Introduction to the 7th Call

NAMA Facility Webinar
29 April 2020
Welcome to this Webinar

- Thank you for your interest in the 7th Call of NAMA Facility!

- **Goals for today:**

  - Provide overview of the NAMA Facility and of the 7th Call process
  - Share lessons learnt and common challenges
  - Point to resources such as General Information Document (GID)
The NAMA Facility Webinar Team

Radina Vassileva

Gunnar Wegner

Dalia Ali
Technical Overview

- **Grab tab** – Here you can:
  1. Hide the Control Panel
  2. View the webinar in full screen
  3. Choose your preferred language

- **Questions window** – Send us your thoughts:
  - Enter your question and click send.
Structure of the Webinar

1. Introduction to the NAMA Facility
2. 7th Call Process, Timeline and Resources
   Q&A
3. 7th Call Application Documents
   Q&A
Structure of the Webinar

1. Introduction to the NAMA Facility
2. 7th Call Process, Timeline and Resources
   Q&A
3. 7th Call Application Documents
   Q&A
Who We Are

Multi-Donor fund by
- Germany
- UK
- Denmark
- EU

- Created in: **2013**
- Total funding volume: **EUR 524m**
- Current portfolio: **29 NSPs**
  - 23 countries
  - Many different sectors: transport, energy efficiency, renewable energy, forestry, waste, agriculture
Characteristics of a NAMA Support Project

Integrated into sector-wide programs or Policies with specific reference to NDC

Have phase out-strategy for long-term sustainability

Implementation ready
Must trigger transformational change

Combine TC and FC:
TC: policy reform, regulation
FC: financial mechanism

Characteristics of NSPs
Structure of the Webinar

1. Introduction to the NAMA Facility

2. 7th Call Process, Timeline and Resources
   Q&A

3. 7th Call Application Documents
   Q&A
7th Call Launched on 1 April

- Donors renewed their commitment to the NAMA Facility
  - UK and Germany intend to commit up to EUR 60 million in additional funding for the implementation of the 7th Call
  - UK announced up to EUR 38 million for past and future Calls

- Donors raised ambition from low-carbon to target carbon neutrality

- Selection based on ambition and feasibility, no regional or sectoral focus

- Slight changes compared to the 6th Call
Available in:
- English
- Spanish
- French

Download
**7th Call Process and Timeline**

New! 3 – 5.5 years

- **Board Decision**
  - Approx. four months

- **Assessment of Proposals**
  - End of month 10 or 15

- **Proposal**
  - Up to 15 months

- **Board Decision**
  - Spring 2021

- **Funding Decision**
  - January 2020

- **Call**
  - 1 April 2020 – 1 September 2020

- **Outlines**
  - September 2020 – March 2020

Submission deadline: 1 September 2020; 3 pm CEST

**New!**
Who Can Submit an NSP Outline?

Section 5.1.1., 5.2.1 and Annex 3 (GID)
Who Can Submit an NSP Outline?

**Outline Phase**
- Submission of Outline

**DPP/Proposal Phase**
- Contracting of DPP
  - Legal entity
    - ‘Applicant’ or ‘Applicant Support Partner’
      - Is the contracting partner to the NFGA for the DPP
      - Implements DPP in close cooperation with national Ministries and NSO
      - Needs to fulfill eligibility criteria (see GID, 5.1.1)
  - Legal entity
    - ‘NSO’
      - Submits the NSP Proposal to the NAMA Facility
      - Will be the contracting partner to the NFGA for the Implementation, if the NSP is approved for Implementation
      - Must demonstrate the Endorsement of national Ministries
      - Needs to fulfill eligibility criteria (see GID, 3.4 and 5.2.2, Annex 3)

**Implementation Phase**
- Contracting of NSP implementation
  - Legal entity
    - ‘NSO’
      - Needs to fulfill eligibility criteria (see GID, 3.4 and 5.2.2, Annex 3)
      - Implements NSP in close cooperation with national Ministries and other implementing partners

**Who**
- National Ministry
  - ‘Applicant’
    - Should suggest a legal entity as ‘Applicant Support Partner’ for the DPP

- Legal entity
  - ‘Applicant’
    - Must demonstrate the endorsement of Ministries

