General Information Document

7th Call for NAMA Support Projects

01 April 2020 (updated version 10 July 2020)

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LIST OF ABBREVIATIONS:
   ASP Applicant Support Partner
   BEIS UK Department for Business, Energy and Industrial Strategy
   BMU German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety
   CER Certified Emission Reductions
   DPP Detailed Preparation Phase
   FC Financial Cooperation
   GHG Greenhouse Gas
   GID General Information Document
   GIZ Deutsche Gesellschaft für Internationale ZusammenarbeitGmbH
   INGO International Non-governmental Organisation
   IP Implementing Partner
   MFA Danish Ministry of Foreign Affairs
   KEFM Danish Ministry of Climate, Energy and Utilities
   KFW KfW Development Bank
   M&E Monitoring and Evaluation
   NAMA Nationally Appropriate Mitigation Action
   NDC Nationally Determined Contribution
   NFGA NAMA Facility Grant Agent
   NGO Non-governmental Organisation
   NSO Nama Support Organisation
   NSP NAMA Support Project
   ODA Official Development Assistance
   TA Technical Assistance
   TC Technical Cooperation
   ToC Theory of Change
   TSU Technical Support Unit
   UN United Nations
   UNFCCC United Nations Framework Convention on Climate Change

See Annex 2 for a comprehensive glossary.
1. Introduction

This document provides general information on the NAMA Facility, its objective and functioning (part A) as well as specific information on the selection process of NAMA Support Projects (NSP) for funding under the 7th Call of the NAMA Facility (part B). The purpose of the document is to assist potential Applicants in preparing and submitting NSP Outlines.

The NAMA Facility is a multi-donor programme that supports the implementation of NSPs that effect sector-wide shifts toward sustainable, irreversible, carbon-neutral pathways and by this contribute to the implementation of Nationally Determined Contributions in developing countries and emerging economies. For identifying the most ambitious NSPs, the NAMA Facility conducts open competitive Calls. In the NAMA Facility’s 7th Call for NSPs, national ministries from developing countries and other legal entities are invited to submit NSP Outlines to receive support for their NAMA implementation (for more detailed information and eligibility criteria see sections 5.1 and 5.2).

All details about the NAMA Facility and on the 7th Call specifically are published on the NAMA Facility’s website at www.nama-facility.org. The NAMA Facility remains committed to a simple and clear application process, direct accessibility for Applicants and a fair and transparent competitive Call. The 7th Call application process largely follows the process and procedures from the 6th Call. Some changes have been introduced to provide more clarity to potential Applicants and are summarised in Annex 1.

Please note: In response to the implications of the Covid-19 pandemic and the feedback from potential Applicants, the NAMA Facility took the decision to extend the submission deadline in the 7th Call and introduce a limited number of changes to the application documents and the eligibility criteria. All changes have been communicated via the NAMA Facility’s website. This General Information Document has been updated in section 5.1.3 with regard to the eligibility criteria.

We look forward to receiving your NSP Outlines.

PART A The NAMA Facility at a glance

2. The NAMA Facility – What is it all about?

The NAMA Facility was jointly established by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the UK Department for Business, Energy and Industrial Strategy (BEIS) with the objective to provide financial support to developing countries and emerging economies that show leadership on tackling climate change and want to implement transformational country-led NAMAs within the global mitigation architecture in the short- and mid-term. The Danish Ministry of Climate, Energy and Utilities (KEFM) and Ministry of Foreign Affairs (MFA) and the European Commission joined the NAMA Facility as Donors in 2015.

The NAMA Facility provides financial support for implementing national climate strategies and Nationally Determined Contributions (NDCs) via mitigation actions such as Nationally Appropriate Mitigation Actions (NAMAs) in relevant sectors thereby realising sustainable transformational change towards a carbon-neutral pathway. This is done through funding NAMA Support Projects (NSPs) as the most ambitious parts of these mitigation actions that have the potential to catalyse transformational change towards carbon-neutral development in the overall sector. With this objective in mind, the Donors of the NAMA Facility decided to hold open competitive Calls for NSP Outlines and select the most ambitious, innovative and promising NSPs for funding. In line with this strategy, the NAMA Facility has no regional or sector focus. The level of ambition is assessed in the individual country-context.

The financial contributions to the NAMA Facility made by the German, British and Danish governments and the European Commission form part of the commitment made by industrialised countries during the United Nations Framework Convention on Climate Change (UNFCCC) climate negotiations in Copenhagen and Cancun to jointly mobilise USD 100 billion per year by 2020 to finance mitigation and adaptation activities in developing countries.
By demonstrating an innovative architecture designed to provide directly accessible tailor-made support for the implementation of NDCs via transformational NAMAs, and by feeding the lessons learned into international processes, the NAMA Facility will contribute to the global emissions reduction efforts as well as the international debate on climate finance. In January 2020, the Donors of the NAMA Facility announced their continued commitment to the objectives of the NAMA Facility to launch the 7th Call for NAMA Support Projects in April 2020.

2.1 NAMA as a means to achieve the objectives of NDCs

The concept of Nationally Appropriate Mitigation Actions (NAMA) was developed through international negotiations under the UNFCCC. First mentioned at COP13 in 2007, NAMAs are considered to be voluntary climate change mitigation measures by emerging economies and developing countries to be embedded in their national development plans. By moving countries towards a carbon-neutral development trajectory, NAMAs have the potential to significantly contribute to global efforts to reduce greenhouse gas (GHG) emissions. NAMAs are seen as concrete building blocks to implement the objectives of Nationally Determined Contributions (NDCs) that were adopted through the Paris Agreement at COP21 in December 2015. 43 NDCs specifically mention NAMAs as an implementation modality for the NDC. In that way, the Paris Agreement through the adopted NDCs provides the context for NAMA’s to play a major role in actions to combat climate change.

In order to underscore this conceptual linkage between NDCs and NAMAs, the NAMA Facility requires NSP Outlines to refer specifically to the country’s NDC context.

2.2 The NAMA Facility’s Theory of Transformational Change

When launched in 2012, the NAMA Facility was instrumental in establishing the concept of ‘transformational change’. The concept has gained further momentum with the operationalisation of the Green Climate Fund and is equally applied in the Paris Agreement. The NAMA Facility continues its focus on catalysing transformational change towards sustainable carbon-neutral development, supporting the Paris Agreement’s objective to limit the increase in global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels.

