

# Ambition Initiative Call for NAMA Support Projects

## Clarification Notes II

Published on 10 February 2021

## Abbreviations

ASP	Applicant Support Partner
CN	Clarification Note
DPP	Detailed Preparation Phase
FAQ	Frequently Asked Questions (a NAMA Facility document)
FC	Financial Component of an NSP
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
iNDC	Intended Nationally Determined Contributions
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding
NAMA	Nationally Appropriate Mitigation Action
NDC	Nationally Determined Contribution
NDCP	Nationally Determined Contribution (NDC) Partnership
NFGA	NAMA Facility Grant Agent
NSO	NAMA Support Organisation
NSP	NAMA Support Project
OECD DAC	OECD Development Assistance Committee
SME	Small and medium-sized enterprises
TC	Technical Component of an NSP
TSU	Technical Support Unit
UNFCCC	United Nations Framework Convention on Climate Change

## Contents

Abbreviations.....	2
I. General Issues.....	3
II. Selection Criteria .....	4
III. Eligibility of countries .....	5
IV. Eligibility of Applicants and Applicant Support Partners (ASP) .....	6
V. Eligibility of Sectors and Technologies .....	7
VI. Submission of the NSP Outline and Annexes .....	7
VII. Detailed Preparation Phase (DPP) .....	8
VIII. Contracting .....	8
Last but not least... ..	9

## I. General Issues

### **CN II-01 How will Applicants know if the NDCs of countries for which they are developing NSP Outlines are considered “enhanced” and “ambitious” according to the definition as used for the purposes of the Ambition Initiative Call?**

According to the definition as used for the purposes of the Ambition Initiative Call “enhanced” NDCs are characterized by

- (1) Strengthening mitigation targets and actions over time;
- (2) Strengthening emissions reduction goals (including the addition of sector-specific targets); or by
- (3) Broadening the scope to include a wider coverage of sectors or gases.

Countries may additionally enhance their NDCs by moving from conditional to unconditional targets, shortening timelines and/or adding policies and measures.

For an NDC to be considered as “ambitious” according to the NAMA Facility’s definition, the NDC should meet several or all of the criteria:

- Compatibility with the globally agreed temperature limit under the Paris Agreement;
- Mitigation target that:
  - implies a significant reduction of economy-wide GHG emissions below business as usual emissions trajectories; and/or
  - includes a rapid reduction of GHG in key emitting sectors with a view to achieving decarbonization; and/or
  - implies an early peaking of GHG emissions and rapid decarbonization thereafter; and/or
  - is aligned with an existing net-zero target (see also GID, section 4.1).

In their NSP Outlines Applicants should indicate how the intervention proposed under the NSP would be embedded into the respective ambitious NDCs and therefore why the NSP would meet the targets of the Ambition Initiative Call (see Outline section 2.4 *Embedding*).

In the course of the Ambition Initiative Call, the NAMA Facility will not express its views on the level of ambition of individual enhanced NDCs.

Please note: In the webinar on 24 March 2021 the TSU will present more tangible examples of enhanced and ambitious NDCs (fictional examples).

### **CN II-02 Please further define the term “enhanced and ambitious NDCs” in the context of a low-emission country?**

The definition of “enhanced and ambitious NDCs” as used for the purposes of the Ambition Initiative Call can be found in the GID, section 4.1 as well as CN-II-01. A country-specific context is taken into account in the process of assessing NSP Outlines.

### **CN II-03 The COVID-19 pandemic is still hampering effective public consultation and dialogue with key stakeholders in certain countries. Is it likely that the deadline of the Ambition Initiative Call might be pushed back to allow for more preparation time?**

Whilst the NAMA Facility does not currently foresee to extend the deadline of the Ambition Initiative Call, we are aware of the current situation and the challenges it poses to public consultations and potentially the Outline development process. As a response to continuing lockdowns or other Covid-19 related rules, we will accept e-mails from national ministries

confirming the support to the NSP during the Outline submission. The actual endorsement letter should then be presented at the latest during the in-depth assessment phase.

Please note: NSP Outlines of countries whose NDC updates have been delayed due to the Covid-19 pandemic might be eligible under future calls of the Ambition Initiative if such rounds are launched. All related information will be published on the NAMA Facility website in due course.

