begun will be concluded successfully. Therefore, in order to achieve 100 units, one will have to work on 100+x units and include these into the financial model and factor this in when estimating the expected GHG mitigation effect.

FAQ 8 How does the NAMA Facility assess the scalability of NSPs in the context of transformational change?

During the assessment process, it is evaluated, whether upscaling or replication is foreseen at the national or even regional level. It should be clear how the project intends to effect a transformation, including specific activities and / or financial mechanism(s) intended to scale up or replicate the successful impacts of the NSP beyond its boundaries.

FAQ 9 Does the NAMA Facility apply a minimum ratio regarding emission reductions (emission reduction/€ NAMA funding) that NSPs need to achieve?

No. While the NAMA Facility expects 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).

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.

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).

CN IV-01 In the Outline document, what is the difference between “Implementing Partners” and “National Ministries 1 and 2”?

"National Ministries 1 and 2" refers to the national ministry responsible for the sector of the proposed NSP and the national ministry responsible for climate change mitigation.

"Implementing Partners" are the key national partners for the implementation of the NSP. Examples for typical Implementing Partners are national (sector) ministries and other public and/or private entities and financial institutions, such as a national development bank or the Ministry of Finance (see GID, section 3.5).

CN V-01 Can a national Ministry be presented as an Implementing Partner as well as Applicant?

Even though the Ministry is already presented as applicant it can still be presented as Implementing Partner as well. Reason is that the applicant's role is limited to the submission of the NAMA Support Project Outline, while Implementing Partners will play a crucial role later during the implementation and operation of the NAMA Support Project.

II. Eligibility of Countries

FAQ 10 Which countries are eligible, and which are excluded from receiving support from the NAMA Facility?

In order to be eligible for NAMA Facility support, the country of implementation must be listed on the so-called OECD DAC list of recipient countries throughout the entire Implementation Phase. Countries and territories not listed on this list are excluded from NAMA Facility support. The most recent OECD DAC list is published [here](#).

Please note that this list is expected to undergo a review in 2020.

FAQ 11 Does the NAMA Facility have any preference or priorities for country groups or regions?

No, the NAMA Facility does not prefer any country group or region over others.

FAQ 12 Can a country apply in the 7th Call if it already receives support from the NAMA Facility?

Yes, it can. The NAMA Facility seeks to select the most ambitious NSPs submitted in a Call; it does not have a regional or country-specific focus. Therefore, previous funding decisions do not exclude a positive funding decision in the current 7th Calls of the NAMA Facility.

FAQ 13 Are cross-border and /or regional projects eligible for funding in the 7th Call?

NSPs in the cross-border but also regional contexts are eligible.

Please note that for all countries involved, the political commitment, readiness, implementation structure, etc. would be assessed. Endorsement letters from national ministries of all involved countries are required.

In addition, such cross-border or regional approaches would need to demonstrate a common “raison d’être”; for instance, several small island states of a region could join forces within one NSP in order to achieve a reasonable project size and scaling effects. However, it would be difficult to make a case for the common raison d’être simply because an organisation is active in three or four countries across a continent.

FAQ 14 Can a country submit more than one NSP Outline in the 7th Call?

Yes, this is possible. Each NSP Outline is assessed on its own merits based on the same selection criteria, regardless of whether it comes from the same or different countries. Please note that for each NSP Outline, a complete separate NSP Outline including Annexes should be submitted.

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

FAQ 15 Can a ministry or an entity submit more than one application, or be involved in more than one NSP Outline submission?

Yes, this is possible. There is no limit – ministries or legal entities can be involved in more than one NSP Outline submission.

FAQ 16 Does the NAMA Facility apply some sort of accreditation system for potential Applicants?

No, the NAMA Facility does not apply an accreditation system for potential Applicants. The qualification and eligibility will be assessed during the assessment phase.

FAQ 17 What is the difference between an Applicant and an Applicant Support Partner?