The NAMA Facility emphasises how a mix of different types of interventions – in particular regulatory and financial ones – may trigger more climate-friendly behaviour and consumption and production methods in developing countries. NAMA Facility support enables public and private actors in emerging economies and developing countries to address financial barriers to more climate-friendly behaviour, consumption and the use of technologies driving carbon-neutral development pathways. The portfolio of NSPs demonstrates that across the various sectors, such technologies can become economically viable. Thus, they encourage and facilitate further investments in broader NAMAs (see this factsheet on transformational change on the NAMA Facility website: https://www.nama-facility.org/publications/potential-for-transformational-change

The Theory of Change (ToC) (Figure 1 below) seeks to illustrate the transformational potential by depicting the pathway of changes that shall be initiated through NAMA Facility support. These desired changes are primarily triggered by the individual NSPs. NSPs shall demonstrate how climate finance will effectively contribute to a transformational change. Given the NAMA Facility’s objective of supporting NAMA implementation, the focus of NSPs is on financial support mechanisms that serve to mobilise capital investments for carbon-neutral development pathways. Technical support and institutional and regulatory capacity development in partner countries may be provided during NSP implementation to facilitate this objective. (Figure 1)
Figure 1: Theory of Change of the NAMA Facility

**Impact**

- Transformation towards carbon neutral societies in line with the 1.5°C objective in the targeted sectors is supported in countries with NAMA Support Projects (NSPs) and beyond

**Output**

NAMA Support Projects demonstrate that climate finance can effectively catalyse transformational change in countries – including implementation of NDCs – reduce greenhouse gas emissions and enhance carbon-neutral development

**Outputs**

- **Output 1:** The NAMA Facility maintains its function as an effective and efficient mechanism to catalyse ambitious and transformational NAMAs as building blocks of NDC implementation
- **Output 2:** Additional public and private finance leveraged towards carbon neutral development
- **Output 3:** Good practice examples of NSPs are demonstrated in a spirit of fearless learning
- **Output 4:** National and local capacities and enabling environments to implement transformational NAMAs are in place
- **Output 5:** Countries implement and monitor NSPs that produce sustainable co-benefits as drivers for transformation

**Activities**

NAMA Support Projects implement ambitious climate actions (varying activities depending on NSP according to NSP logframe and Theory of Change)

- Support development of fundable project pipeline
- Support to the NAMA Facility Board
- Advice to applicants/NAMA Support Organisations
- Monitoring and Reporting
- Knowledge creation
- Evaluation and Learning activities
- Communicate lessons and enable learning inwards, upwards and outwards

**Technical Support Unit**

**NAMA Support Projects**

Nama Facility funding

UK Department for Business, Energy and Industrial Strategy (BEIS),
German Federal Ministry for Environment, Nature Conservation and Nuclear Safety (BMU),
Danish Ministry of Climate, Energy and Utilities (KEFM), European Union (EU)
3. NAMA Facility Governance

The following section includes a short introduction to the overall governance structure of the NAMA Facility and the stakeholders involved in supporting the implementation of a NSP within the framework of the NAMA Facility. (Figure 2)

3.1 The NAMA Facility Board

The central decision-making body of the NAMA Facility is its Board. It comprises representatives from the Donors of the NAMA Facility. The Board takes all decisions on strategy, policies and guidelines and selects the NSPs for funding. Formalised Board decisions are the basis for grant award to the Applicant or Applicant Support Partners (ASP) for the NSP Detailed Preparation Phase (DPP) and to NAMA Support Organisations (NSOs) for the NSP Implementation Phase.

3.2 Technical Support Unit

The Technical Support Unit (TSU) assists the Board in managing the NAMA Facility. The TSU is the secretariat of the NAMA Facility and the focal point for national governments, implementing partners as well as for NSOs and other stakeholders. The TSU is responsible for:

- Organising Calls for NSPs, steering the assessment of NSP Outlines and NSP Proposals;
- Monitoring and evaluation of the overall NAMA Facility, reporting to donors;
- Communication within the NAMA Facility and with external stakeholders;
- Facilitation of lessons learned.

Certain processes such as the evaluation of the NAMA Facility and assessments in the NSP selection process are conducted by independent experts who directly report to the Board to ensure impartiality and avoid potential conflicts of interest.

Figure 2: NAMA Facility organisational structure
3.3 NAMA Facility Grant Agent

GIZ has been commissioned as the NAMA Facility Grant Agent (NFGA). As neither the NAMA Facility nor the TSU are separate legal entities, the role of GIZ as NFGA of the NAMA Facility is to manage funds and all procurement and contractual procedures on behalf of the NAMA Facility.

The NFGA will ensure that NAMA Facility funding for the implementation of financing mechanisms is provided to NSPs in a proper manner.

3.4 NAMA Support Organisation

NAMA Support Organisations (NSOs) are qualified legal entities, endorsed by the national government to ensure the implementation (as opposed to the Detailed Preparation Phase) of a NSP. As NAMA Facility funding may not be provided directly to partner government institutions such as ministries, the NSOs will be the contractual partners of the NAMA Facility and recipients of funding. The NSOs will be responsible and accountable for the correct use of funds and services, the financial and administrative management of the NSP, for monitoring of the NSP and reporting to the TSU.

Entities eligible as NSOs include the following:

- National: development banks, development funds, public utilities, public agencies, foundations, national non-governmental organisations (NGOs), etc.
- International: regional or international development banks, United Nations (UN) agencies, bilateral and multilateral development agencies, international non-governmental organisations (INGOs), international foundations, etc.

NSOs need to fulfil eligibility criteria as stipulated in 5.2.2. and Annex 3 of this General Information Document.

The NSO (alone or as consortium) needs to demonstrate that it has all relevant capacities required to implement the NSP including the financial mechanism. In case an entity only covers part of the required qualifications, e.g. an INGO that has a purely technical assistance background without experience in handling major investment funds, it is recommended to identify a consortium partner to cover the remaining required qualifications. The required competences could also be provided by a national Implementing Partner (IP). In case a consortium is formed, all partners and their roles must be well-defined and, if applicable, who will be the lead of the consortium and thus the responsible entity to become the contractual partner of the NFGA.

3.5 Implementing Partners

Implementing Partners (IPs) are the key national partners for the implementation of the NSP. In case of a national organisation applying as an NSO, the implementing partner and NSO might be the same. NSOs must include national IPs with a specific national mandate for implementation, unless the NSO itself has such a mandate. It is recommended that the NSO is formally linked with the IP, e.g. through cooperation agreements, Memoranda of Understanding or other agreements that specify their respective roles and responsibilities.

Examples for typical IPs 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.

IPs are expected to be existing entities with the required national mandate and to possess the relevant experience to implement and operate NAMAs.

3.6 Steering Committee

The national government’s strong involvement and ownership is essential for the success of the NSP. Government institutions (national ministries and other sector institutions) must be strongly committed to managing and implementing the NSP within the framework of the overarching NAMA.

To ensure political oversight and guidance by the national political partner, it is recommended to establish a steering committee for each NSP. The set-up of this steering committee and its functions shall be defined during the Detailed Preparation Phase of the NSP and laid out in the NSP Proposal.
PART B The NAMA Support Project Cycle and Selection Process

4 The NAMA Support Project

4.1 Characteristics of NAMA Support Projects

The NAMA Facility aims to fund the implementation of the most promising and ambitious - while at the same time feasible – NSPs. NSPs should have the following characteristics:

- NSPs are country-driven and embedded in national development strategies and plans.
- NSPs integrate into sector-wide programmes or policies with specific reference to a Nationally Determined Contribution (NDC).
- NSPs consist of a combination of policy and/or regulation reforms and financial mechanism. Policies should serve to create an enabling environment, whereas regulation and financial mechanisms channel financial flows into investments driving carbon-neutral development pathways. Regulation and financial mechanisms should serve to address potential barriers for investment and leverage public and private support for mitigation activities. Financial support should not be used to mitigate macro-economic risks such as exchange rate risks or the risk of inflation.
- NSP funds are used to leverage additional public and/or private capital investment. A phase-out strategy for NAMA Facility support and phase-in of other sources of financing, including national financing for self-sustained long-term implementation, must be part of the NSP.
- Funds provided by the NAMA Facility need to serve and be spent in line with the public benefit purpose in the context of international cooperation for sustainable development. This needs to be ensured up to the final recipient/beneficiary of the grant funding.

