

NAMA Facility

On behalf of



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety



Department for
Business, Energy
& Industrial Strategy



Danish Ministry
of Energy, Utilities
and Climate



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



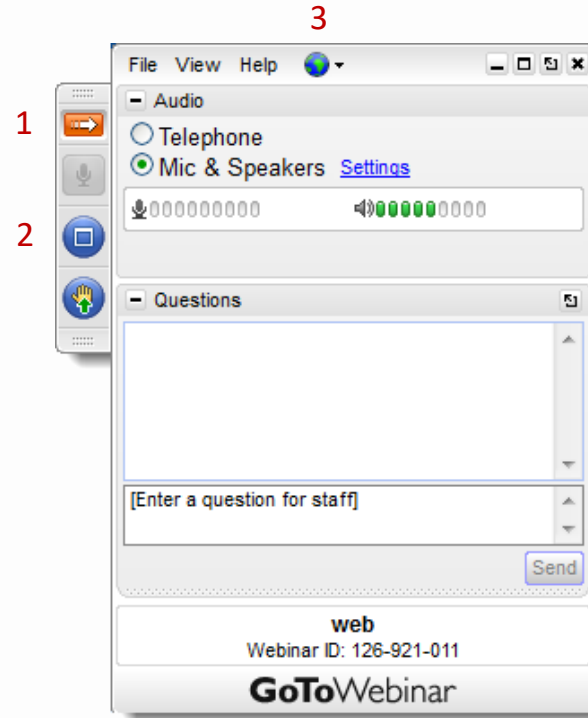
Point to resources such as General Information Document (GID)

The NAMA Facility Webinar Team



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

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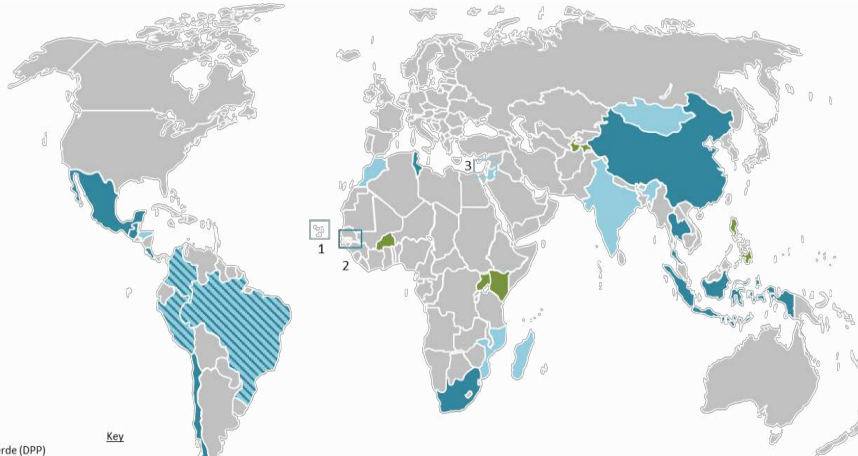
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Who We Are