The Applicant submits the NSP Outline to the NAMA Facility.

The NAMA Facility cannot directly contract national ministries for the DPP 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.

If the legal entity submits the NSP Outline itself, the legal entity would be called the Applicant. The legal entity would be required to have the endorsement from the relevant national ministries to submit the NSP Outline. An additional Applicant Support Partner would not be required.

In both cases, sections 1.4., 1.5. and 1.6. of the NSP Outline template must be completed and endorsement letters from the national ministries must be submitted.

Good to know: The NAMA Facility introduced these options to ensure broad accessibility for potential Applicants. In the event that a national ministry submits an NSP Outline but is unclear about the eligibility of the designated Applicant Support Partner, this can be discussed during the assessment. If found ineligible, the legal entity might be replaced with another as part of the assessment and contracting process for the DPP.

FAQ 18 Can a local non-governmental organisation apply?

Yes, a local non-governmental organisation can apply if it receives sufficient endorsement from the government institutions relevant for the implementation of the NSP and if it complies with the capacity requirements listed in the section 5.1.1 of the General Information Document.

FAQ 19 Can a legal entity act as Applicant/Applicant Support Partner and as NAMA Support Organisation (NSO)?

Yes, a legal entity can act as Applicant/Applicant Support Partner and NSO if it complies with the capacity requirements for NSOs. The distinction between the two roles was introduced to extend the possibility of participation in NAMA Facility Calls to entities that have the experience and capacity to *design* projects without necessarily having the mandate, experience or capacity to *implement* them.

Note that the capacity requirements for NSOs are higher than those for Applicants/Applicant Support Partners.

FAQ 20 Can the Applicant Support Partner be a consortium?

Yes, in justified cases, the Applicant Support Partner can be a consortium. The NAMA Facility does not set an upper limit to the number of organisations in a consortium but recommends keeping the number as small as possible. When a consortium is formed, the roles of all partners must be well defined, and a lead consortium member should be identified to become the contractual partner for the NAMA Facility Grant Agent. This partner is then the funding recipient and can forward funds to the other consortium partners. In the NSP Outline, the consortium partners for the Applicant Support Partner should be described in NSP Outline section 1.6 and Annex 3.

Good to know: All consortium partners will be subject to an eligibility check before the grant contract is concluded. A formalised consortium is not a prerequisite for two eligible entities to co-operate under one NSP.

FAQ 21 How can private investors and private consultancies engage with the NAMA Facility's processes?

Private investors can benefit from the NSP e.g. from improved framework conditions and support mechanisms that are newly established. As private investments are crucial for transformation in most sectors, a close interaction between NSPs and the private sector is expected. The NAMA Facility funding itself, however, may only be used for activities in line with a 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 NSP Outlines. During both the DPP and NSP implementation, Applicants / Applicant Support Partners or 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.

Good to know: In the 7th Call General Information Document, section 5.1.1 and its Annex 3 further clarify the *public benefit purpose* and its consequences for private for-profit enterprises.

FAQ 22 Can private for-profit enterprises participate in a consortium with an international non-governmental organization (INGO) / non-governmental organization (NGO) and receive funding?

In the case of a consortium, all members must fulfil the formal requirements for legal entities as stipulated in the General Information Document, section 5.1.1 and Annex 3.

FAQ 23 Must an NSO already be identified at the NSP Outline submission stage?

If an NSO is not identified at NSP Outline submission, it can be identified later, up to three months into the DPP.

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](#)).

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.

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).

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.

IV. Eligibility of Sectors and Technologies

FAQ 24 Are there any eligibility criteria or restrictions of the NAMA Facility regarding certain sectors and technologies?

The NAMA Facility has no sectoral focus. Therefore, in principle, NSPs from all sectors with a relevant mitigation potential are eligible. It is, however, required to demonstrate that the NSP supports transformational change towards a carbon-neutral pathway.