Apart from the above-mentioned characteristics, NSPs must fulfil the following criteria:

- NSP implementation time: between 3 - 5½ years;
- NSP preparation time (DPP): max. 15 months;
- NSP funding and associated investments must qualify as Official Development Assistance (ODA) throughout the implementation period of the NSP. The country of implementation must be listed on the OECD-DAC list.

The total funding volume requested from the NAMA Facility for the implementation of the NSP should be in the range of EUR 5 – 20 million. In exceptional cases, this volume might deviate from the aforementioned range. This funding range does not include the funding for the DPP.

4.2 The NAMA Support Project Cycle
5. NSP Selection Process

Following the decision by the Board to avail funding for new NSPs, the TSU initiates the selection process for NSPs via a public Call for NSP Outlines. In order to identify the most ambitious and feasible projects, a competitive two-phase selection process applies.

- **Phase 1 (Outline Phase):** Selection is among the submitted, relatively short NSP Outlines that undergo a thorough desk, and some of them an onsite, assessment by an independent external evaluator and the TSU. NSPs that successfully pass the assessment are recommended to the Board for funding of the Detailed Preparation Phase (DPP).

- **Phase 2 (Detailed Preparation Phase, DPP/Proposal Phase):** During the DPP, support will be provided for more detailed preparation of NSPs. The provision of funding support for the DPP will be linked to the progress achieved with regard to crucial milestones in the DPP. At the end of the DPP, the selection will be based on the full-fledged NSP Proposal, which is the outcome of the DPP. NSP Proposals undergo an assessment by the TSU and external experts; NSP Proposals successfully passing the assessment are recommended to the Board. According to the assessment result and the available funding, the Board takes a final decision on providing funding for the implementation of the NSP.

There is no automatism for NSPs that passed the Outline Phase and received funding for the DPP to also receive funding for implementation. Funding decisions are contingent on the assessment of the submitted NSP Proposals and the funding available. NSP Proposals that pass the assessment process but cannot be funded immediately due to limited funds can be considered as soon as new funding becomes available. They could also be submitted to other financing facilities. (Figure 4)

*Figure 4: Overview of phases and actors*
5.1 The NSP Outline Phase

Once the Call for NSP Outlooks is launched, all relevant information and documents are made available on the official website of the NAMAFacility. When submitting NSP Outlooks, it is mandatory to use the NSP Outline template for the 7th Call published on the website. The NSP Outline and annexes must be submitted in English.

5.1.1 Applicants in the Outline Phase

NSP Outlooks can be submitted by the following Applicants:

- A national ministry (see below for information on the Applicant Support Partner), or
- Legal entities that comply with the following capacity requirements and receive sufficient endorsement by the national government institutions relevant for the implementation of the NSP. Note that these Applicants can, but do not necessarily need to qualify as NSO for the implementation of the NSP.
- If the Applicant is a national ministry, a separate legal entity should be identified as the Applicant Support Partner (ASP) for contracting the DPP. The Applicant Support Partner must comply with the below-mentioned criteria. In case the Applicant Support Partner is found ineligible during the assessment, it might be replaced as part of the assessment and contracting process for the DPP (see also chapter 5.1.4).

Applicants other than national ministries or Applicant Support Partners must fulfil the following requirements:

- Experience in the country of implementation (at least 3 years)
- Experience in the respective sector (at least 5 years)
- Experience with project development and/or project management (at least 5 projects of similar funding size as the NSP)
- Experience in development of investment/climate finance policies and/or programmes (at least 5 projects)
- Experience in working with the public sector (at least 3 years)
- Annual turnover of at least EUR 1 million over the last 3 years and 10% of the requested funding volume for implementation
- During the in-depth assessment, the Applicant or Applicant Support Partner shall provide annual budgets and supporting financial statements (preferably audit reports) of the last three years, evidence of internal and external control and reporting structures and, if applicable, information on its procurement and contract award procedures.

Qualified Applicants or Applicant Support Partners will be contracted by the NFGA for the DPP on the basis of a specific eligibility check (see also Annex 3).

In order to ensure the full endorsement of the national government, the NSP Outline should be accompanied by letters of endorsement from the national government (at least from the national ministry of the relevant sector responsible for the NSP implementation and from the ministry responsible for climate change, including UNFCCC climate change negotiations).

Note that any funding granted by the NAMAFacility must be spent in line with the public-benefit purpose to promote sustainable development in partner countries that are included in the OECD DAC-list. NAMAFacility funding may not provide an economic advantage to the Applicant or Applicant Support Partner or any of the implementing partners.

Acting in line with this public-benefit purpose means that the NSP and its activities must aim at achieving a materially positive impact on society and the environment within the partner country. This precludes the derivation of an economic advantage or commercial benefit for the Applicant, Applicant Support Partner or any implementing partner as a result of the NSP or use of NAMAFacility funding.

Private for-profit enterprises that are registered within the EU are excluded from participation as Applicant or Applicant Support Partner. For private for-profit enterprises established outside the European Union, please see Annex 3 of the GID.

The eligibility criteria for legal entities are not the same for the DPP as they are for the implementation of the NSP. The NSP Outline Phase is open to Applicants and Applicant Support Partners that do not necessarily need to qualify as NSOs for implementation. However, in the NSP Outline, a qualified NSO (or a list of possible NSOs) for the implementation of the NSP shall be proposed (see 3.4 and 5.2.2). Note that the eligibility of the NSO is not a fixed selection criterion in the NSP Outline Phase of the selection process, but it needs to be confirmed, at the latest, within the first three months of the DPP.
5.1.2 Submission of NSP Outlines

Outline template: The NSP Outline template and annexes allow for a consistent and comprehensive presentation of the NSP. For this, the template provides guiding questions in each section. The word count is only indicative. Annexes based on excel (or similar spreadsheets) should be submitted in this form, i.e. not as a pdf or other formats, and include formulas instead of hard-coded figures.

Submission: The submission deadline is published on the NAMA Facility website and strictly applied as a formal eligibility criterion. Outlines submitted late will be rated ineligible. Complete NSP Outlines with all annexes (all in English) shall be submitted electronically by a duly authorised representative from the Applicant to: contact@nama-facility.org.

Confirmation of receipt of NSP Outlines will be provided by the TSU within two working days.

5.1.3 Outline Assessment Criteria

Ambitious NSPs are defined by their transformation and mitigation potential as well as their potential for the leveraging of further public and private finance. NSPs should set out how mitigation actions such as NAMAs in a certain sector could be implemented, and in principle should be close to implementation on a wider scale. This should include a financial mechanism that would enable a redirection of public and private investment decisions beyond the NSP’s lifetime leading to a carbon-neutral development path. NSPs should then be further developed during the DPP stage to be ready for full implementation. The NAMA Facility will provide support to NSOs for the detailed preparation of NSPs during DPP stage. In order to unfold its full potential, the NSP must realistically address all relevant regulatory and investment barriers. NSPs focusing on test and research activities, for instance technological pilots, are considered as lacking readiness for implementation at a relevant level.