Multi-Donor fund by

-  Germany
-  UK
-  Denmark
-  EU

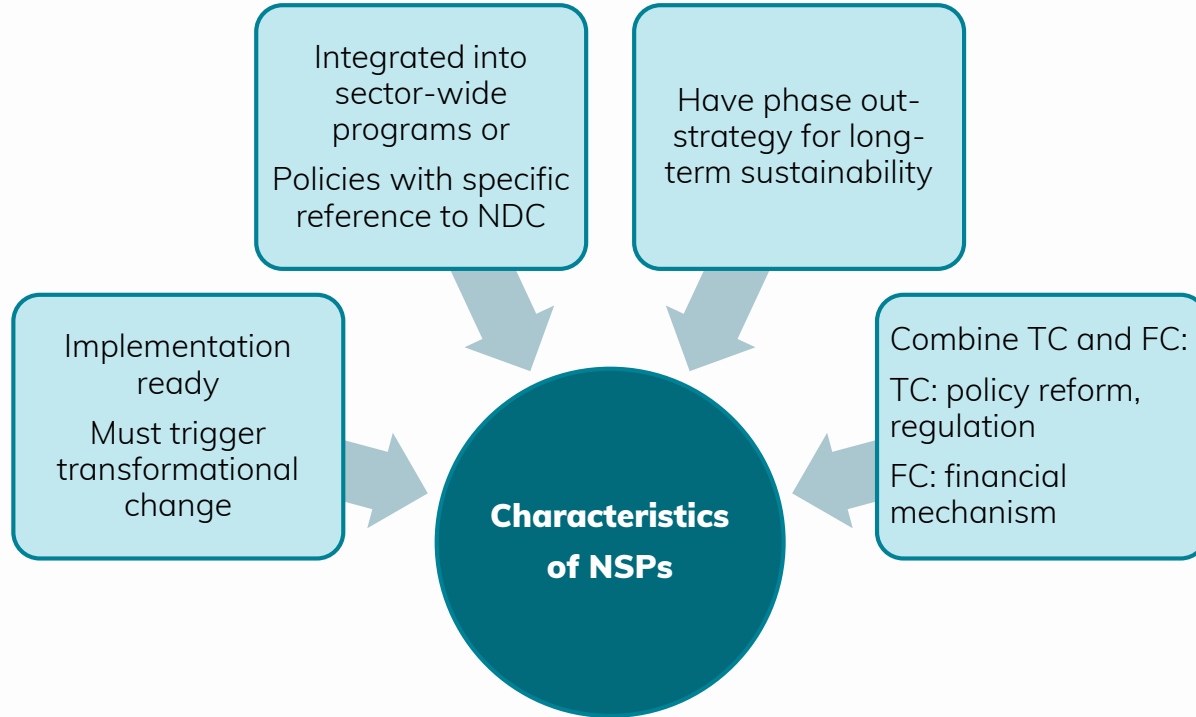
- Created in: **2013**
- Total funding volume: **EUR 524m**
- Current portfolio: **29 NSPs**
 - 23 countries
 - Many different sectors: transport, energy efficiency, renewable energy, forestry, waste, agriculture



Key

- 1 Cabo Verde (DPP)
- 2 The Gambia (Implementation Phase)
- 3 Palestine (DPP)
-  Country with project(s) in the Implementation Phase
-  Country with project(s) in DPP/ Appraisal
-  Country with projects in the Implementation Phase and DPP/ Appraisal
-  Country with projects discontinued after DPP/ Appraisal

