



Federal Ministry for the
Environment, Nature Conservation,
Building and Nuclear Safety



Department
of Energy &
Climate Change

NAMA FACILITY

General Information Document

This document provides general information on the NAMA Facility, its objective 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 delivery organisations (DOs) in preparing to submit NAMA Support Project outlines to the NAMA Facility.

April 07, 2014

NAMA Facility – a joint initiative of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and the UK Department of Energy and Climate Change (DECC)

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1 The NAMA Facility – What is it all about?

The NAMA Facility was 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) to provide 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 existing global mitigation architecture in the short term.

The concept of Nationally Appropriate Mitigation Actions (NAMAs) was developed in the context of the international negotiations under the United Nations Framework Convention on Climate Change (UNFCCC). NAMAs are considered to be voluntary climate protection measures taken by developing countries, which are embedded within their national development plans. By moving countries towards a low-carbon development trajectory, NAMAs have the potential to significantly contribute to global efforts to reduce greenhouse gas (GHG) emissions. Simultaneously, they offer developing countries and emerging economies a framework for combining broad-based climate action with the achievement of sustainable development goals. This concept is gaining momentum as many developing countries are already developing NAMAs in the context of their national development strategies and plans.

Up until now, many NAMA support initiatives have focused on the *preparation* of NAMAs and the creation of enabling environments for NAMA implementation (“NAMA readiness”). International finance and support for the *implementation* of NAMAs, however, has been rare. Particularly in the case of highly innovative NAMAs, it has proven difficult to access commercial financing for implementation and thereby deliver concrete reductions in emissions on the ground. As a result, tailor-made climate finance – and also public finance on the part of international donors – is required.

It is the objective of the NAMA Facility to fill this gap. The NAMA Facility aims to support the concrete implementation of highly ambitious projects that fit into the context of a broader NAMA and have the potential to catalyse transformational change towards low-carbon development. With this objective in mind, the founders of the NAMA Facility decided to hold open competitive calls for NAMA Support Project Outlines and select the most ambitious and promising NAMA Support Projects for funding. In line with this objective, the NAMA Facility has no regional or sector focus.

By demonstrating an innovative architecture designed to provide tailor-made support for the implementation of transformational NAMAs, and by feeding the lessons learned into international processes, the NAMA Facility will contribute to the international debate on how to use international climate finance to catalyse transformational change towards sustainable low-carbon development.

The financial contributions to the NAMA Facility by the German and British governments form part of the commitment made by industrialised countries during the UNFCCC climate negotiations in Copenhagen and Cancún to jointly mobilise USD 100 billion per year by 2020 to finance mitigation and adaptation activities in developing countries.

1.1 The NAMA concept

Although a closer definition of NAMAs has not been concluded under the UNFCCC, international dialogues have shown that there is an emerging consensus among developing and developed country governments, practitioners and international donor institutions on some fundamental elements of NAMAs, which serve to strengthen their transformational change potential. According to this consensus:

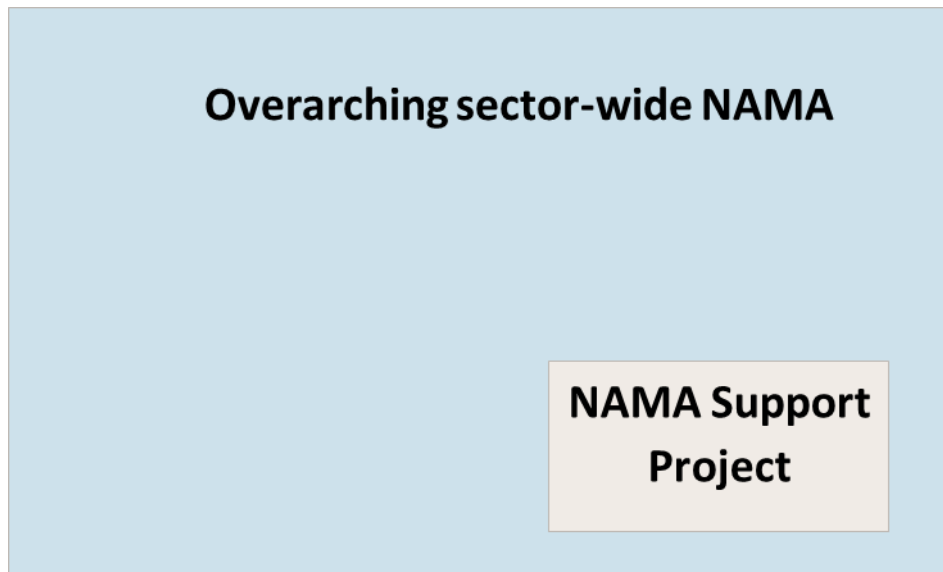
- NAMAs should be country-driven and anchored in national development strategies and plans.
- NAMAs should strive to be sector-wide programmes that are national in scope, even if regional or municipal elements could form part of the overall design.
- NAMAs should consist of a combination of policies and financial mechanisms. Policies should serve to create an enabling environment and channel financial flows into low-carbon investments. Financial mechanisms should serve to address potential barriers for investment and leverage potential public support for mitigation activities.
- International support for NAMAs needs to be flexible in order to provide tailor-made solutions that are appropriate for the circumstances and capabilities of different countries. International funds should be used to enable the implementation of NAMAs and leverage additional public and/or private capital investment. A strategy for self-sustained implementation at national level should be envisaged.