Eligibility criteria

In order to be considered, NSPs must meet a set of eligibility criteria, which serve to ensure that the submitted Outlines fulfil the formal requirements of the competitive bidding for NAMA Facility support. The following criteria apply:

**ELIGIBILITY CRITERIA**

- Timely submission
- Completeness of documents (including endorsement letters* of ministries)
- Documents provided in English
- Envisaged implementation duration of 3 - 5 ½ years
- Envisaged DPP duration of max. 15 months
- ODA-eligibility of the country according to the OECD DAC-list throughout the entire NSP implementation period
- Qualification of the NAMA Facility funding as ODA finance
- Funding volume requested from the NAMA Facility for implementation is in the range of EUR 5-20 million excluding DPP funding
- NAMA Facility funding is not used for the generation of tradeable GHG emission allowances in the compliance market such as CERs or, if generated, allowances should be verifiably cancelled
- Additionality of the NSP

* 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.
### Ambition criteria

The ambition criteria seek to ensure that the NAMA Facility supports the most ambitious NSPs. NSPs are assessed on the basis of a point-grade system. In total, up to 25 points can be assigned for ambition. The ambition will be assessed relative to the country and sector context. Please note that NSPs are expected to take a conservative approach to their financial and mitigation potential as the NSP’s success will be measured against this initial proposition throughout the assessment and implementation process.

<table>
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<tr>
<th>CRITERION</th>
<th>Description</th>
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| Potential for transformational change (11 points) | The potential for transformational change is crucial for the NAMA Facility. It implies to sustainably redirect the flow of public and private funds towards GHG mitigation actions. The political will and respective decisions towards GHG mitigation translate into laws and regulations as well as to the reallocation of finance and cash flow (e.g. subsidies). Detailed criteria are:  
  • Government commitment / endorsement  
  • Embeddedness in national strategies including co-benefits as drivers for implementation and the linkage to the Nationally Determined Contributions (NDCs)  
  • Catalytic effect and scope (significant change)  
  • Replicability/scalability at national and/or regional level  
  • Sustainability (irreversible change) |
| Financial ambition (6 points)                  | The mobilisation of public and private funding (i.e. leverage) in terms of national public contribution and private sector funding are seen as key for inducing and taking forward the transformational change towards a carbon-neutral development pathway. The financial leverage is assessed relative to the sector and the country. Detailed criteria are:  
  • Removal of financial/economic market barriers  
  • Significant private sector participation  
  • Significant public budget contribution |
| Mitigation potential (8 points)                | The mitigation potential shows the direct and indirect contribution of a NSP to the 1.5°C/2°C objective and the country’s NDC. It is assessed on relative terms, i.e. relative to the sector and the country. Detailed criteria are:  
  • Plausibility of underlying assumptions, baseline, calculations  
  • Direct mitigation potential  
  • Indirect mitigation potential  
  • Cost-effectiveness |

Indicator guidance sheets of the NAMA Facility’s M&E Framework provide additional information on definitions and methodologies. [https://www.nama-facility.org/concept-and-approach/monitoring-evaluation/](https://www.nama-facility.org/concept-and-approach/monitoring-evaluation/)
Feasibility criteria

Feasibility criteria seek to ensure that the NSPs are not only highly ambitious but also likely to be implemented successfully. In total, up to 25 points can be assigned for feasibility.

**CRITERION**

| Project rationale  (10 points) | The key criterion for the project rationale is a comprehensive barrier analysis that clearly shows the current sector situation and what impedes transformational change. The NSP is to tackle the barriers - not simply work around them. NSPs should utilise synergies with other projects to the greatest extent possible. Detailed criteria are:  
- Plausibility of barrier analysis  
- Plausibility of project rationale  
- Clear logframe (indicators and risks)  
- Clear definition of the target group(s)  
- Clear definition of synergies with other projects  
- Appropriate and clear scope of the NSP  
- Justification of NSP funds |
| --- | --- |
| Project design  (13 points) | The project concept needs to respond to the barrier analysis and show how regulatory measures, financial mechanisms, technology shifts and capacity building work together towards the proposed transformational change, thus tackling the identified barriers. Especially important here are the financing mechanisms of the NSP (based on a sound barrier analysis and business models for investors / consumers), potentially combined with regulatory initiatives, which should kick-start a redirection of investment and cash flows in the sector. Detailed criteria are:  
- Adequate institutional set-up  
- High level of readiness  
- Feasible and appropriate technology(ies)  
- Plausible business model(s) at investment level  
- Appropriate financial mechanism and possibly regulation to overcome barriers and make business models viable  
- Clearly defined technical cooperation and assistance measures  
- Reasonable funding request (including the FC/TC-funding ratio) |
| DPP concept  (2 points) | The concept for the Detailed Preparation Phase (DPP) is to show that the Applicant has a clear understanding of the required detail and readiness of a Proposal and how to prepare for it. The concept should also show a self-reflection on what can be done in-house and where additional expertise (e.g. financial competence) needs to be hired from external sources.  
- Adequate focus  
- Comprehensiveness (complete and cohesive)  
- Adequacy of approach /methodology  
- Realistic timeline  
- Appropriateness of requested funding for DPP |

Note: While the NSP Outline template has a reduced “light” structure, the NAMA Facility’s expectations on both the readiness and ambition of projects remain high. Please consult the webinar and factsheets on financial mechanisms published on the NAMA Facility website for more information:  

The latter is a point of reference for describing business models for investors/consumers and financial mechanisms designed to address investment barriers. There is no need for detailed calculations and figures in the Outline, but the Applicant needs to show that the economic and financial sides of the NSP have been designed with a high degree of diligence and that sufficient information has been collected in order to assess the viability of the approach.
5.1.4 Assessment Process in the Outline Phase

The assessment consists of two distinct stages: an initial desk assessment followed by an in-depth assessment. The in-depth assessment may include a written round of clarifications with short-listed NSPs and an on-site assessment. The result of both combined will inform the funding decision on the DPP. (Figure 5)

In the initial desk assessment, the submitted NSP Outlines will be evaluated against the set of selection criteria. NSPs are first assessed for their general eligibility. Those that pass are assessed against the above mentioned ambition and feasibility criteria. Eligibility is rated on a Yes/No basis; and ambition and feasibility on a point system with a maximum of 25 points each. NSPs that do not pass a threshold of 50% (i.e. 25 points) of ambition and feasibility (combined) during the initial desk assessment will not be considered for an in-depth assessment. The Board will decide, which NSPs will be further assessed in an in-depth assessment that potentially includes an onsite assessment. The evaluation criteria described above will apply at both stages of the assessment, but the in-depth assessment will focus on specific issues that may have been identified during the initial desk assessment. The eligibility of the Applicant/Applicant Support Partner for contracting the DPP will be verified during the onsite assessment.

Figure 5 7th Call Outline Phase – actors and activities

The in-depth assessment serves to confirm and expand the initial desk assessment, in particular on the following issues:

- National ownership and capacities of political partners and implementing partners
- Verification of the mitigation potential and financial leverage
- Project concept (incl. additionality, barrier analysis, target groups, synergies, etc.)
- Readiness of the NSP for implementation
- Discussion and further detailed elaboration of the concept for the DPP that may also include a revision of the budget and conditions, if deemed necessary

The potential onsite assessment is expected to take on average three days per NSP. The active participation and support of the Applicant and Applicant Support Partner is crucial - the Applicant is requested to support the assessor team in setting up meetings and making contact details and documentation available. An exact timing will be communicated once the Board has decided on the short-list and the external assessors have been assigned for assessing specific projects.
The in-depth assessment will result in a final recommendation regarding whether the NSP should be considered for DPP funding. The assessors may propose conditions and prescriptive measures to be included in the concept for the DPP, e.g. a change to or identification of a suitable NSO within a certain timeframe, or a change of implementing partners, inclusion of external expert advice (e.g. on financing) or in exceptional cases even an adjustment of the chosen Implementation approach. Proposed adjustments will be discussed with the Applicant/ Applicant Support Partner for comments, as the DPP concept shall reflect these comments and possible conditions and a finalised DPP concept will become the basis for the contracting of the DPP.

