NAMA Facility
2nd Webinar:
“4th Call – Introduction”
27 July 2016
The NAMA Facility webinar team

From left to right: Sören, Nicole, Janka, Tina and Katharina
Structure of the webinar

I. Introduction

II. 4th Call processes and timeline

   Q&A

III. Assessment criteria

   Q&A

IV. The Outline template

   Q&A
I - Introduction
Technicalities

• **Grab Tab**: From the Grab Tab, you can
  1. Hide the Control Panel
  2. You have been muted by the organizer
  3. View the webinar in full screen
  4. Language

• **Questions Window**: Ask questions for the staff.

If you have any questions during the webinar, you can enter your questions into the Questions window for the organiser to answer. Type your question into the Questions window and click **Send**.
I – Introduction
The NAMA Facility

Aim
Supporting countries implementing ambitious NAMAs aiming at transformational change

Who we are
• A multi-donor fund
• Jointly established by Germany (BMUB) and UK (DECC) in 2013
• Denmark (EFKM, MFA) and the European Commission joined in 2015 as additional donors
• Secretariat (Technical Support Unit) based in Berlin
• Total funding made available through the NAMA Facility since its inception: approximately EUR 262 m.
I – Introduction

The NAMA Facility

What we do

• Implement NAMA Support Projects (NSP) as the most ambitious part of the NAMA
• Provide funding for a combination of financial and technical measures
• Hold annual competitive bidding rounds (Calls) to select projects for funding
• Key data of suitable projects: 3-5 years implementation period, budget of EUR 5-20 m.

Key requirements for project selection

• Implementation readiness
• Mitigation potential
• Transformational change
I – Introduction
NAMA Facility portfolio

Africa: Burkina Faso, Kenya, South Africa
Americas: Chile, Colombia, Costa Rica, Guatemala, Mexico, Peru
Asia: China, Indonesia, Tajikistan, Thailand
## I – Introduction

### NAMA Facility portfolio

<table>
<thead>
<tr>
<th>Sector</th>
<th>Country</th>
<th>NAMA Support Project</th>
<th>Funding volume (Mio €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency</td>
<td>Mexico</td>
<td>sustainable housing</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Thailand</td>
<td>refrigeration and air conditioning</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Colombia</td>
<td>domestic refrigeration</td>
<td>9</td>
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<tr>
<td></td>
<td>Guatemala</td>
<td>efficient use of fuel in households and rural communities</td>
<td>11</td>
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<tr>
<td></td>
<td>South Africa</td>
<td>energy efficiency in public buildings</td>
<td>19</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Costa Rica</td>
<td>low-carbon coffee production</td>
<td>7</td>
</tr>
<tr>
<td>Transport</td>
<td>Indonesia</td>
<td>sustainable urban transport</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Colombia</td>
<td>transit oriented development NAMA</td>
<td>15</td>
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<tr>
<td></td>
<td>Peru</td>
<td>sustainable urban transport</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Kenya</td>
<td>mass rapid transport system for Nairobi</td>
<td>20</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>Chile</td>
<td>self-supply with renewable energy</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Burkina Faso</td>
<td>biomass energy</td>
<td>14</td>
</tr>
<tr>
<td>Forestry</td>
<td>Tajikistan</td>
<td>sustainable forestry</td>
<td>13</td>
</tr>
<tr>
<td>Waste</td>
<td>China</td>
<td>integrated waste management</td>
<td>8</td>
</tr>
</tbody>
</table>
The 4th Call has been launched on 4th of June, 2016
EUR 60 m of additional funding available for the 4th Call

Amended procedures include:
  • Simplified documentation
  • Enlarged circle of eligible applicants
  • Enhanced support for preparation

However, the substance of the requirements for NSPs to be selected will not be watered down. We use the opportunity of the webinars and further information to clarify them to you.
Structure of the webinar

I. Introduction

II. 4th Call processes and timeline

    Q&A

III. Assessment criteria

    Q&A

IV. The Outline template

    Q&A
II – 4th Call processes and timeline
General Information Document

NAMA Facility

General Information Document
4th Call
for NAMA Support Projects

4 July 2016
II – 4th Call processes and timeline
Lessons learned – sensitive issues

- GHG mitigation potential
  often not substantiated, or overestimated

- Technical and economic viability
  Rationale for technology missing, business model lacking