The NAMA Facility's interpretation of transformational change encompasses a significant technological paradigm shift that is quicker than business-as-usual, irreversible/permanent (i.e. not slipping back to the situation before the project) and that there is a strong political will and commitment to implement these changes.

Therefore, certain technologies targeting a fossil fuel switch, a reduction of gas flaring, upgrading and modernising fossil fuel-based energy generation (e.g. coal) or a replacement of rolling stock in transport with more efficient fossil fuel-based vehicles are likely to find it challenging to demonstrate the potential for transformational change towards a carbon-neutral development pathway.

Based on the assessment of proposed NSPs from previous Calls, the NAMA Facility has compiled lessons learnt for certain (sub-)sectors and technologies, including waste; transport; renewable energy; energy efficiency in buildings, appliances and cook stoves; forestry and agriculture and supply chain approaches [see 6th Call [webinar](#) and [presentation](#); 5th Call [webinar](#) and [presentation](#)]. Applicants are strongly advised to consult these and other NAMA Facility dissemination sources.

FAQ 25 Are technological pilots and research projects eligible for funding?

Research projects and the piloting of new technologies that are not yet commercially available on the global market are ineligible, whereas demonstrating an available technology that is new in a certain country context would be considered eligible.

The NSP would need to demonstrate that it can achieve a relevant scale in the country context during the NSP Implementation Phase, a financing mechanism that mobilises additional financing sources and that it has a relevant direct and indirect mitigation potential. For more information on the expectation level see GID, and in particular on the assessment criteria, GID section 5.1.3.

FAQ 26 Are individual investment projects considered for funding if they fit into the country's mitigation action?

The NAMA Facility supports governments and their implementing partners in implementing (sub-) sector-wide mitigation actions, rather than single investment projects such as one solar PV plant or

the refurbishment of a single building. The NSP must be transformational in nature, including elements of replicability and scalability.

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.

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)

V. Eligible Support Instruments in NSPs

FAQ 27 Does the NAMA Facility provide technical assistance for the preparation of national mitigation actions like NAMAs or for the preparation of NSP Outlines?

No, the focus of the NAMA Facility's support is on the IMPLEMENTATION of NAMA Support Projects. The NAMA Facility does not provide funding for the development of national mitigation actions like NAMAs or for the preparation of NSP Outlines. Support for the development of these should be sought from other sources.

The NAMA Facility will provide funding for the Detailed Preparation Phase of selected NSP Outlines to elaborate a comprehensive funding Proposal.

FAQ 28 What financial mechanisms and products can be supported by the NSP?

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.

This leverage can be achieved through a variety of financial mechanisms and products. The chosen mechanism(s) or product(s) should be the most appropriate and feasible one(s) to overcome identified key barriers. Potential mechanisms include (but are not limited to) guarantee schemes for commercial loans, soft loan programmes, and even direct grant payments. All supported financial mechanisms need to demonstrate that the subsidy element does not crowd out commercial finance (it should "crowd in" commercial finance), that it is the most efficient and effective solution for overcoming a certain barrier and that there is a clear phase-out concept for the mechanism – or other ways are shown to ensure a sustainable impact of the financing mechanism beyond the NSP's lifetime.

The NAMA Facility does not set a rule for the percentage blend of subsidies/credits/equity, etc., but the choice and mix of instruments should be adequately justified.

Applicants are strongly advised to consult the NAMA Facility's [factsheet](#) and [webinar](#) on financial mechanisms and their links to transformational change as well as the [presentation](#) and [webinar](#) on financial mechanisms and the NAMA Support Project.

FAQ 29 Is it permissible for the financial support mechanisms to evolve during the NSP implementation, e.g., starting at pilot scale and being refined for scale-up and post-NSP continuity?

Yes, this is accepted by the NAMA Facility. However, the Applicant should bear in mind the lead times for the implementation of financial instruments and the maximum NSP implementation period of 5 ½ years, and the risks of a shortened window of opportunity inherent in such a nascent mechanism to achieve the direct mitigation effects within the NSP Implementation Phase.