A modified short-list of NSPs and funding recommendations will be submitted to the Board for its decision, with the final scoring (points) of the Outline having been adjusted according to the findings of the in-depth assessment. Applicants will be notified on the decision and those selected for the DPP will conclude a grant agreement with the NFGA.

The assessment of NSP Outlines is conducted by external assessors who have been recruited on the basis of a public tender. The TSU undertakes an assessment in parallel in order to double check and be thoroughly informed, but the external assessor establishes the ranking of NSPs and puts forward recommendations to the Board.

5.2  NSP Detailed Preparation Phase / Proposal Phase

The ultimate purpose of the DPP is to prepare a comprehensive Proposal for NSP implementation. For that purpose, the Applicant or Applicant Support Partner can engage external experts and consultants to prepare the detailed project concept, conduct the required baseline and feasibility studies for establishing the financial mechanism, verify the mitigation potential and conduct other activities that might be necessary for the detailed project preparation. The TSU offers to support Applicants or Applicant Support Partners in identifying and engaging external expertise, if requested.

During the DPP, a close cooperation with the national implementing partners and political partners is considered crucial to confirm the necessary ownership that is key for unfolding the NSP’s transformation potential. The same holds true for cooperation with the foreseen NSO, in case this is an entity different from the Applicant or its support partner.

Identification and specific eligibility check of the NSO

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. General eligibility criteria for the NSO are provided in section 5.2.2.

A confirmation of the NSO at the beginning of the DPP is important in order to enable the NSO’s active participation in the DPP and the formulation of the Proposal that is to be submitted by the NSO. The NSO has to undergo a specific eligibility check and enhanced due diligence by the NFGA, following its respective guidelines that encompass administrative and financial procedures and capacities as well as the general capability of the NSO to implement the proposed NSP (see also annex 3). The NSO is expected to support the eligibility check and due diligence by providing information and documents requested by the NFGA (or an external consultant assigned with this task). If the specific eligibility check of the NSO has a negative outcome, the government will be assisted in identifying an alternative NSO.

Duration of the DPP

The DPP has a total duration of up to 15 months from signing the grant agreement for the DPP to the submission of the NSP Proposal. The provision of funding support for the DPP will be linked to the demonstration of satisfactory progress achieved with regard to crucial milestones in the DPP. For this, the DPP is divided into two phases. Entering into the second phase is contingent upon the achievement of agreed milestones in the first phase (the first phase can last up to six months). The NSP Proposal can be submitted within either 10 or 15 months from signing the grant agreement for the DPP. (Figure 6)
5.2.1 Submission of NSP Proposals

**NSP Proposal template:** the template will be made available to the Applicant/Applicant Support Partner at the beginning of the DPP. The NSP Proposal has to cover, among others, a full-fledged analysis of the underlying business model and the proposed financial support mechanisms, the substantiated calculation of the expected direct and indirect GHG emission reductions and the mitigation potential; the institutional set-up (including a steering committee and implementing partners with their respective roles and responsibilities) and the assessment and definition of safeguards for environmental, social issues and human rights and gender considerations.

**Submission:** The complete NSP Proposal needs to be submitted no later than 15 months after the conclusion of the DPP grant agreement. However, an earlier submission in month 10 is encouraged. The specific interim deadlines for milestones and the final deadline for submission (after 15 months at the latest) will be part of the individual grant agreement for the DPP.

The complete and signed NSP Proposal is to be **submitted electronically** as both pdf and Word/Excel versions to the following address **before the deadline:** contact@nama-facility.org.

5.2.2 Applicants in the Proposal Phase/NSOs

NSP Proposals can only be submitted by the designated NSO. In cases when two NSOs are designated for the implementation of the NSP (i.e. one NSO for the TC and one for the FC), they are expected to submit one NSP Proposal that includes clearly delineated roles, responsibilities and budgets and that is confirmed in writing by both NSOs.

Eligibility criteria for the NSOs for the implementation are different, and more demanding, than for the Applicants submitting an Outline. The NAMA Facility does not require NSOs to go through an accreditation process. NSOs will be subject to an enhanced due diligence process initiated by the NFGA during the DPP. In general, international as well as national organisations (legal entities) may qualify as NSO, as long as they have been endorsed by the national government for their role as NSO and fulfil the following criteria (for specific eligibility criteria see Annex 3):

- Proven work experience in the country of implementation (> 3 years)
- Proven work experience in the respective sector (> 5 years)
- Proven experience with project implementation in the lead (> 5 projects with a similar funding volume as requested)
- Proven experience in investment/climate finance (> 5 projects)
- Proven experience with the implementation of ODA projects (> € 5 Mio)
- Proven experience in working with the public sector (>3 years)
- For entities other than financial institutions, average of annual turnover over the last 3 years > requested NSP volume

Note that any funding granted by the NAMA Facility must be spent in line with the public-benefit purpose to promote sustainable development in partner countries that are included in the OECD DAC-list (see also section 5.1.1 for details).
on the public benefit purpose), NAMA Facility funding may not provide an economic advantage to the NAMA Support Organisation or any of the implementing partners.

The NSO is expected to align with the processes and requirements put in place by the NAMA Facility for monitoring and evaluation, reporting, knowledge management and communication.

### 5.2.3 Assessment Criteria

Only NSP Proposals that are complete and fulfill all formal requirements will be accepted for assessment. The submitted NSP Proposals will be assessed against a list of criteria that are similar to the Outline assessment. However, the feasibility assessment is emphasised at this stage. On a 50-points scale, NSP Proposals will be rated as follows:

- 15 points: Ambition
- 35 points: Feasibility

NSP proposals will be expected to pass a threshold in order to be considered for funding from the NAMA Facility. NSP Proposals that pass the assessment process but cannot be funded immediately due to limited funds can be considered as soon as new funding becomes available. They could also be submitted to other financing facilities.

Written endorsement by the national government must be annexed to the NSP Proposal confirming that the relevant national sector ministry and the ministry responsible for climate change (including the UNFCCC climate change negotiations) endorse the detailed NSP concept and implementation plan, the NSO and commit to support the NSP’s implementation.