Characteristics of a NAMA Support Project



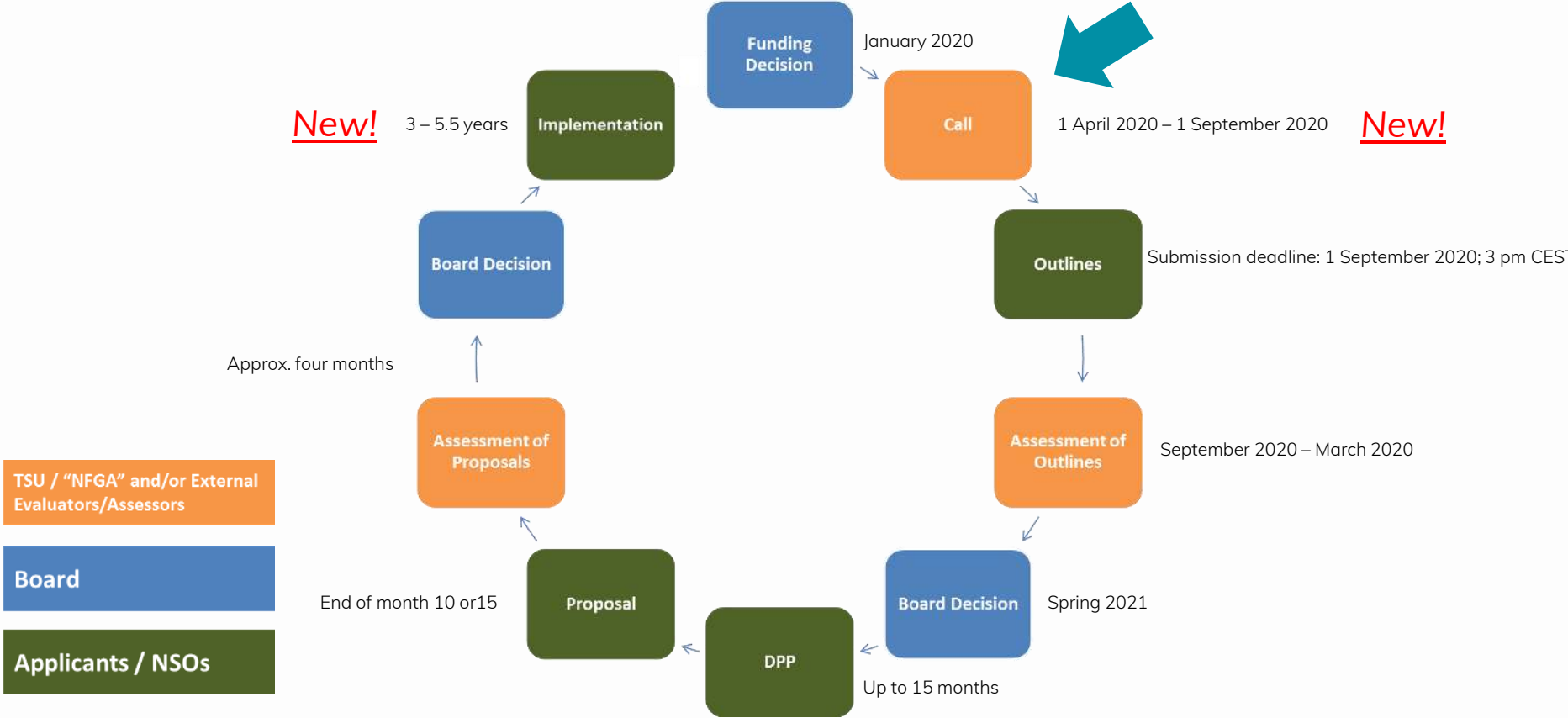
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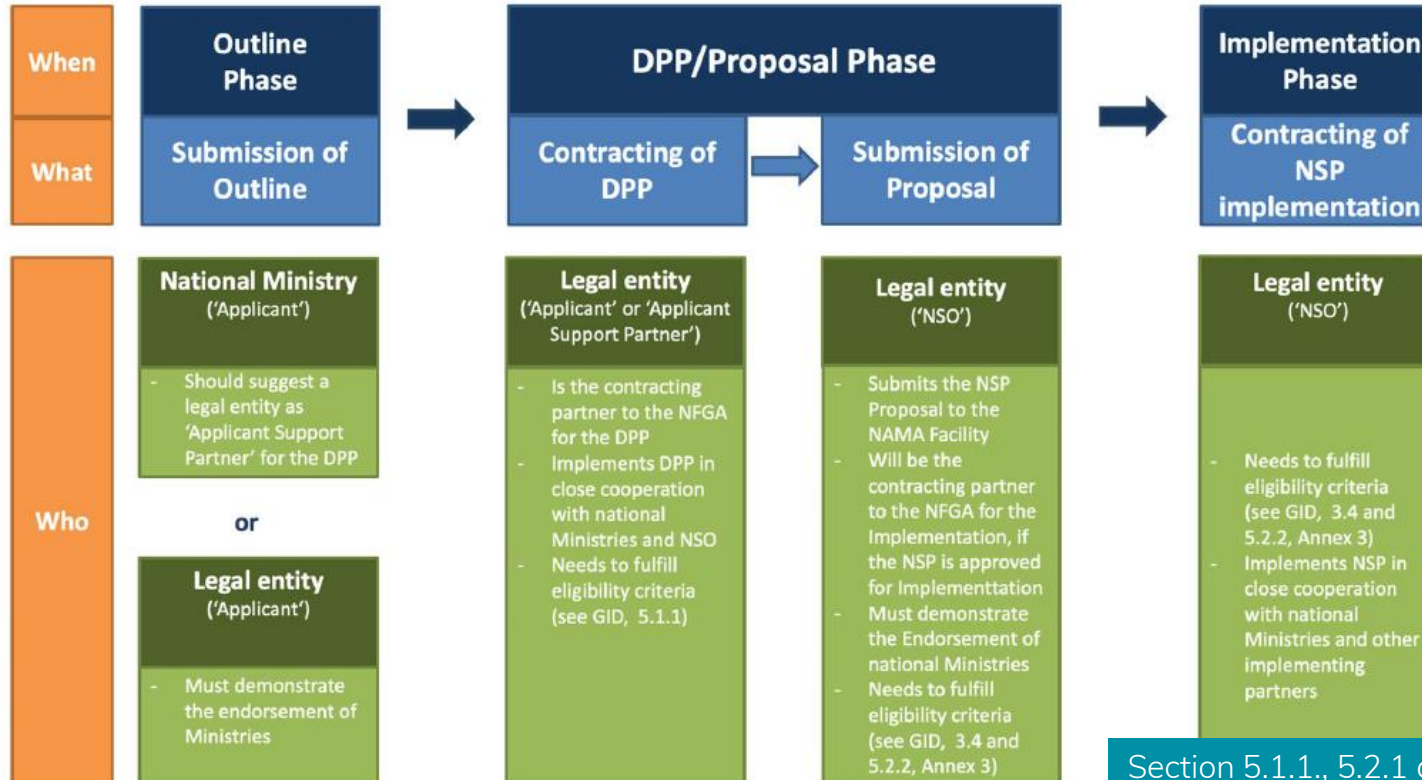
7th Call Launched on 1 April