All these elements are reflected in the selection criteria of the NAMA Facility (see section 3.2).

1.2 Means of support provided by the NAMA Facility

In line with the notion that NAMAs are usually thought of as sector-wide programmes that are national in scope, the NAMA Facility will fund so-called NAMA Support Projects (see Fig. 1). Given the overall objective of the NAMA Facility, these are expected to be the most innovative and transformative elements of the overall NAMA within which they are embedded.

Fig. 1: NAMA vs. NAMA Support Project



NAMA Support Projects can apply the full range of development cooperation instruments (see Fig. 2). Given the NAMA Facility's objective of supporting NAMA *implementation*, however, the focus of NAMA Support Projects will be on financial support mechanisms that serve to mobilise capital investments. Technical support and institutional and regulatory capacity development in partner countries may be provided during NAMA implementation if these are combined with or closely linked to financial instruments. The wise combination of technical and financial support will serve to maximise the transformational impact of the NAMA.

Examples of how to combine technical and financial instruments in one NAMA Support Project are available on the NAMA Facility website, www.nama-facility.org/projects.

While financial support provided through the NAMA Facility is generally grant-based, delivery organisations and implementing partners are encouraged to use these grants to set up mechanisms that will provide or unlock other types of financial support (such as concessional loans or guarantee funds) to mobilise additional funding, including private investment in particular. For example, this is possible via KfW as one of the partners in the implementation of the NAMA Facility. The selection of a specific financial instrument, including the level of concessionality of subsidised loans, and the amount of funding provided through the Facility will be decided on the basis of each NAMA Support Project individually.

To finance the full implementation of an overarching sector-wide NAMA, a broader financing concept is required. This might incorporate different sources of funding, including national public funds, private funds and international support. The support provided by the NAMA Facility will only be able to form one element of the broader financing concept (see Fig. 3).

Fig. 2: Means of support provided by the NAMA Facility

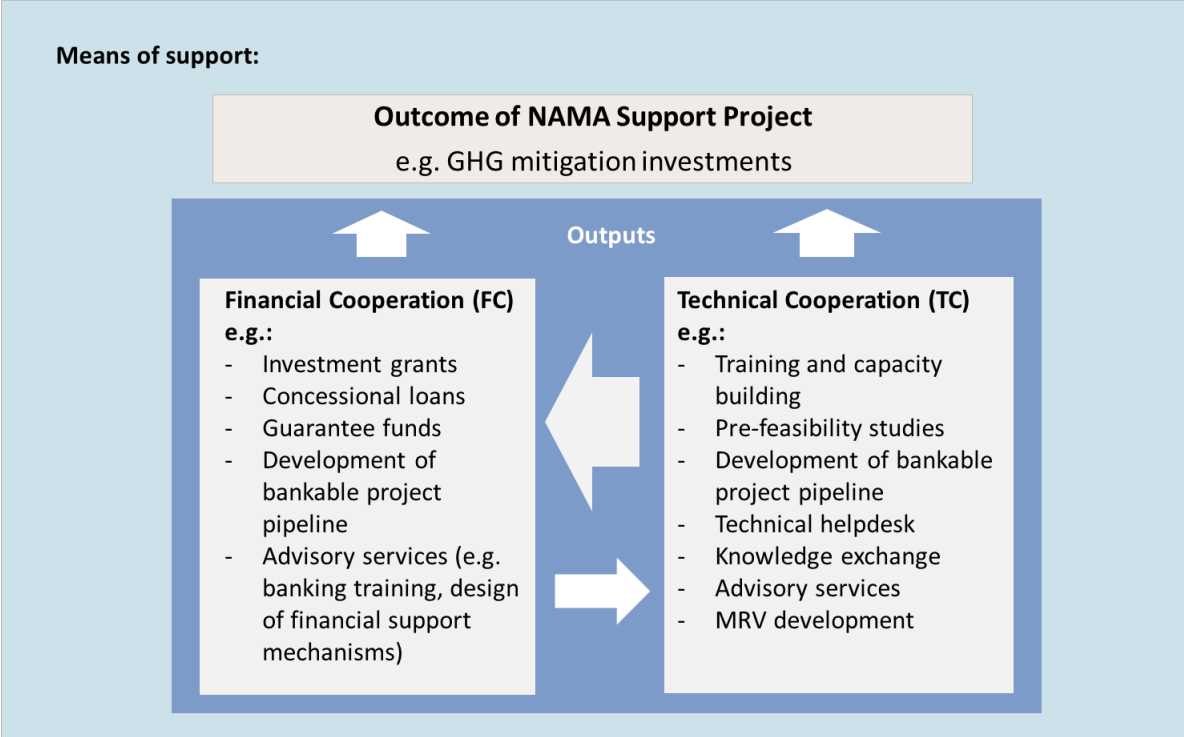
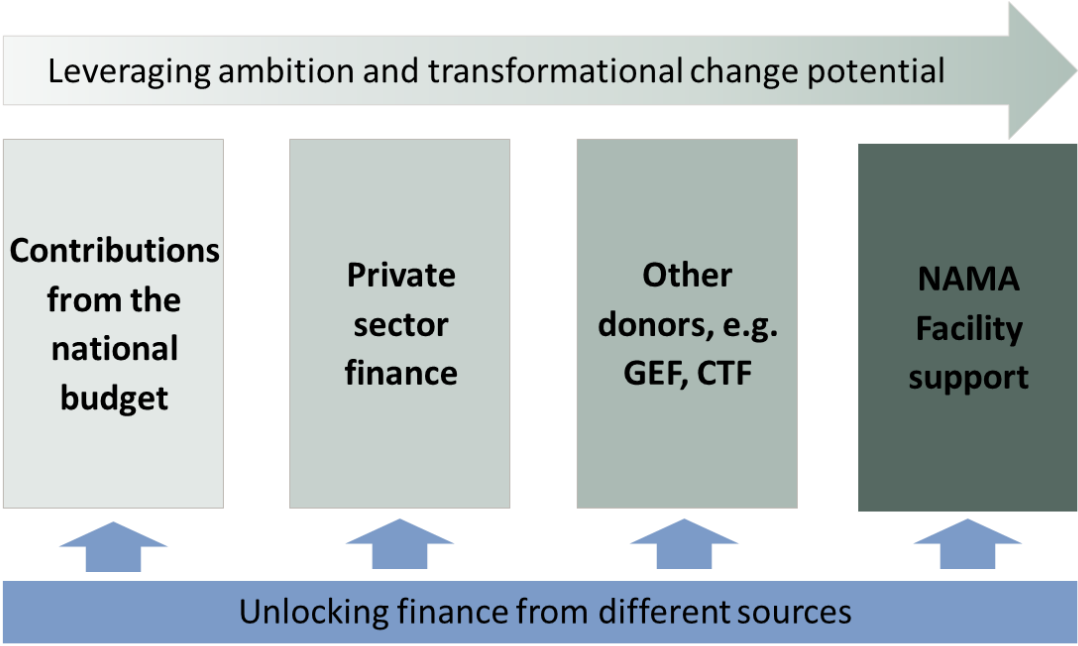