**Ambition criteria**

The assessment of the NSP Proposals follows the same criteria with the same rationale as was applied for the Outline assessment, although a higher level of refinement, particularly with respect to the mitigation potential and a well-designed financing mechanism based on solid background data, is expected for the NSP Proposal. Substantiated assumptions and calculations of the GHG mitigation potential must be presented, and the financial contribution of the national public budget needs a higher level of commitment (secureness), etc. The assessment criteria for ambition are as follows:

<table>
<thead>
<tr>
<th>CRITERION</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Potential for transformational change</strong></td>
<td>Government commitment / endorsement</td>
</tr>
<tr>
<td></td>
<td>Embedding in national strategies/sustainable development co-benefits</td>
</tr>
<tr>
<td></td>
<td>Catalytic effect and scope (significant change)</td>
</tr>
<tr>
<td></td>
<td>Replicability/Scalability</td>
</tr>
<tr>
<td></td>
<td>Sustainability (irreversible change)</td>
</tr>
<tr>
<td><strong>Financial ambition</strong></td>
<td>Removal of financial/economic market barriers</td>
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<tr>
<td></td>
<td>Significant private sector participation</td>
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<td></td>
<td>Significant public budget contribution</td>
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<tr>
<td></td>
<td>Participation of other (possibly development) financiers</td>
</tr>
<tr>
<td><strong>Mitigation potential</strong></td>
<td>Plausibility of underlying assumptions, baseline, calculations</td>
</tr>
<tr>
<td></td>
<td>Direct mitigation potential</td>
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<tr>
<td></td>
<td>Indirect mitigation potential</td>
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<tr>
<td></td>
<td>Cost-effectiveness</td>
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</table>
Feasibility criteria

NSP Proposals will be assessed more strictly with regard to the feasibility criteria than the Outlines. They are to be substantiated by baseline and feasibility studies. The readiness of the financial mechanism and its underlying assumptions and calculations are of particular importance for the assessment of the feasibility, as the implementation of the financial mechanism is to start within the first year and a half of NSP implementation. Furthermore, a plausible and clear institutional set-up of the NSP is expected, meaning that the key implementing partners and their respective roles and responsibilities as well as an appropriate political steering structure (e.g. steering committee) are clearly defined and involved. The NSP is expected to demonstrate, which national institution(s) will take a lead in monitoring during the NSP implementation and beyond. The proposed approach to knowledge management and communication will be assessed as well. The feasibility criteria are as follows:

<table>
<thead>
<tr>
<th>CRITERION</th>
<th>PROJECT RATIONALE</th>
<th>INSTITUTIONAL SET-UP</th>
<th>PROJECT CONCEPT</th>
<th>PROJECT BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Plausibility of barrier analysis</td>
<td>• Capacity and legitimacy of implementing partners</td>
<td>• Readiness including definition of appropriate milestones for Implementation Phase 1 and 2</td>
<td>• Reasonable funding request</td>
</tr>
<tr>
<td></td>
<td>• Plausibility of project rationale</td>
<td>• Distribution of roles and responsibilities</td>
<td>• Feasible and appropriate technology</td>
<td>• Consistent and adequate budget</td>
</tr>
<tr>
<td></td>
<td>• Quality of Logframe (including NF core indicators)</td>
<td>• Steering structure</td>
<td>• Plausible business model(s)</td>
<td>• Co-funding (secured)</td>
</tr>
<tr>
<td></td>
<td>• Risk analysis (incl. environmental and social impact assessment, human rights and gender issues)</td>
<td>• Other stakeholders (roles and responsibilities)</td>
<td>• Comprehensive and sustainable financing mechanism</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Clearly defined technical assistance measures</td>
<td></td>
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<td></td>
<td></td>
<td>• Appropriate implementation timeline, incl. milestones</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• M&amp;E concept</td>
<td></td>
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<td></td>
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<td></td>
<td>• Concept for knowledge management and communication</td>
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</table>

5.2.4 Assessment and Funding Decision Process of NSP Proposals

NSP Proposals undergo a detailed assessment. During the assessment, the NSO may be contacted for the clarification by the TSU or external assessors on behalf of the TSU. NSP Proposals successfully passing the assessment are recommended to the Board. According to the assessment result and the available funding, the Board takes a final funding decision in batches. The NSO and the political partners are informed in due time on the decision of the Board. The assessment and funding decision process takes approximately four months.

NSPs that are selected for funding will undergo the next steps to conclude a grant agreement with the NFGA on the NSP implementation.
6 NSP Implementation

Following the final approval of a NSP by the Board, the NFGA will enter into a grant agreement with the qualified NSO. All the rules and procedures, which have been defined in the underlying contractual arrangements between the Donors and the NFGA and which are relevant for the implementation of the NSP, shall be reflected in the grant agreement.

The NSO is fully responsible for implementing the NSP according to the NSP Proposal and any conditions stipulated in the grant agreement.

In order to ensure a swift implementation, the Implementation Phase will be divided into two distinct phases:

**Implementation Phase 1** begins with the Board’s approval of the NSP’s implementation and the respective notification of the political partners and NSO. During Implementation Phase 1, all contracts and agreements necessary for the implementation of the FC and TC must be established. A set of pre-defined milestones must also be achieved. During this period, only minor TA activities should be undertaken. Implementation Phase 1 shall have a duration of up to 18 months, after which Donors may decide to discontinue support if insufficient progress is achieved with regard to the contracting progress and pre-agreed milestones. The duration could also be shorter. The NAMA Facility funding for this first phase will be limited.

**Implementation Phase 2** is the phase of full project implementation in the partner country. As all major contracting arrangements are in place at this point, the NSP should be posed for rapidly delivering the expected results.

As the overall implementation period is limited to 5 ½ years (i.e. 66 months), the maximum duration of the Implementation Phase 2 could be up to 66 months less the total duration of Implementation Phase 1. For instance, if Implementation Phase 1 is 18 months, Implementation Phase 2 should be no longer than 4 years (48 months).

As the NAMA Facility understands itself as a learning hub for NAMA implementation, NSOs and implementing partners are expected to share their experience with the broader, international community. This requires NSP to allocate sufficient capacities and resources to communication and knowledge management. The TSU may contact the NSO or implementing partners for specific inputs and events.

6.1 Monitoring and Evaluation

Monitoring and evaluation (M&E) is an important part of the NAMA Facility.

**Monitoring** is carried out by the TSU for the overall NAMA Facility and by the NSO for the individual NSP. NSPs are expected to build up and institutionalise monitoring capacities with national institutions in the partner country. This shall ensure that monitoring and data collection mechanisms do not end when the NSP concludes. It is based on the M&E Framework of the NAMA Facility, which provides guidance on monitoring and reporting requirements. In addition to indicators measuring the progress of the NSP on the output and outcome level, attention must be paid to the monitoring of mandatory core indicators and additional sector-specific indicators.


Mandatory core indicators, which all NSPs have to monitor and report on, and for which projections and results are aggregated at NAMA Facility level, are:

- Greenhouse gas emissions directly reduced by the NSP intervention (M1)
- Number of people directly benefitting from the NSP (M2)
- Potential for transformational change (M3)
- Volume of public finance mobilised (M4)
- Volume of private finance mobilised (M5)

The M&E Framework of the NAMA Facility has been developed in a consultative process by the TSU and Donors of the NAMA Facility. NSOs are requested to provide a detailed M&E plan with validated indicators within the first three months of implementation. The information provided in the annual NSP reports, in particular on the status of the mandatory core indicators and additional NSP-level indicators are aggregated at the level of the NAMA Facility, and feed into the NAMA Facility monitoring and reporting to the Board.
In addition to regular monitoring, NSPs are subject to evaluations that are commissioned by the TSU and financed by 1% of the NSP budget. All NSPs have to undergo a final evaluation at the end of their implementation period and those with an implementation period of more than three years are obliged to perform a mid-term evaluation.

6.2 Reporting

For reporting on progress, NSOs are required to regularly submit reports to the NAMA Facility following a template provided by the TSU. These reports are:

- **Semi-annual reports** on project progress, lessons learned and financial statement
- **Annual reports** on the status and progress of the project, including an updated implementation schedule, on performance according to indicators, risk assessment, deviations from the original planning, lessons learned and financial status of the project
- **A final report** has to be submitted within six months after the termination of the NSP. In addition to the reporting requirements of the annual report, the final project report will assess the overall performance and achievements of the project in terms of outcomes and outputs, and will discuss the impacts and lessons learned for broader application.