**CN II-04 Does the Ambition Initiative Call equal the 8th Call for Projects of the NAMA Facility or will the 8th Call be open towards the end of this year?**

The Ambition Initiative Call equals the 8th Call of the NAMA Facility. All related information on future Calls of the Ambition Initiative or a potential 9th Call, if such rounds are launched, will be published on the NAMA Facility website.

**CN II-05 Could you provide us with the list of countries that are part of the NDCP and that have Partnership Plans?**

Please refer to the [website](#) of the NDC Partnership for further information.

**CN II-06 Can you please provide information on how to find out if a country has submitted an enhanced NDC?**

As the main source, the UNFCCC's [website](#) should be consulted to see if a country has submitted its enhanced NDC to the UNFCCC. Additionally, other websites like [climate action tracker](#) and [climate watch data](#) can be checked regularly as they closely monitor the process of an NDC submission.

## **II. Selection Criteria**

**CN II-07 Given that the NAMA Facility funds are considered as ODA funds, does the NAMA Facility assess only the ambition of a country's conditional NDC or are the contributions in their totality assessed (both unconditional and conditional contributions)?**

The NAMA Facility will take into consideration the totality of a country's NDC, i.e. the unconditional and conditional contribution, in order to assess whether the definition of ambitious NDCs as specified in section 4.1 of the GID has been met.

**CN II-08 On Green Recovery Strategies: A) How are Outlines treated from countries that have not defined a Green Recovery Strategy (yet)? B) How does the NAMA Facility evaluate whether the 'green' recovery plans of targeted countries are actually 'green'?**

A) See FAQ 60.

B) The NAMA Facility assesses whether the proposed NSP activities contribute to the green recovery from the impacts of the Covid-19 pandemic (support to SMEs, employment creation, gender mainstreaming etc.) against the backdrop of the NSP's contribution to the climate change mitigation. The overall quality of the recovery plans of individual countries and whether they can be considered 'green' in their totality will not be part of the NAMA Facility Outline assessment.

**CN II-09 How does the engagement of CIFF as a new Donor affect the selection criteria of NSP Outlines?**

The engagement of CIFF will not result in additional requirements to NSP Outlines, nor will it change the selection criteria. All selection criteria defining the NAMA Facility's approach to the assessment of NSP outlines are described in the GID.

## **CN II-10 Can you please further define the term "implementation ready" as used in the GID?**

Readiness refers to the degree of maturity and the level of detail in the elaboration of an NSP. Activities to prepare a project to the implementation (e.g. signing agreements with the partners, establishing the financial mechanism etc.) are generally referred to as readiness activities. In that sense, the NAMA Facility considers a NAMA Support Project to be "implementation ready", when it can be practically implemented (incl. the planned scope and scale) after a short phase of a detailed preparation. The NAMA Facility funding cannot be used to finance research activities or conceptual development of climate change mitigation technologies.

### **III. Eligibility of countries**

#### **CN II-11 How are NSP Outlines treated that refer to national contexts in which enhanced NDCs are not presented to UNFCCC up until the closure of the Ambition Initiative Call on 31 May 2021?**

The NAMA Facility expects that by the closure of the Ambition Initiative Call in May a significant number of enhanced NDCs will have been presented to the UNFCCC. As stated in the GID, Outlines of NSPs that plan to intervene in a country with an enhanced NDC submitted to the UNFCCC until the closure of the Ambition Initiative Call on 31 May 2021 will be eligible to participate in the Call.

Please note that further NSP Outlines of countries whose NDC updates have been delayed due to the Covid-19 pandemic might be eligible under future Calls of the Ambition Initiative if such rounds are launched. All related information will be published on the NAMA Facility website in due course.

#### **CN II-12 How are NSP Outlines treated from countries that already announced to submit enhanced NDC in summer 2021, e.g. in the run-up to COP26, but only after the closure of the Ambition Initiative Call on 31 May 2021? Would a statement of intention of the partner country to submit the NDC update at a defined date suffice in this case, e.g. as an attachment to Annex 1 *Endorsement Letter*?**

As stated in the GID, Outlines of NSPs that plan to intervene in a country with an enhanced NDC submitted to the UNFCCC until the closure of the Ambition Initiative Call on 31 May 2021 will be eligible to participate in this Call (for more information see CN-II-11). A statement of intention of the partner country to submit the updated NDC at a certain date will thus not suffice for a country to be eligible.

Please note: NSP Outlines of countries whose NDC updates have been delayed due to the Covid-19 pandemic might be eligible under future Calls of the Ambition Initiative if such rounds are launched. All related information will be published on the NAMA Facility website in due course.