FAQ 30 Is it possible to use NAMA Facility support for seed funding for a local climate fund?

Yes, this is possible. The NSP should demonstrate clearly how it will mobilise additional funding and that it is ready for starting operations within the first year of the NSP Implementation Phase.

FAQ 31 Is it permissible if the NAMA Facility funds are gradually replaced by a government tax or other levies?

Yes, definitely. The NAMA Facility is open to the innovative use of domestic funds. The revenues from an appropriately levied government income could provide a sustainable source of funding. It is crucial to ensure and demonstrate a substantial level of commitment from the government to raise and already avail these domestic resources as early as during the Detailed Preparation Phase.

FAQ 32 Is there any minimum ratio for the financial leverage, i.e. between the requested grant from the NAMA Facility and the mobilised public and private finance?

No, the NAMA Facility does not request a minimum ratio for the financial leverage; however, during the assessment of NSP Outlines, the leverage ratio is taken into consideration in the country- and sector-specific context. NAMA Support Projects that have been selected in previous Calls propose an average financial leverage ratio of 1:7, i.e. each euro of NAMA Facility funding provided to NSPs mobilises a further seven euros in additional investment.

FAQ 33 Is it acceptable if the national government is fully involved and committed but cannot directly financially contribute to the NSP funding, to instead contribute in-kind contributions, etc.?

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.

FAQ 34 If there is no public funding contribution to the NSP, but public commitment through policy interventions, reforms, tax incentives, how is this considered?

Policy commitment is encouraged, and quantifiable tax incentives would be taken into account in the assessment as enablers of transformational change. ‘Hard’ funding commitments might, depending on the specific country context in question, indicate a higher degree of ownership and sustainability of an NSP.

FAQ 35 Does the readiness criterion for financial mechanisms mean that all financing mechanisms should be new and created within the NSP or could existing financial mechanisms be used?

Existing mechanisms or variations thereof can be built upon provided that they specifically meet the objectives of the NSP. 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 already 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.

FAQ 36 Is the financing mechanism expected to have disbursed all funds and ceased operation by the end of the Implementation Phase of up to 5 ½ years, or can it continue to disburse even after the Implementation Phase has lapsed?

In order to mobilise additional funding, financial mechanisms like guarantee funds or credit programmes could revolve and operate beyond the Implementation Phase. Hence, it is not expected that all funds are disbursed within the Implementation Phase. However, the success of an NSP is, among others, assessed based on investments WITHIN the Implementation Phase. The financial mechanism should start disbursing in the first year of the Implementation Phase 2.

Good to know: All NSPs must provide a phase-out/exit strategy for the NAMA Facility funding.

FAQ 37 What kind of information do you expect on the degree to which the funding is secured?

For each distinct direct funding source used for the NSP implementation (including contributions from public institutions, private sector and from other donors), the degree to which the funding has been secured should be clarified, whether it is an existing funding stream, firmly committed or simply earmarked (e.g. included in the national budget plan approved for a certain year; or, has been in principle agreed without a formal commitment). Funding commitments from the government should be mentioned in the endorsement letter(s).

FAQ 38 Can the NAMA Facility provide funding support to NSPs that require only a technical cooperation component (TC), whereas the financial cooperation component (FC) is instead completely financed by own resources (e.g. in case of a development bank or government budget)?

This might be considered if the NSP can demonstrate additionality and a clear and direct link between the technical cooperation provided and the financial mobilisation and investments.

FAQ 39 Are there any restrictions or limitations for the use of NAMA Facility funding for technical cooperation?

No, there are no restrictions with regard to the types of technical support measures. The NAMA Facility expects that the technical assistance is linked to and enables investments in technologies and behavioural changes driving carbon-neutral development pathways.

FAQ 40 Does the NAMA Facility apply any minimum ratio for funding requested for the financial cooperation and technical cooperation?