The TSU will assess the progress of the NSP on the basis of the logframe, the M&E plan and the reports provided by the NSP.

6.3 Communication and Knowledge Management

Both the TSU and the NSOs are responsible for knowledge management, communication and public relations. This includes a pro-active approach to learning with regular reflections of lessons learned and the sharing of them with the stakeholders of the NAMA Facility. It also includes the full range of communication measures such as publications, presentations, participation in events and communication with the wider NAMA/NDC community. NSOs are thus requested to allocate sufficient resources for communication and knowledge management in their implementation plan. NSOs might be contacted by the TSU for:

- Contributions to presentations by delivering content, pictures or other – sometimes at a short notice;
- Representing the NSP as part of the NAMA Facility at a national or regional event with a jointly elaborated presentation;
- Updates on the progress of implementation.

In order to harmonise the presentation and corporate identity of the NAMA Facility, the TSU provides a set of logos and visibility guidance that are shared with the NSOs at the beginning of the implementation phase and are mandatory for use.
Annex 1

Summary of Main Changes and Clarifications to the 7th Call General Information Document, (as compared to the General Information Document of the 6th Call)

The General Information Document and application documents have undergone a minor revision for the 7th Call. These revisions build on the feedback provided by and the lessons learnt from previous NSP application and selection processes. The following changes have been introduced:

- The NAMA Facility supports developing countries and emerging economies in their efforts to shift to carbon-neutral development pathways. This new approach raises the NAMA Facility ambition level compared with that of the past, which had targeted support for low-carbon development pathways in partner countries. This landmark decision from Donors taken in January 2020 ensures that the NAMA Facility responds to the increased push to limit global temperature rises to well below two degrees Celsius. The GID and NSP Outline Template have been amended accordingly throughout the respective sections.

- Once NSPs are approved for the Implementation Phase, they are expected to swiftly begin actual project implementation. In order to ensure that sufficient progress is achieved in the early stages of the Implementation Phase, a phased approach to NSP implementation has been introduced, in which NSPs are expected to secure all relevant contracts for the NSP’s FC and TC operationalisation within the first 18 months. (See section 6 for more details.) At the same time, the eligible implementation time has been extended to 5 ½ years (from 5 years), starting with the approval of the NSP by the NAMA Facility Board.

- The revised NSP Outline Template and Annexes aim to simplify the application and provide more guidance. Changes to these include, among others:
  - Annex 4, which covers the Detailed Preparation Phase (DPP), is now split into Annex 4a to describe the DPP concept and activity plan and Annex 4b to provide a detailed DPP budget.
  - The former Annex 5 on NAMA Support Organisation(s) has been eliminated. This information will now be requested within the first three months of the DPP.
  - In Annex 5 (former Annex 7 on the business model and the financial mechanism), the development of business model scenarios is now optional, while the descriptions of the business model and of the financial mechanism remain mandatory. Applicants are also encouraged to provide their detailed calculation of business scenarios in order to substantiate their choice for the selected financial mechanism and demonstrate that this is the most effective and efficient approach to overcome the financial barrier(s) identified.
  - Annex 6 (GHG mitigation potential) has been revised to provide further clarity and guidance and offer a more consistent presentation of the mitigation potential.
  - 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 section 5.2)

Additionally, the following issues have been further clarified:

- On the eligibility of legal entities as Applicants or Applicant Support Partners and NSOs in section 5.1.1., 5.2.1 and Annex 3 of this General Information Document.

- On the exclusion of NAMA Facility funding for support mechanisms to mitigate macro-economic risks in section 4.1

- On the timeline in figure 5 that includes an extended period between the Calls launch and closure

- On the period of approximately four months that the assessment of the NSP Proposal and the Board’s decision will take once an NSP Proposal is submitted to the NAMA Facility; see section 5.2.4
Annex 2

Glossary

**Applicants:** In the initial Outline Phase, national ministries or legal entities may function as Applicants, i.e. submit a NSP Outline to the NAMA Facility. Legal entities must comply with capacity requirements as stipulated in 5.1.1 of the General Information Document (GID) and receive sufficient endorsement by the national government institutions relevant for the implementation of the NSP. In case that the Outline is submitted by a national ministry, a legal entity should be identified as an Applicant Support Partner. The legal entity (as Applicant or Applicant Support Partner) will then function as contracting partner for the Detailed Preparation Phase (DPP). In the Proposal Phase, the designated NAMA Support Organisation (NSO) functions as the Applicant. The NSO and the NSP Proposal need to have been endorsed by the national government.

**Applicant Support Partner:** If a national ministry submits the NSP Outline, a legal entity complying with the capacity criteria as stipulated in 5.1.1 of the General Information Document (GID) should be identified as Applicant Support Partner for the contracting of the Detailed Preparation Phase (DPP).

**Beneficiaries:** People in the country (and area), where the NSP is implemented that directly benefit from the NSP by using the services and goods that are provided by the NSP (“end-users”). This could be economic benefits, improvements in quality of life or improved capacities.

**Business model:** A key indicator for transformational change in a sector is the redirection of the flow of funds. In order to achieve this, consumer and/or investor decisions must be influenced towards a carbon-neutral pathway. The underlying assumption is that consumers/investors will change their commercial/financial decisions if it is economically beneficial for them and if it follows a potentially successful business model. The concept of the NAMA Support Project needs to offer a (potentially) successful “business model” for consumers/investors including adequate financing mechanisms.

**Financial ambition:** One of the ambition criteria of the NAMA Facility. The financial ambition of a NAMA Support Project is assessed as its ability to leverage additional private and/or public funds for the implementation of the NAMA and/or for financing investments related to the NAMA. The financial potential is also reflected in two of the mandatory core indicators of the NAMA Facility.

**Financial mechanism:** An adequate financing mechanism is at the core of a NAMA Support Project. The financing mechanism needs to be defined in a way to incentivise a behavioural change of market participants (consumers, investors) towards a carbon-neutral pathway. At the same time it should ensure the most efficient use of NAMA Facility grants as it leverages public and/or private funds. The financial mechanism possibly in combination with regulatory changes must ensure the sustainable reduction or removal of market barriers. In most cases, this requires a viable phase-out concept for NAMA support and a phase-in concept for other sources of finance preferably from private funding sources.

**Gantt chart:** A visual illustration of the project time schedule. It displays the outcome, the timeframe of outputs and milestones and related activities along the timeline of the NAMA Support Project.

**General Information Document (GID):** Provides general information on the NAMA Facility, its objectives and functioning as well as specific information on the selection process of NAMA Support Projects for funding under the NAMA Facility. The purpose of the document is to assist national governments of partner countries and other potential Applicants in preparing NAMA Support Project Outlines for submission to the NAMA Facility.

**Impacts (long-term results):** Long-term direct and indirect effects of the NAMA Support Project that reflect the ambition criteria: potential for transformational change including sustainable development co-benefits, financial ambition and mitigation ambition.

**Implementation:** The implementation of a NAMA Support Project refers to the stage when the project concept, measures and activities are sufficiently developed and prepared to get started on the ground.
Implementing Partners (IPs): Implementing partners are national (sector) ministries, financial institutions such as regional or national (development) banks and other public and/or private entities mandated by the national government to implement and operate the NAMA Support Project. The strong involvement and ownership of the national government and implementing partners is considered to be essential for the success of the NAMA Support Project.