Fig. 3: Financing concept for sector-wide NAMAs

Financing concept for a sector-wide NAMA:



2 NAMA Facility governance and stakeholders

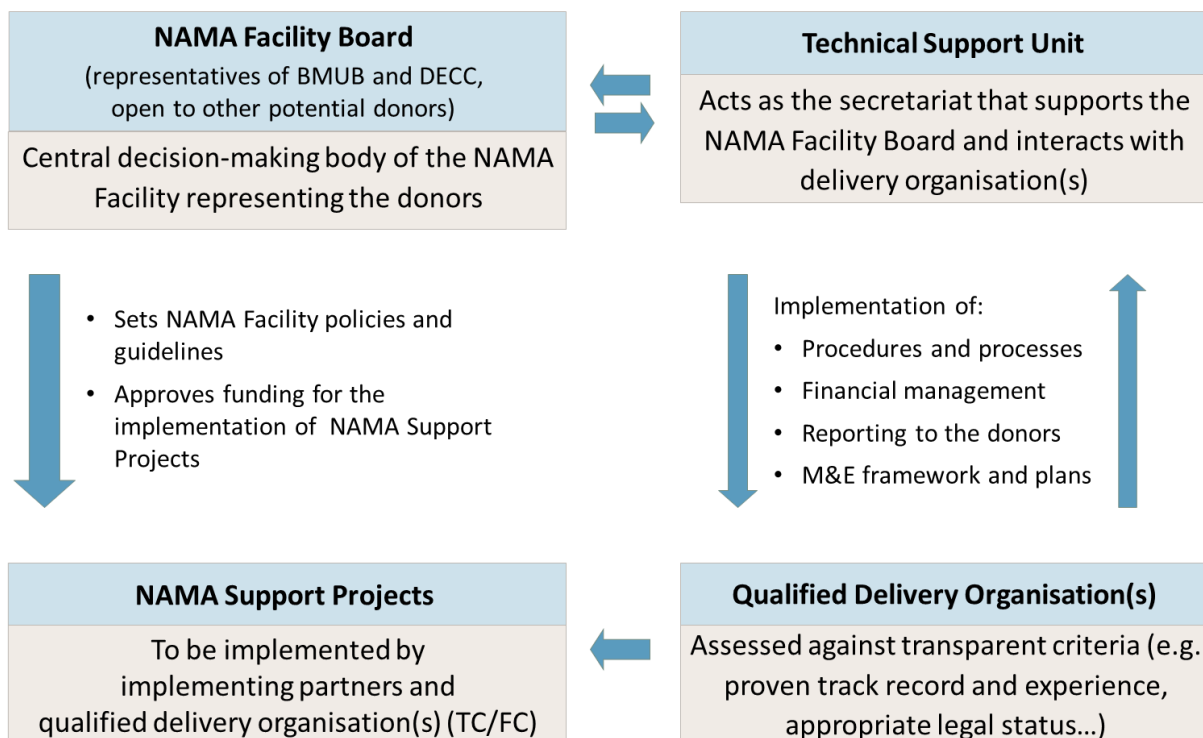
The following section includes a short introduction to the overall governance structure of the NAMA Facility and the stakeholders involved in supporting the implementation of a NAMA Support Project within the framework of the NAMA Facility.