No, the NAMA Facility does not apply a minimum ratio between the requested funds for financial and technical support to cater for the different needs of support in different countries and sectors. Nevertheless, it is expected that the NSP can demonstrate that the TC funding provided by the NAMA Facility leverages funding from other sources for investments into climate friendly technologies.

While in the current portfolio of NSPs, the average TC to FC support ratio is 40:60, the NAMA Facility aims to increase this ratio in favour of FC support in future NSPs.

FAQ 41 Can the NAMA Facility funding be combined with funding from other funds, e.g. bilateral or international sources, such as GEF, GCF?

Yes, NAMA Facility funding can be combined with funding from other sources. However, the additionality of the NAMA Facility funding must be demonstrated.

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.

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.

CN IV–02 Is there a limit to the administrative fee (overhead rate) that the NSO can charge for the DPP and Implementation Phase?

The NAMA Facility does not set an upper limit for the overhead rate. However, the proposed overhead rate is assessed with regard to appropriateness and might be subject to further negotiation before a grant agreement is concluded.

CN IV–03 What is a typical loan guarantee coverage rate for NAMA Facility Projects?

There is no "typical" coverage rate for NAMA Facility Projects. Instead, the coverage rate needs to be appropriate in the country and sector context and the right balance needs to be found between a sufficient incentive as well as minimum concessionally.

VI. Submission of the NSP Outline and Annexes

FAQ 42 How many endorsement letters from national ministries must be submitted with the NSP Outline?

Typically, two endorsement letters are expected, as each NSP Outline should include an endorsement letter of the relevant national ministry in charge of climate change AND the national line ministry/ies concerned.

Only if the ministry in charge of climate change is also the responsible sector ministry, then one endorsement letter from this ministry would be sufficient.

Good to know: During the assessment, the NAMA Facility does not prioritize NSPs Outlines that have been submitted by a ministry vs. those submitted by a legal entity. It is up to the submitting parties (ministries, legal entities) to decide who submits the NSP Outline.

FAQ 43 If it is the ministry itself is the Applicant that will submit the NSP Outline, is the endorsement letter still needed?

Yes, endorsement letters from the relevant line ministry, as well as the ministry in charge of climate change (if different) are still required in this case.

FAQ 44 What is the expected content of the endorsement letter and the level of signatory in the endorsement letters?

Annex 1 of the NSP Outline template (on the endorsement letters) lists aspects that should be considered in the governmental endorsement letters. The national ministries providing the letters are certainly free to formulate the letter as they deem appropriate. Each endorsement letter should

be signed by a duly authorised representative of the ministry; the NAMA Facility does not prescribe the level of signatory.

Good to know: The NAMA Facility does not expect Applicants to submit originals of letters – a scanned version is completely sufficient. During the assessment process, endorsement letters are carefully studied as an indicator of national political commitment and embeddedness. If the endorsement letter includes a financial commitment of public funding, this can (in terms of the assessment) substantiate the NSP's aspiration of public funds leveraged.

FAQ 45 Must NAMA Support Organisations, main implementing partners and the Applicant Support Partner also provide support letters with the NSP Outline submission?

No. For the submission of the NSP Outline, there is no such requirement. Only endorsement letters from the relevant ministries of the applying government are required. Additional support letters can be submitted, if available. This is in particular recommended for partners that are expected to provide financial contributions. Such support letter would help to demonstrate the level of certainty of the co-funding.

FAQ 46 Can we submit further annexes with additional information, i.e. will they be taken into account during the assessment process?

The NAMA Facility does not expect any additional annexes and cannot guarantee that these will be taken into account during the assessment of the NSP Outline.

FAQ 47 Can we replace the format of Annex 5 (business model and financial mechanism) and Annex 5 (GHG mitigation potential) with our own formats?

As a general rule, please provide a complete set of application documents based on the templates of the 7th Call.