**What**
- Submission of Outline

**When**
- Outline Phase

---

14
Who Can Submit an NSP Outline?

**National Ministry ('Applicant')**
- Should suggest a legal entity as 'Applicant Support Partner' for the DPP

**Legal entity ('Applicant')**
- Must demonstrate the endorsement of Ministries

**Legal entity ('Applicant' or 'Applicant Support Partner')**
- Is the contracting partner to the NFGA for the DPP
- Implements DPP in close cooperation with national Ministries and NSO
- Needs to fulfill eligibility criteria (see GID, 5.1.1)

**Legal entity ('NSO')**
- Submits the NSP Proposal to the NFGA for the DPP
- Will be the contracting partner to the NFGA for the implementation, if the NSP is approved for implementation
- Must demonstrate the endorsement of national Ministries
- Needs to fulfill eligibility criteria (see GID, 3.4 and 5.2.2, Annex 3)

**Implementation Phase**
- Needs to fulfill eligibility criteria (see GID, 3.4 and 5.2.2, Annex 3)
- Implements NSP in close cooperation with national Ministries and other implementing partners
Who Can Submit an NSP Outline?

<table>
<thead>
<tr>
<th>Who</th>
<th>National Ministry ('Applicant')</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Should suggest a legal entity as ‘Applicant Support Partner’ for the DPP</td>
</tr>
<tr>
<td>or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Legal entity ('Applicant')</td>
</tr>
<tr>
<td></td>
<td>- Must demonstrate the endorsement of Ministries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal entity ('Applicant' or 'Applicant Support Partner')</th>
</tr>
</thead>
<tbody>
<tr>
<td>- is the contracting partner to the NPGA for the DPP</td>
</tr>
<tr>
<td>- Implements DPP in close cooperation with national Ministries and NSO</td>
</tr>
<tr>
<td>- Needs to fulfill eligibility criteria (see GID, 5.1.1)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal entity ('NSO')</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Submits the NSP Proposal to the NAMA Facility</td>
</tr>
<tr>
<td>- Will be the contracting partner to the NPGA for the implementation, if the NSP is approved for implementation</td>
</tr>
<tr>
<td>- Must demonstrate the endorsement of national Ministries</td>
</tr>
<tr>
<td>- Needs to fulfill eligibility criteria (see GID, 3.4 and 5.2.2, Annex 3)</td>
</tr>
</tbody>
</table>

- Legal entity ('NSO')
  - Needs to fulfill eligibility criteria (see GID, 3.4 and 5.2.2, Annex 3)
  - Implements NSP in close cooperation with national Ministries and other implementing partners
1. Eligibility Check

- Timely submission
- Completeness of documents
- Documents provided in English
- Funding for implementation: 5€-20€ million
- DPP duration: either 10 or 15 months
- Implementation duration: 3-5.5 years
- ODA-eligibility of the country
- Additionality of the NSP

2. Outline Assessment

**Ambition (25 points)**
- Potential for transformational change (11 points)
- Financial ambition (6 points)
- Mitigation potential (8 points)

**Feasibility (25 points)**
- Project rationale (10 points)
- Project design (13 points)
- DPP concept (2 points)

For further details check the 7th Call General Information Document
Clarifications and FAQ Series

- TSU collects written questions and publishes clarification notes every month on the NAMA Facility’s website: www.nama-facility.org
- Submit your questions to: contact@nama-facility.org
- Clarification notes will be published on:
  - 1 April, 13 May, 24 June, 22 July and 25 August 2020
- Join our next webinars:
  - Webinar: Case Studies and Examples on 27 May 2020
  - Webinar: 7th Call FAQs and Clarifications on 14 July 2020
Highlighted Resources from the NAMA Facility Website

**Webinars**
- Introduction to the 6th Call
- Lesson learnt from the 6th Call
- Financial Mechanisms and the NAMA Support Project

**Central Documents**
- Application documents & 7th Call General Information Document
- M&E framework

**Further Information**
- 7th Call clarifications and FAQ
- Transformational change working definition
- Sustainable development co-benefits in the NAMA Facility
- 10 things about the NAMA Facility you always wanted to know – but never dared to ask!
Lessons Learnt from 6th Call – General

Interesting observations

▪ Cities as developers of Outlines
▪ Behavior change: Investment is often a main driver, but changes in behavior can also drive transformational change