- 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

7th Call Process and Timeline

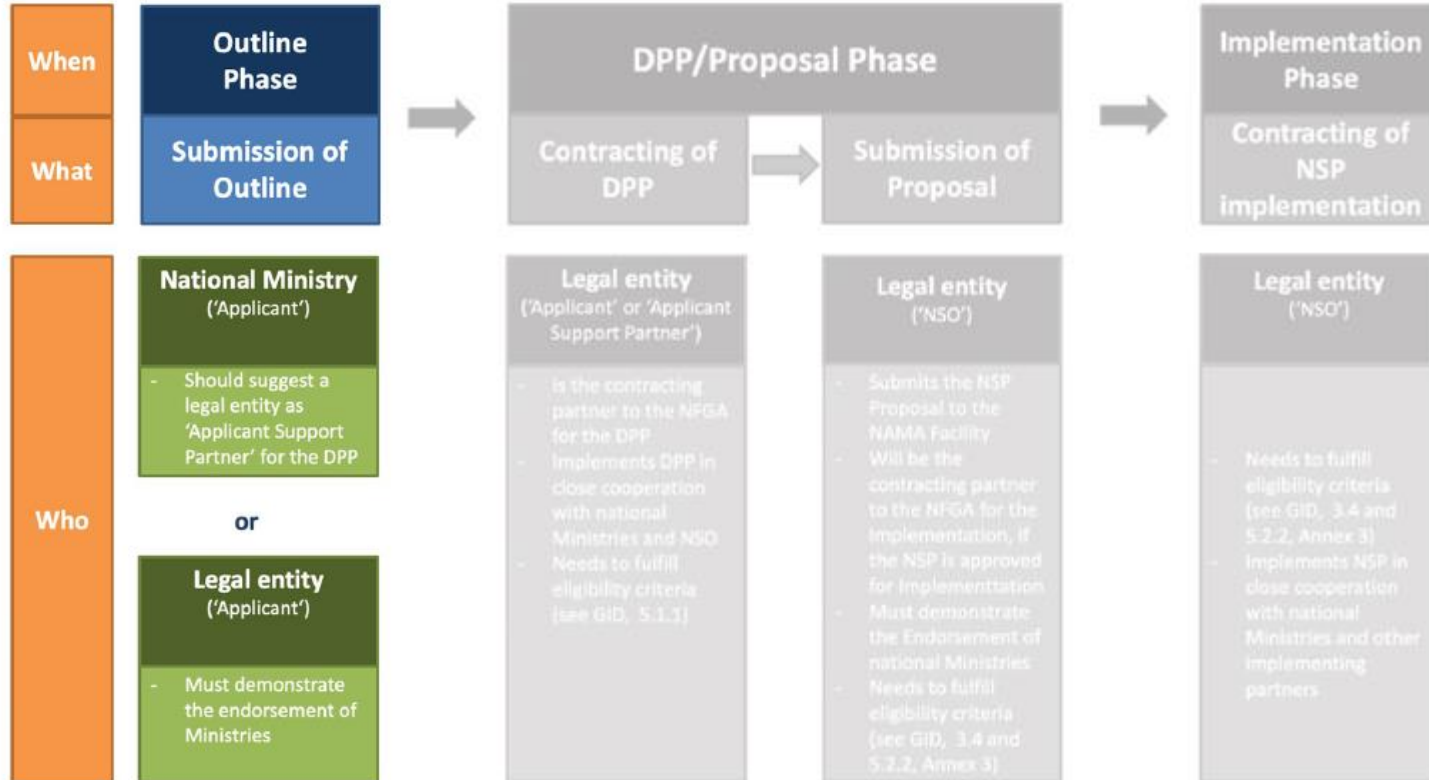


Who Can Submit an NSP Outline?