- Barrier analysis
  often incomplete: not analysing the targeted sector or country context but only the specific NSP

- Financial mechanism
  institutional set-up not defined, rationale for the specific mechanism missing, insufficient phase-out concept

NAMA Facility factsheet on lessons learned
NAMA Facility Webinar on Transformational Change and Financing Mechanisms
II – 4th Call processes and timeline
Main changes compared to previous Calls

• Widening the range of Applicants
• NSP Outline template “light”: allowing a consistent presentation of the NSP without dividing it between financial and technical cooperation
• Clarifying the institutional set-up of the NAMA Facility by eliminating the term “Delivery Organisation” (DO)
• Allowing for a more thorough “Detailed Preparation Phase” (DPP) of up to 18 months on the basis of increased support available but with a clear cut-off deadline.
• Quality assurance through the provision of technical input during the DPP by external experts
• Introduction of a competitive element at the Proposal Phase by limiting the DPP to 18 months but allowing Applicants to hand in Proposals any time before that.
II – 4th Call processes and timeline
Outline phase

Deadline for Outline submission
31 October 2016, noon
II – 4th Call processes and timeline
Detailed Preparation Phase (DPP) /Proposal phase

Month
1
6 / 12 / 18
20
21

Board
TSU
NAMA Support Organisation
Expert pool
Milestone, NSO specific eligibility check
Funding decision
Proposal Assessment
Funding decision
DPP
DPP
DPP
Claro no proceso y cronología de la 4ª llamada

Claro y FAQ Series

TSU colectará preguntas escritas en relación con la 4ª llamada y publicará notas de clarificación cada tres semanas en el sitio web de la Fábrica NAMA:

www.nama-facility.org

Tienes que enviar tus preguntas a:
contact@nama-facility.org

Notas de Clarificación serán publicadas en:
29 de julio
19 de agosto
9 de septiembre
30 de septiembre
21 de octubre
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III – Assessment criteria

Eligibility criteria

- Timely submission
- Completeness of documents (including endorsement letters)
- Documents provided in English
- Funding volume for implementation EUR 5-20 million
- Implementation duration of 3-5 years
- Envisaged DPP duration of max. 18 months
- ODA-eligibility of the country
- Eligibility of the applicant

4th Call General Information Document
III – Assessment criteria
Ambition and feasibility

Qualitative assessment
A maximum of 50 points, 25 each on Ambition and Feasibility.

**Ambition**: does the project aim at bringing a country/sector on a low-carbon track?
- Potential for transformational change (11 points)
- Financial ambition (6 points)
- Mitigation potential (8 points)

**Feasibility**: can the project be implemented successfully?
- Project rationale (8 points)
- Project design (12 points)
- DDP concept (5 points)
III – Assessment criteria

**Ambition**

<table>
<thead>
<tr>
<th>1. Transformational change</th>
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<tbody>
<tr>
<td>• NAMA Facility’s interpretation of transformational change:</td>
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<tr>
<td>1. Paradigm shift (significant change of technology)</td>
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<tr>
<td>2. Quick shift (quicker than business-as-usual)</td>
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<tr>
<td>3. Permanent change (not slipping back to situation before project)</td>
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<tr>
<td>4. Political embeddedness and political will</td>
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<tr>
<td>Intrinsic link between transformational change and financing mechanism</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Financial ambition</th>
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</thead>
<tbody>
<tr>
<td>- Mobilization of public and private funding (leverage)</td>
</tr>
<tr>
<td>- Re-direction of cash-flows towards low-carbon development</td>
</tr>
<tr>
<td>- Sustainable financial regulation/removal of market barriers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Mitigation potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Direct and indirect contribution to the 1.5°/2° goal</td>
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<tr>
<td>- Assessed in a relative way with respect to country and sector</td>
</tr>
<tr>
<td>- Plausibility of baseline, assumptions and calculation</td>
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</tbody>
</table>
III – Assessment criteria
Feasibility (1)