#### **CN II-13 How are Outlines treated from countries that are part of the NDC Partnership, but that have not developed Partnership Plans? In the GID, the alignment of NSP activities with the Partnership Plans is mentioned as part of the assessment criterion for the potential of transformational change.**

As stated in FAQ 14, participation in the NDC Partnership is not a prerequisite for a country and a respective NSP Outline to be eligible under the Ambition Initiative Call. The same holds true for the development of Partnerships Plans. However, if a country is a member of the NDC Partnership and has developed a Partnership Plan, the NSP should be aligned with this Partnership Plan.

Please note: Should a country propose an NSP in a sector that is not yet covered by the NDC Partnership Plan but explicitly mentioned in the country's NDC, the lack of an alignment with the Partnership Plan in this particular case will not negatively impact the assessment of an NSP Outline.

**CN II-14 The eligibility criterion of submission of the enhanced NDC before the Ambition Initiative Call deadline excludes much of sub-Saharan Africa. Can you please confirm your understanding of the same?**

For a response, please refer to CN-II-11.

Please note that the NAMA Facility will abstain from commenting on the plans and timelines of individual countries with respect to the process of updating their NDCs.

**CN II-15 How are NSP Outlines treated that refer to national contexts in which the first NDC is characterized “ambitious”, but no enhanced NDC is presented to UNFCCC up until the closure of the Ambition Initiative Call on 31 May 2021?**

For a response, please refer to CN-II-11.

Please note that further NSP Outlines of countries whose NDC updates have been delayed due to the Covid-19 pandemic might be eligible under future calls of the Ambition Initiative if such rounds are launched. All related information will be published on the NAMA Facility website in due course.

**CN II-16 How are NSP Outlines treated from countries that are not yet a party to the Paris Agreement, but will submit an enhanced intended NDC (iNDC) to UNFCCC before the Ambition Initiative Call deadline?**

As stated in the GID, Outlines of NSPs that plan to intervene in a country with an enhanced NDC submitted to the UNFCCC until the closure of the Ambition Initiative Call on 31 May 2021 will be eligible to participate in the Call. iNDCs, even if enhanced and submitted to UNFCCC, do not fulfil this criterion. For more information also refer to CN II-11.

#### **IV. Eligibility of Applicants and Applicant Support Partners (ASP)**

**CN II-17 In the Ambition Initiative Call commercial entities will be eligible to act as Applicants, ASP or NSOs.**

**A) Could you please explain if this includes only national or also international entities? B) What sort of agreements do commercial entities need to sign with the Government of the targeted country (e.g. MoU)?**

A) This includes national and international commercial entities. For more information on the eligibility please refer to FAQ 29.

B) Commercial entities are not requested to sign a formal agreement with the Government of the country in which the NSP will be implemented. However, similarly to any other organization applying as part of the Ambition Initiative Call, the Government needs to endorse the NSP in an official Endorsement Letter (mandatory Annex I; please refer to the [application documents](#) of the Ambition Initiative Call).

**CN II-18 Do NSOs need to be accredited for being eligible to receiving NAMA Facility funds?**

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, that encompasses an examination of the administrative and financial procedures and capacities as well as an assessment of the general capability of the NSO to implement the proposed NSP. More information on the capacity requirements to be fulfilled by NSOs can be found in the GID, section 5.2.2 and Annex 2 to the GID.

#### **CN II-19 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 targets, in particular by leveraging additional finance. See also FAQ 40.

### **V. Eligibility of Sectors and Technologies**

#### **CN II-20 For NSPs focusing on novel technologies: A) What is the time limit to move from the pilot phase to the large-scale project? B) Will there be an additional decision point before moving to the large-scale project, i.e. will the results from the pilot phase determine if the NSP can proceed to the next phase?**

- A) The NAMA Facility does not define a timeline that dictates the transition from a pilot phase to a large-scale project. However, it will be desirable to accomplish the shift to the large-scale project within the NSP's lifetime (see also FAQ 31).
- B) In the NSP Outlines, Applicants are requested to formulate key milestones associated with the pilot phase. During an in-depth assessment (following a desktop assessment during the NSP Outline phase), these milestones will be further specified, and additional criteria might be added by the NAMA Facility Board. The achievement of the milestones and criteria defined for the pilot phase will be a prerequisite for transitioning to the large-scale project.