Indicators: Quantitative or qualitative indicators provide evidence on the achievement of results. Indicators add greater precision to the project goals and serve as a binding standard for measuring the attainment of goals and thus the success of the NAMA Support Project. The NAMA Facility M&E framework defines three types of indicators: core mandatory indicators, sector-specific outcome indicators and project-specific output indicators. All indicators have to be SMART (specific, measurable, achievable, realistic and time-bound). Please refer to the NAMA Facility M&E framework for further information.

Logframe: The logframe is a results matrix drawn from the results model or theory of change. The logframe shows the linear causal relationship between the impact, the outcome(s) and related outputs and activities of the NAMA Support Project. Indicators are quantitative and qualitative variables to measure changes and results, and sources of verification are needed to substantiate these elements. Central assumptions and risks for achieving the defined targets also have to be described in the logframe as it is the basis for the NSP’s M&E concept.

Mitigation ambition / potential: This is one of the ambition criteria of the NAMA Facility and describes the direct and indirect greenhouse gas emission (GHG) reductions caused by the NAMA Support Project. The mitigation potential is also reflected in one of the mandatory core indicators of the NAMA Facility.

NAMA Facility: Jointly established by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and the UK Department of Energy and Climate Change (DECC), and co-funded by the Danish government and the EU Commission. It provides financial support to developing countries and emerging economies that show leadership on tackling climate change and that want to implement transformational country-led NAMAs within the global mitigation architecture.

NAMA Facility Board (Board): The central decision-making body of the NAMA Facility. Currently the Board comprises representatives from four Donors, i.e. German BMU, UK BEIS, Danish KEFM and MFA and European Commission. The Board takes all relevant decisions related to strategy, policies, guidelines and budget, and selects the NAMA Support Projects for funding.

NAMA Facility Grant Agent (NFGA): As NFGA of the NAMA Facility, GIZ is commissioned to administer the NAMA Facility. This comprises financial and contractual management as well as due diligence of NAMA Support Organisations.

NAMA Support Organisations (NSOs): NSOs are responsible and accountable for the proper delivery of funds and/or services, the financial and administrative management of the NAMA Support Project, reporting to the TSU and Donors and for monitoring. The architecture of the NAMA Facility does not allow for a direct transfer of funds to the implementing (government) institution in the partner country. Eligible NSOs can submit Outlines and Proposals for NAMA Support Projects to the NAMA Facility.

NAMA Support Projects (NSPs): Projects funded by the NAMA Facility that will provide support to governments for the implementation of parts of the most ambitious parts of their NAMAs through the provision of financial support and technical cooperation instruments.

Outcome: The overarching direct project goal and direct effects that can be causally attributed to the NAMA Support Project interventions and reflects the utilisation of the outputs by the target group.

Output: Products, goods, services and regulations/ standards that have arisen as a result of the NAMA Support Project activities.
Readiness: Readiness refers to the degree of maturity or development of a NAMA Support Project. Activities to prepare a project are generally referred to as readiness activities. In the sense of the NAMA Facility, a NAMA Support Project is considered to be ready, when it is able to move to the implementation stage of the activity right away, after a limited detailed preparation e.g. of the envisaged financial mechanisms. The NAMA Facility provides support for the implementation of NAMAs.

Stakeholders: People or organisations that actively participate in the project or are directly affected by the NSP in a positive or negative way. They could be actively involved in the NSP as intermediary organisations in the implementation (e.g. micro finance institutions or associations) or passively associated rather as a recipient (benefitting from capacity building or being targeted for harm reduction purposes). Stakeholders are different from the targeted beneficiaries of an NSP.

Sustainable development co-benefits: Contributions to sustainable socio-economic, ecological and institutional development associated with a NSPs and which go beyond the reduction of GHG emissions. Co-benefits are mostly reflected in the respective sector policy and can be obtained at a regional or local level (e.g. increase in income, social security, reduction of airborne pollutants). Sustainable development co-benefits are considered a key element to create country ownership and a driver for transformational change and thus can have an important impact on the long-term sustainability of a NAMA Support Project.

Technical Support Unit (TSU): Assists the Board in managing the NAMA Facility. The TSU is the secretariat of the NAMA Facility and the focal point for national governments, NSOs and other stakeholders. The TSU is responsible for organising Calls for NSP Outlines, assessing NSP Outlines and Proposals and Monitoring and Evaluation of the NAMA Facility during implementation. It also has responsibility for the financial management of the NAMA Facility.

Transformational change potential: Change is considered transformational if it is significant, abrupt (quicker than the business-as-usual) and permanent/irreversible in bringing the country on a carbon-neutral development trajectory in line with the Paris Agreement’s objective to limit the increase in global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. NSPs can support the transformational change by enabling a significant evolution in terms of scope (e.g. scaling-up or replication), a faster change or a significant shift from one state to another. They do so by influencing policies, regulation, and enforcement and by providing adequate financing mechanisms that manage to incentivise consumer/investor decisions in order to sustainably redirect the flow of funds in the sector towards the carbon-neutral pathway.
Annex 3

Indicative list of specific eligibility criteria for Applicants and NAMA Support Organisations (NSO)

Applicants and NAMA Support Organisations will be assessed on an individual basis in the project-specific context to determine their capability and suitability as a contracting partner of the NAMA Facility.

Applicants, Applicant Support Partners and NAMA Support Organisations must:

1. Be or represent a legal entity. A case-by-case review is conducted for organisations that are not public entities (associations, foundations, private for-profit enterprises established outside the European Union, etc.) regarding their corporate form, registration, registered office, the public benefit purpose of the activities to be financed and other factors. This review is applied in order to ensure that, in the context of the NSP, both the entity and funding received from the NAMA Facility will serve a public-benefit purpose in line with the country’s sustainable development priorities. NAMA Facility funding and NSP activities in general may not be used to obtain a commercial benefit for the involved Applicant, Applicant Support Partner or implementing partners. Note that in cases where an involved entity’s parent company is based within the European Union, the entity must clearly demonstrate its independence from the parent company.

2. Demonstrate appropriate organizational structure and procedures.

3. Have an appropriate accounting system with qualified personnel in place. It is expected that annual budget and proper annual financial statements, annual sales and implemented budgets for the past three years will be made available.

4. Have appropriate contract award procedures, which meet national legislation and international standards.

5. Have appropriate internal and external control.

6. Demonstrate an appropriate track record in the handling of ODA financing, including from (other) donors.

During the DPP, NAMA Support Organisations are subject to an enhanced due diligence initiated by the NFGA that includes but is not limited to a verification of the risk management, financial analysis, adherence to environmental, social and governance standards. The NFGA might task a qualified external consultant to support the enhanced due diligence.

Applicants and NAMA Support Organisations must not be subject to any of the following aspects:

- They have entered insolvency proceedings, are having their affairs administered by the court, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- They, or persons having power of representation, decision making or control over them, have been convicted of an offence concerning their professional conduct by a judgment of a competent authority which has force of res judicata; (i.e. against which no appeal is possible);
- They have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- They are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with both the legal provisions of the country in which they are established or those of the country where the contract is being performed;
- They, or persons having power of representation, decision making or control over them, have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such an illegal activity is detrimental to the donor’s financial interest.