1. Project rationale
- **Key:** Plausible barrier analysis: what is it that impedes transformational change in the sector?
- NSP rationale tackling the barriers instead of working around them
- Clear definition of the logframe (objectives, activities, indicators and risks)
- Synergies with other programmes and initiatives
- Justification of the additionality of NSP funds

2. Project design
- Respond to the barrier analysis
- Adequate institutional set-up
- Feasible and appropriate technologies (no pilots!)
- Plausible business models at investment level
- Appropriate and efficient financial mechanism
- Readiness
III – Assessment criteria
Feasibility (2)

Readiness
• **Readiness = readiness of financing mechanism** (at the very beginning of the NSP in order to become effective during implementation)
• Readiness of a regulatory scheme (regulations need to be in place, political will must be shown and regulation must be under way as a condition, not an outcome of the project)

Selecting financial mechanisms

Business models

Investment barriers?

Leverage effect

Phase-out concept

Making best use of NF grant funds

Achieve a permanent transformation
III – Assessment criteria
Feasibility (3)

3. DPP concept
Clear understanding of the to do’s for the further project preparation
• Adequate focus
• Comprehensiveness (complete and cohesive)
• Adequacy of approach /methodology
• Realistic timeline
• Appropriateness of requested funding for DPP
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   Q&A
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IV – The Outline template

- NSP Outline template
- 5 Annexes
- max. 20 pages /10,000 words, word counts serve as orientation
Who can be the applicant = submit the NSP Outline to the NAMA Facility?
- national ministry, or
- entity that fulfills eligibility criteria and receives endorsement from national government
### IV – The Outline template

#### Section 1

<table>
<thead>
<tr>
<th>1.2 National Ministry 1</th>
<th>Name of responsible national ministry</th>
<th>Please indicate the name of the national ministry responsible for the sector of the proposed NSP. For other relevant implementing partners please refer to 1.5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Department</td>
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<td>Postal Address</td>
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<td></td>
<td>Country</td>
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<td></td>
<td>Contact Person</td>
<td>Please provide the name and e-mail address of a focal point for all communication with the TSU.</td>
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<td>Telephone</td>
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<td></td>
<td>Website</td>
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<td></td>
<td>Letter of Support</td>
<td>Please provide a letter of support for the NSP in annex 7. The letter should state the specific project title and include a reference to the entity submitting the application. □ Official support letter attached</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.3 National Ministry 2</th>
<th>Name of responsible national ministry</th>
<th>Please indicate the name of the national ministry responsible for climate change mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Department</td>
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<td></td>
<td>Postal Address</td>
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<td>Website</td>
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<tr>
<td></td>
<td>Letter of Support</td>
<td>Please provide a letter of support for the NSP in annex 1. The letter should state the specific project title and include a reference to the qualified DOs selected to implement the project. □ Official support letter attached</td>
</tr>
</tbody>
</table>
IV – The Outline template
Section 1

(Co-) applicant:
- will be contracting partner for DPP
- can submit the Outline if endorsed by the national government
- is a legal entity that fulfills eligibility criteria as per GID 5.1.1, including:
  ▪ experience in country (at least 3y)
  ▪ experience in sector (at least 5y)
  ▪ project development/management (at least 5 projects of similar size)
  ▪ investment/climate finance policies/programmes (at least 5 projects)
  ▪ working with public sector (at least 3y)
  ▪ Annual turnover (at least €1m last 3y & 10% of requested funding)
- can be a consortium with a lead partner
- can be different from NSO

Main implementing partners:
- existing key national partners (entities) with a specific national mandate for implementation and relevant experience, see GID 3.5

NSO:
- indicative NF contracting partner for implementation, NSO confirmed in beginning of DPP
- stricter eligibility criteria for NSO than for (co-) applicant, see GID 5.2.2

*GID = 4th Call General Information Document*
**IV – The Outline template**

**Section 2**

1. **Tool for Business Model and Finance**
2. **Webinar on Transformational Change and Financing Mechanisms**
3. **Presentation on Transformational Change and Financing Mechanisms**
4. **Factsheet in Financing Mechanism**