2.1 The NAMA Facility Board

The central decision-making body of the NAMA Facility is the NAMA Facility Board. Currently the NAMA Facility Board comprises representatives from DECC and BMUB, the founders and funders of the NAMA Facility.

The NAMA Facility Board takes all the decisions on strategy, guidelines and selects the NAMA Support Projects for funding.

Fig. 4: NAMA Facility organisational structure



2.2 Technical Support Unit

The Technical Support Unit (TSU) assists the NAMA Facility Board in managing the NAMA Facility. The TSU is the secretariat of the NAMA Facility and the focal point for national governments, delivery organisations and other stakeholders. The TSU is responsible for

organising calls for NAMA Support Project Outlines, evaluating NAMA Support Project Outlines and Proposals and assessing NAMA Support Project reports. It also has responsibility for the financial management of the NAMA Facility and the overall review of the Facility's performance. Bodies that have developed or submitted NAMA Support Project outlines can consult the TSU about their specific projects.

The TSU can be contacted via e-mail at contact@nama-facility.org.

The TSU's postal address is:

NAMA Facility
Technical Support Unit
c/o Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Köthener Straße 2-3
10963 Berlin, Germany.

2.3 Trustees of the NAMA Facility - KfW and GIZ

As trustees of the German government, KfW and GIZ are commissioned to implement the NAMA Facility. As part of their mandate, KfW and GIZ can also act as delivery organisations implementing NAMA Support Projects.

If a NAMA Support Project selected by the Board has nominated qualified delivery organisation(s) other than KfW or GIZ, KfW and/or GIZ will subcontract these third-party delivery organisations and channel the funds for the NAMA Support Project appraisal and its implementation. This is necessary in order to safeguard the underlying contractual arrangements of the NAMA Facility and meet donors' requirements.

Generally speaking, the German development bank KfW is responsible for implementing the financial cooperation ("FC") components or for subcontracting third-party delivery organisations to implement the financial cooperation components of a NAMA Support Project. This might include putting financial mechanisms in place such as concessional loans, investment grants, guarantees and related advisory services (see Fig. 2). GIZ, on the other hand, is responsible for implementing the technical cooperation ("TC") components or for subcontracting third-party delivery organisations to implement the technical cooperation component. This might include technical assistance, advisory services, capacity development or policy advice (see also Fig. 2).

2.4 Qualified delivery organisations

NAMA Support Project Outlines need to nominate qualified delivery organisation(s) (DOs). The combination of technical and financial cooperation elements might lead to the involvement of two delivery organisations, one for the FC and one for the TC component.

These will be responsible and accountable for the proper delivery of funds and/or services, the financial and administrative management of the NAMA Support Project (FC/TC), reporting to donors and for monitoring and evaluation of the NAMA Support Project. The architecture of the NAMA Facility means that it is not possible to transfer funds directly to the implementing (government) institution in the partner country.

The NAMA Facility does not require delivery organisations to go through an accreditation process. Instead, it has established the criteria listed below outlining the requirements that delivery organisations need to fulfil in order to qualify as delivery organisations for the NAMA Facility. Eligible delivery organisations can submit outlines for NAMA Support Projects to the NAMA Facility and are qualified to act as delivery organisations for such projects. These criteria do not apply to organisations that will be subcontracted by the delivery organisation(s) to implement certain elements of the NAMA Support Project in the partner country, e.g. consulting companies (see section 2.5).

Delivery organisations that plan to submit a NAMA Support Project or have been asked by a national government to act as a delivery organisation for a NAMA Support Project must comply with the criteria for qualified delivery organisations listed below. Organisations will be assessed on both their general eligibility and their specific eligibility as described below.

Eligibility criteria for qualified delivery organisations

A. General eligibility

During the selection process, the NAMA Facility Board will consider delivery organisations against the following eligibility criteria:

(1) Organisations need to have the capacities to deliver NAMA Facility support:

- be legal entities, **and**
- be not for profit organisations or public institutions or international organisations (in the case of financial cooperation, for profit institutions can also qualify as delivery organisations), **and**
- Show a proven track record of:
 - International presence (this does not apply to national development banks submitting a proposal in cooperation with another organisation that does have an international track record); **and**
 - Expertise in the field of climate change mitigation; **and**
 - Experience with the implementation of ODA and of large-scale programs/projects (> € 5 Mio.) in the field of financial or technical cooperation (in the case of proposals submitted by a consortium, this criterion applies to the organisation delivering financial cooperation only); **and**
 - Experience in working with governments and other public institutions; **and**
- Be able to recruit staff in the respective partner countries (for technical cooperation projects only).