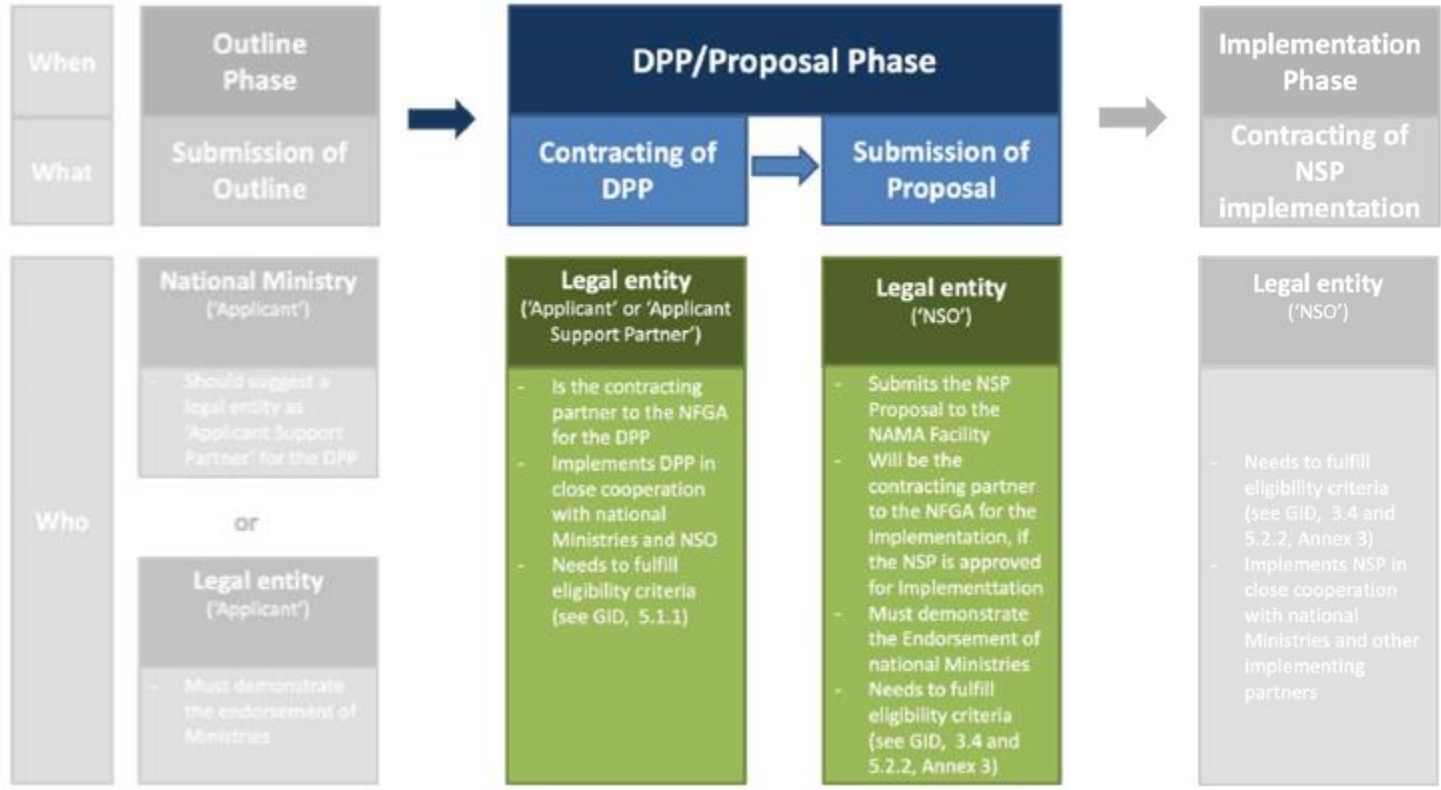


Section 5.1.1., 5.2.1 and Annex 3 (GID)