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**2. Project Concept**

1. **Project Concept**
   - **2.1 Executive summary**
     - Paragraph 1: context, main challenges regarding switch to low-carbon development in the country and sector, embeddedness into the INDC
     - Paragraph 2: Project objectives and planned measures
     - Paragraph 3: Ambition of the project referring to potential for transformational change, financial ambition and GHG mitigation potential
   - **2.2 Project rationale**
     - i.e. the starting situation and what you want to change and the justification of the proposed approach (brief summary)
     - The project’s objectives and what will be different at the end of the project
     - The target group (e.g. public, private, households)
     - The business model related to these technologies
     - The financial support mechanism (rational, institutional set-up, instruments, phase-out concept)
     - Regulatory or policy measures, framework conditions that are needed to make the project successful
     - Other necessary TA activities (capacity building, awareness raising etc.)
   - **2.3 Project concept**
     - Please describe a consistent project concept by elaborating on the following aspects:
     - The technologies/interventions to be financed
     - Experiences and pilots on which the proposed NSP is based and how the NSP relates to them
     - The business model related to these technologies
     - The financial support mechanism (rational, institutional set-up, instruments, phase-out concept)
     - Regulatory or policy measures, framework conditions that are needed to make the project successful
     - Other necessary TA activities (capacity building, awareness raising etc.)
   - **2.4 Barrier analysis**
     - Please provide, in bullet points and in order of importance, a short description of the central barriers, which are preventing a transformation of GHG emission trends in the (sub-) sector(s) (e.g. economic, financial, technical, regulatory or structural barriers, etc.).
     - Please describe how the NSP addresses these barriers and why the intervention will be particularly efficient in inducing change towards sustainable low-carbon development. (Some barriers may also be addressed by other actors)
     - Please note that circumventing barriers instead of removing them is not considered transformational
   - **2.5 Embedding**
     - Please describe the national climate policy context, mitigation strategy and plans to address climate change, including Nationally Determined Contributions (NDC) in the sector covered by the NSP.
     - Please describe the sector policy and its mitigation ambition
     - Describe the linkage to the NDC as well as any linkage to or embedding within a wider NAMA
     - Justify the expected transformation of emission trends in the sector resulting from the NSP
     - Please explain the sustainable development co-benefits of the NSP
     - Describe other projects/activities in the sector that the planned NSP relates to or

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- Explain the business model
- Explain the financial support mechanism(s)
- Describe the central barriers in the (sub-) sector
- Linkage of NSP to Nationally Determined Contributions
- Co-benefits driver for change.

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Section 2 for telling what the NSP is about in a consistent manner, questions as guidance.
IV – The Outline template

Section 3

<table>
<thead>
<tr>
<th>3 Project Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Potential for transformational change</td>
</tr>
<tr>
<td>Please describe the potential for transformational change with regard to the following categories:</td>
</tr>
<tr>
<td>• Catalytic effect: What developments does the NSP trigger in order to accelerate or initiate sector development towards a low-carbon path?</td>
</tr>
<tr>
<td>• Sustainability: How does the NSP significantly and permanently reverse the flow of funds in the country/sector (public budget, private investments) towards a low-carbon path?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.2 Financial ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please provide a description of the financial ambition of the NSP. Please distinguish between directly mobilised funds as well as funding which will be mobilised indirectly.</td>
</tr>
<tr>
<td>• Does the NSP provide opportunities for investments in GHG mitigation activities by the private sector (businesses, households)? Please specify and quantify these opportunities (e.g. investments/purchase of low-emission alternatives to business-as-usual investments/purchases)</td>
</tr>
<tr>
<td>• Does the NSP foresee a financial contribution from the private sector? (e.g. equity or financial products)</td>
</tr>
<tr>
<td>• Does the NSP foresee a financial contribution from the partner country’s national budget? Please specify the status of negotiating the expected financial contribution to the NSP. If a contribution from the national budget is not foreseen explain why.</td>
</tr>
<tr>
<td>• Does the NSP envisage a financial contribution from other donors?</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>3.3 Mitigation ambition</th>
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<tbody>
<tr>
<td>Please provide a short description of the mitigation potential of the outlined NSP. Please relate the mitigation potential to the overall emissions in the sector and the national mitigation targets.</td>
</tr>
<tr>
<td>• Please specify the underlying assumptions and clarify the baseline for both direct and indirect effects.</td>
</tr>
<tr>
<td>• Please specify the direct mitigation potential of the NSP in tCO₂e: a) at the end of NSP implementation, b) annually over the next 10 years,</td>
</tr>
<tr>
<td>• Please specify indirect mitigation effects that are triggered or influenced by the project, (quantify if possible)</td>
</tr>
</tbody>
</table>