#### **CN II-21 As many NDCs include adaptation activities: Can an NSP also include adaptation activities or is the focus mainly on mitigation?**

The NAMA Facility's focus is on supporting the implementation of ambitious mitigation actions. We are looking for NSPs that have the potential to trigger a transformational change towards carbon-neutral development pathways. While adaptation activities might be included to achieve the overall NSP outcome, the focus of the NSP should be on mitigation activities.

#### **CN II-22 Would the NAMA Facility consider funding NSPs that are similar to other projects already being implemented in the country?**

This question can only be answered on a case-by-case basis during the assessment of individual NSPs. One of the criteria applied to the NSP Outlines during the desktop assessment stage is additionality of NSPs as well as justification of the volume of the NAMA Facility funding required for the NSPs' implementation. If additionality is demonstrated and a sound justification is provided, the existence of similar projects in the country of implementation should not result in non-eligibility of an NSP.

### **VI. Submission of the NSP Outline and Annexes**

#### **CN II-23 Many countries do not agree to issue a letter of support until a full proposal has been developed. Does the NAMA Facility support Applicants in their consolidations with governments, e.g. by communicating to countries that such letters are a requirement for being eligible to apply in the Ambition Initiative Call?**

The NAMA Facility does not support Applicants in receiving the Endorsement Letters from governments. To ensure embeddedness in and alignment with the country's climate change mitigation policies and development strategies, Applicants are expected to engage with the

governmental stakeholders and involve relevant Ministries and public institutions already in the process of developing the NSP concept.

Good to know: The GID mentions the Endorsement Letters as a prerequisite for being eligible, and Applicants are free to share the GID with the government officials.

**CN II-24 According to FAQ 56, “each endorsement letter should be signed by a duly authorised representative of the ministry; the NAMA Facility does not prescribe the level of signatory”. Would the NAMA Facility accept endorsement letters from an agency or department under the relevant national ministries?**

The endorsement letters serve to convey to the NAMA Facility the Government's support to the proposed NSP and to showcase embeddedness of the NSP in the country's development strategies and climate change mitigation policies. Eventually, the decision on the level of a signatory of an endorsement letter is case-based and depends largely on a country-specific context. If for a successful implementation of an NSP, the support of an agency or a department under the relevant sectoral ministry plays a crucial role, this might justify having the letter signed by a representative of the respective public institution.

## VII. Detailed Preparation Phase (DPP)

**CN II-25 What is the Detailed Preparation Phase (DPP)?**

The ultimate purpose of the DPP is to prepare a comprehensive Proposal for the NSP implementation. For that purpose, the Applicant or ASP 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. For more information see GID, section 5.2 as well as FAQ 69.

**CN II-26 According to the GID the DPP is divided into two phases. Entering the DPP 2 is contingent upon the achievement of the agreed milestones during DPP 1. In cases where the NSP's progress is not satisfactory according to the NAMA Facility Board, will the funds for the DPP 2 be blocked?**

Yes, in cases when the NSP is not able to demonstrate sufficient progress towards the agreed milestones, the NAMA Facility Board could decide to terminate the DPP.

**CN II-27 In FAQ 68 you explain that co-financing for the DPP shall not be presented in Annex 4b “DPP budget” as this shall only include the funds requested from the NAMA Facility for the DPP. A) Can you please provide more information on how to present the foreseen co-financing during implementation? B) Do NSOs have to report on the expenses for co-funding?**

- A) In the Annex 5 “Detailed Budget and Financing Structure” to an NSP Proposal, NSOs have an opportunity to add an additional column to include their own contributions.
- B) NSOs do not need to report on the expenses for co-funding. The required financial reporting will only cover the NAMA Facility funds.

## VIII. Contracting

**CN II-28 What Can you provide a template for the grant agreement that will be signed between the NFGA and the NSO in case of a selection for a DPP or an implementation?**

The draft grant agreement will only be made available once an NSP was selected for a DPP or implementation. Part of the respective Annexes to the Grant Agreement can be found [here](#) under Grant Agreements (for contracts signed from June 2020).

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

Couldn't find an answer to your question?

In line with our clarification policy for the Ambition Initiative Call, please submit your question in writing to [contact@nama-facility.org](mailto:contact@nama-facility.org).

We will publish the clarification on the NAMA Facility's website as part of the Clarification Note publication and respond to your query directly. The next Clarification Note will be published on 10 March 2021 – be sure to submit your question to the NAMA Facility by 07 March 2021 to ensure that your clarification is included.