(2) **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 activities is detrimental to the donor's financial interest.

B. Specific Eligibility

All generally qualified delivery organisations which are applying to deliver financial cooperation projects need to be further assessed for their specific eligibility. For this purpose, all such delivery organisations, which have submitted a NAMA Support Project or have been selected by a government as a preferred delivery organisation and which comply with the general eligibility criteria in section A, will be assessed in a project-specific context. This assessment will follow the standards established for German financial cooperation. The TSU can provide further information on this process where required.

2.5 Implementing partners¹

At national level, the national government's strong involvement and ownership is essential for the success of the NAMA Support Project. Government institutions (national ministries and other sector institutions) must be strongly committed to managing and implementing the NAMA Support Project within the framework of the overarching NAMA.

Implementing partner for technical cooperation (TC):

Implementing partners of the TC component are national (sector) ministries and other public and/or private entities mandated by the national government to implement the NAMA Support Project. An implementing partner actively contributes to achieving the specific objectives of the TC component of the NAMA Support Project (outputs).

Implementing partner for financial cooperation (FC):

Usually a financial institution, such as a regional or national development bank, is involved in designing appropriate financial instruments and allocating funds for the planned measures in the NAMA Support Project. This financial institution will fulfil the role of an implementing agency for the financial cooperation component. The implementing agency must comply with national and international standards and rules accepted in international development cooperation, and must align with the processes and requirements put in place by the NAMA Facility for monitoring and evaluation, reporting etc. Please refer to the specific eligibility criteria for qualified delivery organisations to see the requirements for an implementing agency. Please note that there is no requirement for the implementing agency to be a national institution, but local presence is crucial. Agencies are expected to be existing entities with a proven track record.

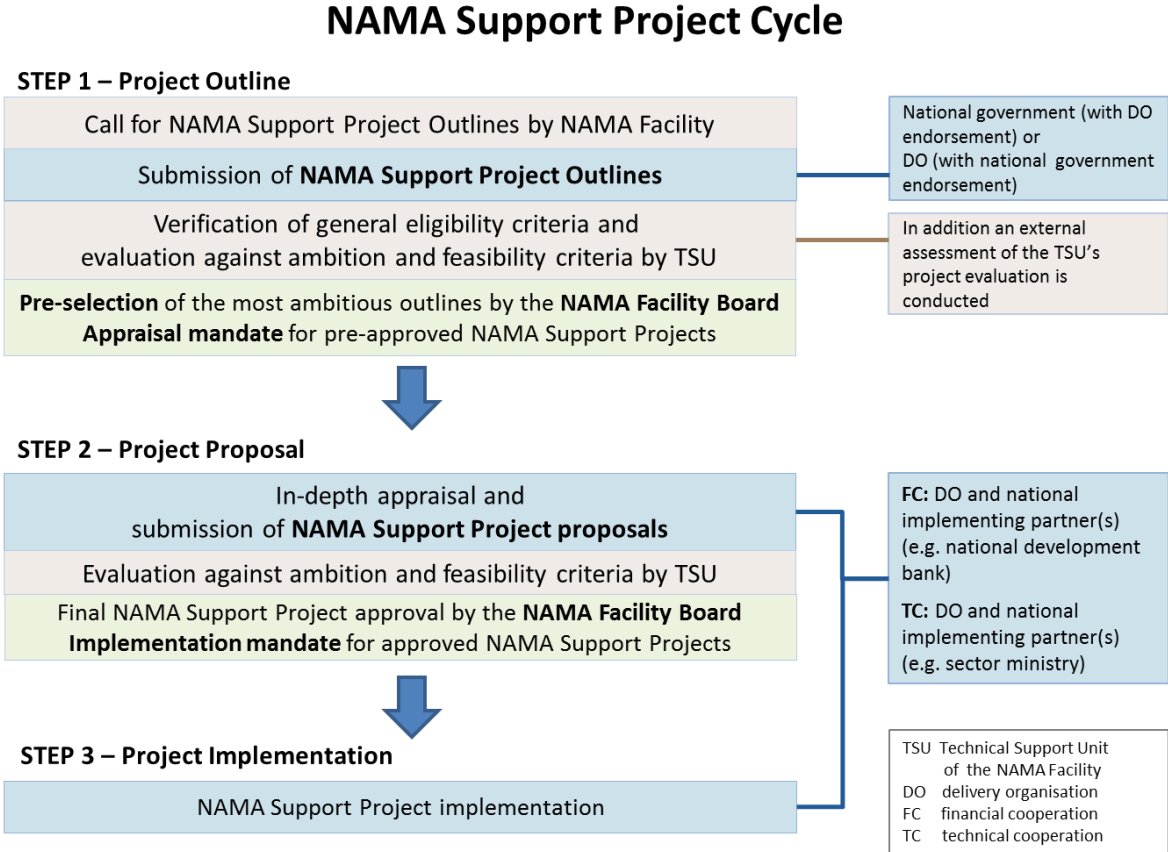
3 The selection process

The NAMA Facility aims to fund the implementation of the most promising and ambitious NAMA Support Projects that are submitted. For this purpose, a transparent and competitive selection process has been developed.