If you consider a different format more suitable to present the requested information than the templates for Annex 5 and Annex 6, please submit these additionally. Nevertheless, please keep the information concise.

FAQ 48 As the financial support mechanism is a very important part of the NAMA Support Project, how detailed do you expect the section to be in the NSP Outline exactly?

The financial scheme should be sufficiently elaborated to allow the NAMA Facility to assess its feasibility and appropriateness in the country and sector context. Aspects such as indicative costs, institutional set-up, legal and governance structures should be covered to the greatest extent possible. In the 7th Call, Applicants are requested to submit Annex 5 on the business model and financial mechanisms as a mandatory annex; the development of business model scenarios is optional. Additional details are to be further elaborated as part of the DPP.

FAQ 49 Can an NSP request less than EUR 5 million?

Yes, this is possible and in line with the eligibility criteria stated in section 5.1.3 of the General Information Document. As the amount would deviate from the recommended range of EUR 5 to 20 million, an explicit explanation justifying the deviation should be provided in NSP Outline section 4.

FAQ 50 What are the exact differences between 'outputs', 'outcomes' and 'impacts'?

Impacts are the mid- and long-term direct and indirect effects of the NSP. Outcomes are the overarching direct project goal. It includes direct effects that can be causally attributed to the NSP interventions and that reflect the utilisation of the outputs by the target group. Outputs cover products, goods, services and regulations/standards that have arisen as a result of the NSP activities.

FAQ 51 Do we need to provide information on the sources from specific partners when indicating the potential leverage of public and private funds?

Yes, the information on specific figures from both public and private sources should be provided together with an information on the status of negotiation/commitment. During the in-depth assessment, the state of commitment will be verified.

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.

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).

CN IV–04 In the case that there is no official country baseline, can we use another baseline study, e.g. one produced by an NGOs to build the indicators for our NSP?

Yes, this is possible.

Please make sure to provide full transparency on the source document in Annex 6. You might also check for whether in other countries with a similar setting such baselines have been already developed and use them as a reference. Ensure to choose the most accurate and conservative data.

CN IV–05 In section 3.3. of the NSP Outline template, what is meant by “NSP Implementation” and “10 years after NSP end”? Assuming our project lasts x years. Do x years classify as “NSP implementation” and does “10 years after NSP end” mean then Year X (when it will end) plus 10 years after?

Yes, this is correct. So, if you intend to implement your NSP within five years, "NSP implementation" would correspond to 5 years and "10 years after NSP end" would mean 5+10= 15 years.

Important Note: We encouraged you to simply copy the results table from Annex 6 (sheet "1 Results" - line 60 and following) into your NSP Outline. If Annex 6 is properly filled, the results table is automatically created.

Good to know: Check out the [podcast](#) with an example of how to fill in Annex 6.

CN IV–06 In section 3.3., the table seems to not allow us filling in annual GHG emission reduction data after the NSP implementation period. Can you please clarify where to add the data?

Please fill in Annex 6, sheets '2 - Parameters & Assumptions', '3 - Direct mitigation', and '4 - Indirect mitigation'. Once you have filled in data also for the respective years after the NSP implementation period, the results table on sheet '1 - Results' (table shown in line 60-84) will automatically create an overview for the GHG emission reductions per year. You can then simply copy this table to the NSP Outline, section 3.3.

CN IV–07 For Annex 6, if a financial mechanism funds Technical Assistance (TA) activities, is the mitigation resulting from those TA activities direct mitigation or indirect mitigation?

The support of technical assistance activities is commonly considered as Technical Cooperation (TC). In the logic of the NAMA Facility, 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 IV–08 Is it sufficient to get an endorsement from an environmental unit within a line ministry or does the NAMA Facility require the endorsement from the Ministry of Environment?

Assuming that the Ministry of Environment in this respective country is responsible for climate change mitigation and the UNFCCC negotiations, the NAMA Facility requires the endorsement from that ministry as well, and not just the line ministry. See also FAQ 42.