Features that contribute to positive assessment

▪ Acknowledgement of uncertainty
▪ Ambitiousness while being realistic
▪ Phase-out concepts

Please see our lessons learnt webinar for more information.
Lessons Learnt – Financial Mechanisms

Financial mechanisms are #1 weakness of Outlines

Important points in design of your financial mechanism:

- Financial mechanism must reduce/remove investment barrier
- They must also leverage additional private and public funds

Typical weaknesses of financial mechanisms

- Link between financial mechanism and barrier analysis is too weak
- Insufficient explanation why specific instrument was chosen over alternatives
- Financial mechanism works around barriers but does not remove them
- Simple investment grant is not an attractive financial mechanism
- “Financial mechanism” is not simply description of how funds are spent

Factsheet on Financial Mechanisms
Lesson Learnt – Example of Poor NSP Design

- Example: “Launch national programme to exchange inefficient AC units. NAMA Facility funds used as grant to compensate the higher costs of the efficient AC units.”
- Valid approach, but poor fit for NAMA Facility

Challenges:
- This is a one-time effort. However, in the future there will be even more efficient AC units. How will these penetrate the market?
- More efficient AC units will still be more expensive at end of NSP – barrier was not removed but merely lifted during NSP.
- Financial mechanism (grant) leverages no additional funds.
Structure of the Webinar

1. Introduction to the NAMA Facility
2. 7th Call Process, Timeline and Resources
   Q&A
3. 7th Call Application Documents
   Q&A
Structure of the Webinar

1. Introduction to the NAMA Facility
2. 7th Call Process, Timeline and Resources
   Q&A
3. 7th Call Application Documents
   Q&A
7th Call Application Documents

NSP Outline Template

- Four even “lighter” sections
- Roughly 20 pages / 10,000 words maximum in total

Mandatory Annexes

1. Endorsement letters
2. Logframe
3. Applicant / ASP
4. DPP concept & budget
5. Business and financial model
6. GHG mitigation potential
The Outline Template

- In one sentence ...
  - What is the NSP about?
  - What will have changed at the end of the NSP?

- We now have better and more structured guiding topics

- Well-written NSP Outlines have in common:
  - Clear picture of how intervention overcomes identified barriers
  - Central piece, elaborate (and not repeat) details in Annexes
  - Quality over quantity
  - Figures and graphs
Annex 2 – Logframe

- Logframe must contain two types of indicators
  - 5 NAMA Facility core indicators as defined in M&E framework
  - NSP-specific indicators

- Good logframes:
  - Identify assumptions and risks for achieving output, outcome, impact
  - Are consistent with main Outline template
  - Provide a high-level but complete overview of NSP
  - Contains overview of proposed activities
Annex 5 – Business Model and Financial Mechanism

- This annex helps us understand:
  - Business as usual, technology, financial sector
  - Business model of the targeted technology(ies)
  - Financial mechanism(s) and phase-out strategy
  - Provides additional details to Outline
  - Feasibility and appropriateness in the country/sector

- Problems in the past
  - Incomplete sections
  - Inserted figures with no explanations or formulas
  - Conflicting information/numbers

- Good sources:
  - Factsheet on Financial Mechanisms
  - Webinar on Financial Mechanisms and the NAMA Support Project
Annex 6 – Mitigation

- This annex helps us understand the GHG mitigation potential
- We completely revised it
  - More guidance
  - More details required: for example, more information on source data
- Problems in the past
  - Simple numbers with no explanations
  - Formulas overwritten, making it impossible to follow calculations
- Completed example will be available in May on our website
Structure of the Webinar

1. Introduction to the NAMA Facility
2. 7th Call Process, Timeline and Resources
   Q&A
3. 7th Call Application Documents
   Q&A
What’s Next?

**Upcoming webinars:**
- 27 May: “Case studies and examples”
- 14 July: “7th Call FAQs and Clarifications”

**Upcoming clarifications:**
- 1 April
- 13 May
- 24 June
- 22 July
- 25 August

- NAMA Facility website: [dedicated page for 7th Call](#)
- Contact the Technical Support Unit at [contact@nama-facility.org](mailto:contact@nama-facility.org)
Thank you!