The selection process is initiated by the NAMA Facility Board via a public call for NAMA Support Project Outlines. Generally, the selection and implementation of NAMA Support Projects follows a three-step process. This process is illustrated in figure 5 below and will be further specified in the following sections.

¹ 'Implementing partners' are also referred to as 'implementing organisations' or 'implementing agencies' in the partner countries.

Fig. 5: Selection of NAMA Support Projects and Implementation



3.1 Submission of project outlines and the Board decision (Step 1)

The NAMA Facility invites national governments and delivery organisations to submit NAMA Support Project Outlines via a competitive call for proposals. When a public call for NAMA Support Project Outlines is launched (via the NAMA Facility website and relevant mailing lists), all relevant information and documents will be available on the official website of the NAMA Facility, www.nama-facility.org. When submitting NAMA Support Project Outlines it is mandatory to use the up-to-date templates published on this website. The NAMA Support Project Outline must be submitted in English.

3.1.1 Submission of NAMA Support Project Outlines

In general, outlines for NAMA Support Projects (NSPs) may be submitted by national governments and/or qualified delivery organisations (for the eligibility criteria please refer to section 3.2.1). In order to ensure the full endorsement of the national government and the willingness of the delivery organisation to act as such, the NAMA Support Project Outline should be accompanied by letters of support from both the national government (the

ministry responsible for climate protection including UNFCCC climate negotiations and also the ministry responsible for the sector) and the delivery organisation(s).

For each NAMA Support Project, one or a consortium of qualified delivery organisation(s) must be nominated to support the implementation of the NAMA Support Project. Demonstrating that well-established delivery organisations are responsible for financial and/or technical cooperation will help to ensure that NAMA Support Projects are implemented successfully.

Note: Please consider the criteria for qualified delivery organisations provided in section 2.4.

The full support of the national government is seen as crucial to the success of a NAMA Support Project and its wider impact. Therefore, if a delivery organisation is submitting an outline for a NAMA Support Project, it is essential to provide full evidence of the partner country's support. Furthermore, in-depth consultations with the national government need to take place (see above).

3.1.2 The NAMA Support Project Outline template

The template for NAMA Support Project Outlines provides guiding questions in each section to facilitate the submission of well-structured outlines and ensure comparability.

The template for NAMA Support Project Outlines asks for information on:

- the overall context of the NAMA Support Project and the extent to which it is embedded in an overarching NAMA and/or other national policies and strategies (see. Fig 1),
- the transformational character of the overarching NAMA,
- the (investment) barriers in the sector and how they are addressed by the NAMA Support Project,
- planned activities, outputs, outcomes and impacts,
- the financial mechanism(s),
- the project's (cooperation) structure,
- the detailed budget for the in-depth appraisal of the NAMA Support Project, and
- the estimated budget for the implementation of the NAMA Support Project.

As noted above, the combination of technical and financial cooperation elements might lead to two delivery organisations being involved, one for the FC and one for the TC component. In spite of this formal distinction, it is essential that both components are closely associated with one another. For example, both components should contribute to the joint project goal of the NAMA Support Project (outcome), and a common goal of both components should be presented in the general section of the outline template. In addition to the general section, the outline template includes specific sections in which the technical and financial cooperation components should be presented in more detail.

3.1.3 Selection process and Board decision

All the NAMA Support Project outlines that are submitted will be assessed on a set of selection criteria. Firstly, NAMA Support Projects will be evaluated on general eligibility criteria (as listed in section 3.2.1). These serve to evaluate whether NAMA Support Projects fulfil the basic requirements for the successful implementation in terms of their financial and technical support instruments. Non-compliance with any one of the eligibility criteria will lead to the NAMA Support Project Outline being excluded from further evaluation.

All outlines that meet the eligibility criteria will be assessed on a set of ambition and feasibility criteria (as listed in sections 3.2.2 and 3.2.3). The ambition and feasibility assessment is based on a point-grade system.

The evaluation is conducted by the TSU, which then forwards its assessment to the NAMA Facility Board. The decision as to whether outlines will be pre-approved or rejected is taken solely by the NAMA Facility Board.

The NAMA Facility is fully committed to transparency in terms of its decision-making processes. To ensure that this remains the case, an independent review of the evaluation of project outlines takes place before the NAMA Facility Board reaches its decision in order to guarantee impartiality. For the first bidding round, the independent review was conducted by KPMG and is available [here](#).

NAMA Support Projects that were not selected during a bidding round can be resubmitted in subsequent bidding rounds.