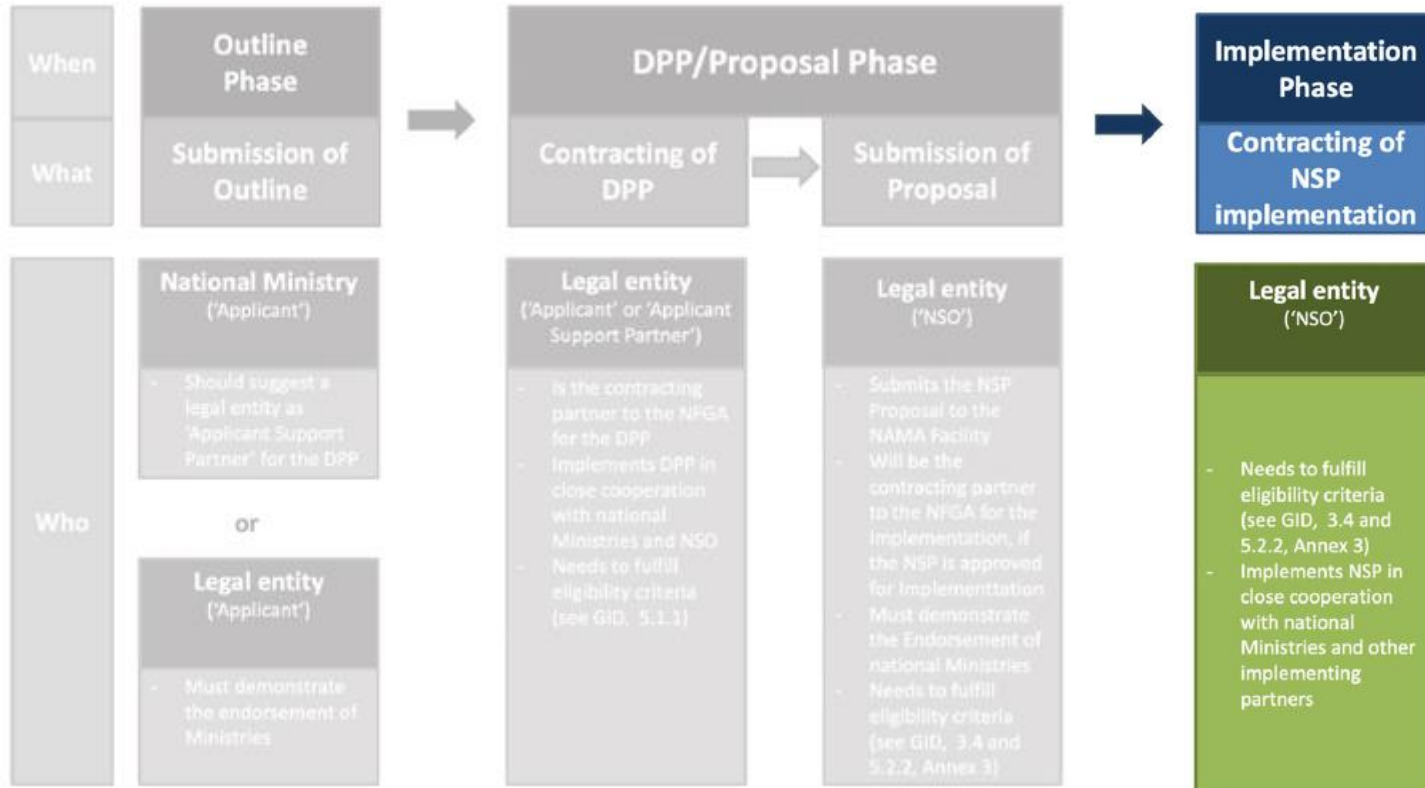
Who Can Submit an NSP Outline?



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7th Call Assessment Criteria

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](#)

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!](#)

Central Documents



[Application documents & 7th Call General Information Document](#)



[M&E framework](#)

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 mechanism

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

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.

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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

Business model - description
(mandatory)

Business model - scenarios
(optional)

Financial mechanism and phase-out
concept **(mandatory)**

- 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

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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

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Thank you!