section to present the NSP’s ambition

Monitoring & Evaluation Guidance for NSPs

Tool for Business Model and Finance

Tool for determining GHG mitigation potential

financial contributions to the NSP also reflected in section 4
### Expected Budget and Financing Structure (in EUR)

#### 4.1 NSP Implementation: Overall cost and financing contributions (Estimate)

*Please estimate the financing contributions for the implementation of the *overall* NSP from the different financing sources. (double click on the table allows working in excel)*

<table>
<thead>
<tr>
<th>NSP - Implementation</th>
<th>Total cost</th>
<th>Nama Facility</th>
<th>National budget</th>
<th>private sector</th>
<th>other donors</th>
<th>total finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Financial mechanism(s)</td>
<td></td>
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<td>1.1 mechanism x</td>
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<td>1.2 mechanism y</td>
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<td>1.3 mechanism z</td>
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<td>2. TA (Expert services / consulting)</td>
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<td>3. Other direct and indirect costs</td>
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<tr>
<td><strong>Total &lt;gross&gt;</strong></td>
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Please be aware that 1% of the overall NF budget need to be reserved for M&E (mid-term and final evaluations).

*Please add a note on how secured the different funding sources are:*

- 

**Direct+indirect costs:**
- include also costs for NSP monitoring, communication
- include overheads, taxes, 1% for NSP evaluation, etc.

**Evaluation budget not available to NSO, but used in centralized commissioning of evaluation**

**insert the proposed financial support mechanisms and individual financing sources**
IV – The Outline template
Annex 1

Annex 1: Endorsement letter

Please submit two endorsement letters from the national government:
- One from the relevant sector ministry
- One from the ministry responsible for climate change mitigation

The endorsement letters are to assure that the proposed NSP has the political support of the partner country and sector and is well embedded in its respective activities.

The endorsement letters should contain the following minimum information:
- Embedding of the NSP in the overall climate change mitigation strategy (NDC, NAMA)
- Embedding of the project in the sector strategies
- Envisaged co-finance the NSP by the government
- Endorsement of the applicant (if different from a ministry)
- Endorsement of the NAMA Support Organisation— if already selected
- Naming of the foreseen national implementing partners
- Role of the ministry in implementation

Letters as important indication of political (possibly even financial) commitment of national government

Letters in English (or with an attached English translation)
reflect the 5 Mandatory Core Indicators of the NAMA Facility

List all relevant assumptions and risks. They are an important element to understand the NSP and assess its feasibility.

Monitoring & Evaluation Guidance for NSPs
Information needed to assess eligibility of (Co-) Applicant
References should substantiate the information on capacities

In case of consortia please provide information on both organisations and indicate the lead partner.
DPP concept is part of the desk assessment on feasibility.

During the on-site assessment, the DPP concept will be finalised (possibly with adjustments like inclusion of hard milestones).

DPP concept is finalised (possibly with adjustments like inclusion of hard milestones).

Demonstrate a clear plan on how to get a sound full-fledged proposal ready for implementation, including questions/issue to be clarified, central stakeholders, resources + methods needed.
References should substantiate the information on capacities.

In case of consortia please provide information on both organisations and indicate the lead partner.
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Next webinar: 4th Call introduction, clarifications and FAQs
when: 7 September 2016
Information on the NAMA Facility’s website and by invitation

Further information on the 4th Call: http://www.nama-facility.org/call-for-projects.html

Or contact the Technical Support Unit at contact@nama-facility.org

Thank you for your attention!