3.2 Selection criteria guiding the evaluation of NAMA Support Project Outlines (Step 1)

The evaluation process is guided by the selection criteria. The NAMA Facility uses different types of criteria:

- eligibility criteria
- ambition criteria
- feasibility criteria

Further details on the three types of criteria used to assess NAMA Support Project Outlines during Step 1 are provided in the following sections (3.2.1, 3.2.2 and 3.2.3).

3.2.1 Eligibility criteria for NAMA Support Project Outlines

Eligibility criteria will be applied during the first step of the selection process (Step 1). These eligibility criteria form the first stage of the selection process: to be considered further, projects will need to meet all the eligibility criteria. Eligibility criteria serve to ensure that the NAMA Support Projects that are outlined fulfil the essential requirements for the successful implementation in terms of their financial and technical support instruments.

Criterion	Definition/explanation/rationale
Formal requirements (yes/no)	Was the NAMA Support Project outline submitted on time, in the right format, in English?
Eligibility of the submitting entity (yes/no)	<p>Was the NAMA Support Project Outline submitted by a national government or a qualified delivery organisation?</p> <p>Comment: This criterion shall ensure the feasibility and quality of the implementation of the NAMA Support Project. For more details, please check the criteria for qualified delivery organisations provided in section 2.4 of this document.</p>
Endorsement by the national government/ letter of support (yes/no)	<p>Does the NAMA Support Project Outline provide written documentation to prove its full endorsement by the national ministry responsible for climate protection, including the UNFCCC climate negotiations, and by the relevant sector ministry or agency?</p> <p>The support letter(s) should contain a specific reference to the NAMA Support Project's title and state the name of the organisation selected to serve as a delivery organisation.</p> <p>Comment: There is widespread evidence suggesting that broad national ownership is a key requirement for the successful implementation of NAMAs.</p>
Cooperation with a qualified delivery organisation/letter of support (yes/no)	<p>Does the NAMA Support Project Outline provide written documentation that a qualified delivery organisation is supporting the NAMA Support Project?</p> <p>The support letter(s) should include the title of the NAMA Support Project and a reference to the national ministry that is responsible.</p> <p>Comment: Since a qualified delivery organisation will be required to facilitate the implementation of a NAMA Support Project, it is essential to secure the support of this delivery organisation prior to submitting the NAMA Support Project Outline. The delivery organisation must be ready to undertake an in-depth appraisal of the outlined NAMA Support Project and produce a fully-fledged project proposal that presents the results of its appraisal to the NAMA Facility Board for final funding approval.</p>
Readiness for implementation (yes/no)	<p>Does the outlined project aim to support the implementation of a NAMA and provide evidence that a reasonable level of project preparation has already been completed? Does the project directly mobilise capital investments?</p> <p>Comment: This criterion seeks to ensure that projects are in line with the objective of the NAMA Facility, which is to offer support for the implementation as opposed to the preparation of NAMAs.</p>
Time frame for implementation (yes/no)	<p>Does the time frame of the outlined NAMA Support Project envisage the project starting within three to twelve months after its pre-approval by the NAMA Facility Board? Does it envisage the NAMA Support Project coming to an end within three to five years?</p> <p>Comment: This criterion shall ensure that selected NAMA Support Projects can be implemented quickly.</p>
ODA eligibility (yes/no)	<p>Do the envisaged NAMA Support Project and any associated investments qualify as ODA?</p> <p>Comment: Funding provided by BMUB and DECC needs to qualify as ODA.</p>

Financing volume (yes/no)	Does the NAMA Support Project Outline envisage overall support of between EUR 5-15million? Comment: This criterion seeks to ensure that NAMA Facility funds will be used to fund a variety of projects that are large enough to achieve transformational change. Bodies that submit project outlines need to explain in detail the funding requirements for the outlined NAMA Support Project, and these will be taken into account when assessing the project on this criterion.
Concept for the phase-out of support (yes/no)	Does the NAMA Support Project Outline provide a feasible plan for the phasing-out of international support? Comment: This criterion seeks to ensure that NAMA Facility support will lead to sustainable, long-lasting results. Support will only be granted if the outline demonstrates when the need for support will come to an end. If future support is required beyond the termination of the project, a feasible plan for seeking such support should be in place.

3.2.2 Ambition criteria for NAMA Support Project Outlines

Ambition criteria are applied to NAMA Support Project Outlines that fully comply with the eligibility criteria listed above. The ambition criteria seek to ensure that the NAMA Facility supports the most ambitious and feasible projects. Projects are assessed via a point-grade system.