Good to know: As signed letters might be difficult to obtain during the Covid-19, the Donors of the NAMA Facility agreed to accept e-mails from government officials from the relevant ministries expressing the support to the NSP when NSP Outlines are submitted to the NAMA Facility. The endorsement letters from the Ministries would be requested in case that the NSP is short-listed for an in-depth assessment. The in-depth assessment would take place in early next year.

Read more on further 7th Call changes related to Covid-19 [here](#).

CN IV–09 Should the endorsement letter state the endorsement of the Ministry to the Detailed Preparation Phase or also of the Implementation Phase?

The endorsement by Ministries should cover the full NSP, that is in particular the Implementation Phase.

CN IV–10 Is there a certain hierarchy level within the Ministry that the endorsement e-mail needs to be sent by?

FAQ 44 applies mutatis mutandis to e-mails.

CN IV–11 Is there a need to provide a Theory of Change diagramme or Objective Tree in the NSP Outline?

No, there is no such requirement. Applicants are free to decide whether they want to present such diagramme/chart in the concept for further clarity. Please note: It is mandatory to submit a completed logframe as Annex 2.

CN IV–12 Does the NAMA Facility accept only applications in the NSP Outline template or can we use our own formats?

The NAMA Facility only accepts applications based on the NSP Outline template.

CN IV–13 In the NSP Outline, is the NSP title the same as the Project Title?

Yes, the NSP title and the Project Title are the same.

CN IV–14 In the Outline document, in section 1 under “Emission reduction credits”, it says “NAMA Facility funding is used directly for greenhouse gas mitigation and/or carbon sinks, which will contribute to generating emission allowances, emission credits, or any other type of CO₂ compensation certificates”. A) Is this a question that needs to be answered with yes or no? B) Is the generation of carbon credits or any other type of CO₂ compensation certificates obligatory?

A) The statement should be answered with yes or no. To clarify, it could also be reformulated as: “Is NAMA Facility funding used directly for greenhouse gas mitigation and/or carbon sinks, which will contribute to generating emission allowances, emission credits, or any other type of CO₂ compensation certificates?”.

B) No, the generation of carbon credits or any other type of CO₂ compensation certificates is not obligatory. In cases where carbon credits or any other type of CO₂ compensation certificates are generated, they need to be permanently cancelled in an approved register (see also GID, eligibility criteria, page 10).

CN IV–15 Where can co-financing for the DPP be included (Annex 4b does not include budget lines for co-financing)?

In the Outline template, there is no specific section where co-financing from Applicants / Applicant Support Partners for the DPP shall be included. If you foresee to provide co-financing during the DPP, please address this in Annex 4a DPP Concept. Annex 4b DPP budget shall only include the funds requested from the NAMA Facility for the DPP; that is why there is no specific budget line for co-financing.

CN IV–16 For which periods shall emission reduction be reported?

Emission reduction shall be reported for the "NSP Implementation", for “10 years after NSP end” and for the "technology lifetime". If you intend to implement your NSP within five years, "NSP implementation" would correspond to 5 years and "10 years after NSP end" would mean 5+10= 15 years.

Good to know: Check out the [Annex 6 podcast](#) with an example of how to fill in Annex 6.

CN IV–17 If the NSO and the Applicant Support Partner are identical, does the requested information need to be provided twice?

If the same entity acts as the Applicant Support Partner (ASP) and in a potential implementation as an NSO, the required information does not need to be provided twice. It will be sufficient to include a reference from section 1.8 to section 1.6.

CN V–02 Please clarify what documents need to be submitted for a complete application.

The application documents consist of a template for NAMA Support Project Outlines plus six mandatory annexes (Annex 1 - 6) and one optional Annex (Annex 7).

Please note: For Annex 1, the endorsement letters, also e-mails from national ministries confirming the support to the NSP are accepted during Outline submission. In this case, the actual endorsement letter should be presented at the latest during the in-depth assessment phase.

CN V–03 Do the Letters of Endorsement have to be written in English or is the official country language sufficient?

All documents provided with the Outline need to be in English. Endorsement letters can be in the official country language too, but in that case an English translation will be required in addition to the version in country language.

CN V–04 Is it possible to present the Outline without having identified the Implementing Partner who will be in charge of the financial component?

If the Applicant or Applicant Support Partner for the DPP and the intended NSO for the Implementation Phase of the NSP are different entities, the NSO needs to be identified and confirmed by, at the latest, three months from the start of the DPP. Same holds true for cases where there are two NSOs, one for the TC and one for the FC.

In cases where only one entity acts as NSO and is responsible for the implementation of both components, but part of the funds is forwarded to an implementation partner, e.g. a national development bank, this implementing partner should be identified as early as possible during the DPP to ensure readiness and involvement in the FC mechanism design.

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 CO₂ 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 ‘CO₂ 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.

VII. Detailed Preparation Phase (DPP)

FAQ 52 Does the NAMA Facility set an upper budget limit for the DPP?

No, there is no explicit upper limit for the DPP budgets that can be requested from the NAMA Facility. Please keep in mind that large budgets requested for the DPP could be an indicator that the NSP risks not reaching a sufficient level of readiness for implementation due to the significant amount of preparatory work still required.

The appropriateness of the requested funding will be assessed on a case-by-case basis. As part of the finalisation of the DPP concept before a funding agreement is concluded, amendments to the budget might be necessary and will be negotiated with the Applicant or Applicant Support Partner. The budget as part of the DPP concept is subject to approval by the NAMA Facility Board. During the DPP itself, increases to budgets are not foreseen.

FAQ 53 What were the average funding levels for DPPs in previous Calls?

The average funding support requested by NSPs from the previous Calls for their DPP was approximately EUR 250,000. Please note that the requested funding volume and timeframe for the DPP is an indication of the NPS’s level of readiness.

FAQ 54 What activities are eligible for support in the DPP?

Supported activities should be focused on clarifying open issues necessary for the elaboration of a high-quality, detailed NSP Proposal that allows the NSP to quickly start the full implementation after approval of the NSP Proposal. Examples of supported activities include detailed baseline studies, sensitivity analyses of business models, detailing and modelling the financial mechanism, negotiations with implementing partners, defining steering structures for implementation, etc. Feasibility studies can be supported in limited cases only if specific details still need to be clarified; however, the overall technological and economic feasibility should already have been analysed before the NSP Outline is submitted to the NAMA Facility.

FAQ 55 How long should we take to prepare the full NSP Proposal (6-15 months)?

NSPs are expected to decide for a DPP of either 10 months or 15 months. Within these timeframes, they are expected to prepare and submit a comprehensive NSP Proposal that is ready for implementation. The length of the DPP 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 an in-depth financial analysis, to receive approvals from key implementing partners and/or to set up and conduct meetings with target groups. The expected duration of these activities should be estimated and budgeted accordingly.

Good to know: Taking the time to ensure a good quality of the NSP Proposal should be prioritized over a shortened DPP timeframe.

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.

CN IV-18 Will there be a DPP Expert pool that supports applicants / applicant support partners during the DPP?

No, the advisory support from the DPP expert pool has been replaced by a general support offer from the TSU during the DPP to engage external expertise. This means that the TSU is prepared to offer NSPs in the DPP support, on an individual basis, for the engagement of external expertise. TSU support could, for example, take the form of drafting the terms of reference for devised assignments or the identification of specific potential experts (see GID, page 20).

CN V-05 While the Environmental and Social Impact Assessment will be carried out during the DPP, will it be possible to develop a corresponding environmental and social management plan only during Implementation Phase 1?

Unfortunately, not. Both the Environmental and Social Impact Assessment as well as definitions of

safeguards for environmental, social issues and human rights and gender considerations need to be included in the NSP Proposal already.

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 7th 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.