Criterion	Definition/explanation/rationale
Potential for transformational change	<p>Does the outlined NAMA Support Project contribute to a transformation of national or sectoral development towards a less carbon-intensive development path?</p> <p>In general, there can be different arguments for the transformational impacts of a NAMA Support Project. The argument for the transformational impact of a NAMA Support Project has to be closely aligned with the specific project and country context, and with the broader context of the country's mitigation strategy/NAMA in the sector.</p> <ul style="list-style-type: none"> - Is the outlined NAMA Support Project part of a broader programme or policy framework that contributes to achieving an ambitious sectoral or national emission reduction target or implementing a low-emission development strategy? Would the achievement of the emission reduction target or implementation of the low-emission development strategies contribute to bringing the target country onto a low-carbon development path? Does the outlined NAMA Support Project fit into a broader context of mitigation activities in the sector? - Does the outlined NAMA Support Project help to change the prevailing structures of the sector that contribute to high emission levels? Please refer to the starting situation of the country and the sector. Does the NAMA Support Project help to overcome systemic barriers to the reduction of emissions, and if so, how? - What transformational impacts does the outlined NAMA Support Project have beyond the scope of the project? - Does the outlined NAMA Support Project develop capacities to reduce future GHG emissions beyond the scope of the project? - Does the outlined NAMA Support Project serve to strengthen the institutional capacities of the national system, as described for example in the aid effectiveness criteria of the OECD/DAC?

	<ul style="list-style-type: none"> - Does the outlined NAMA Support Project envisage the participation and/or development of the private sector? What is the specific contribution of the private sector to transformational change potential? - Does the outlined NAMA Support Project adopt an innovative approach to reducing emissions, which can have impacts beyond the specific NAMA Support Project (e.g. technology transfer)? - Is the outlined NAMA Support Project replicable in terms of its applicability in other regions, countries and internationally? <p>Please note: In line with the UK’s announcement made at the climate change conference in Warsaw, the NAMA Facility does not support coal-related projects except in rare circumstances in which the poorest countries have no feasible alternative.</p>
Sustainable development co-benefits	<p>Does the outlined NAMA Support Project provide additional sustainable development co-benefits beyond the reduction of GHG emissions?</p> <p>Co-benefits are considered a key element for creating country ownership and can have an important impact on the long-term sustainability of a NAMA Support Project. NAMA Support Project Outlines should therefore explicitly state which additional sustainable development co-benefits will be achieved via the NAMA Support Project beyond the reduction of GHG emissions.</p>
Financial ambition	<p>Does the outlined NAMA Support Project envisage or have the potential to mobilise a substantial funding contribution from other (public or private) sources?</p> <p>NAMA Support Project Outlines should specifically detail additional funding contributions leveraged through the outlined NAMA Support Project and, where applicable, within the broader context of mitigation activities in the (sub-) sector that create the backdrop to the NAMA Support Project. This includes both directly mobilised funds and funding that will be mobilised indirectly. The list below includes the different aspects that will be considered when evaluating outlines for NAMA Support Projects. Please note that the financial ambition of a NAMA Support Project will be considered against the specific project, sector and country background.</p> <ul style="list-style-type: none"> - Does the NAMA Support Project reduce or remove market barriers? Please reflect specifically on the financial barriers and the instruments used to address these barriers. - Does the NAMA Support Project provide opportunities for investments in GHG mitigation activities by the private sector? Please specify and quantify these opportunities. - Does the NAMA Support Project envisage a financial contribution from the private sector? How will the NAMA Support Project mobilise private investments? - Does the NAMA Support Project envisage a financial contribution from the host country’s national budget? Please specify the status of the expected financial contribution to the NAMA Support Project. The NAMA Facility encourages contributions from the country’s national budget proportionate to the country’s economic capacity (GDP per capita). If applicable, does the host country provide a financial contribution to a broader range of mitigation activities in the (sub-) sector that create the backdrop to the NAMA Support Project? - With regard to financial contributions from the private sector and the country’s national budget, please refer to the financial mechanism(s) to be applied, if relevant. - Does the NAMA Support Project envisage a financial contribution from other donors? If applicable, do donors contribute to a broader range of mitigation activities in the (sub-) sector?

	<ul style="list-style-type: none"> - Does the NAMA Support Project provide a financially viable phase-out concept?
Mitigation potential	<p>Does the outlined NAMA Support Project envisage substantial direct and indirect GHG emission reductions?</p> <p>NAMA Support Project Outlines should provide estimates for expected reductions in direct GHG emissions as a result of the NAMA Support Project and explain whether and how indirect mitigation effects will be achieved. The mitigation potential of a NAMA Support Project must be aligned to and will be considered against the specific project, sector and country background. This also includes the cost-effectiveness of GHG reductions.</p> <ul style="list-style-type: none"> - Are the underlying assumptions that define the baseline provided in the outline, and are these robust? - Are the calculations of the expected reduction in direct GHG emissions over the course of the project and the projection over the next ten years against the specified baseline robust? - Are the assumptions and calculations relating to indirect mitigation effects robust? - What are the assumptions made when calculating the cost-effectiveness of the planned measures/activities, and how have these figures been derived?

3.2.3 Feasibility criteria for NAMA Support Project Outlines

Feasibility criteria are applied to all the NAMA Support Project Outlines that comply with the eligibility criteria for these outlines. Feasibility criteria seek to ensure that the NAMA Facility supports projects that are not only highly ambitious but also feasible, and therefore promising and likely to be implemented successfully.

This evaluation scheme allows for the ranking of eligible projects according to their overall level of ambition as well as feasibility.

Criterion	Definition/explanation/rationale
National and international embeddedness	<p>Is the current national climate change policy aligned with national (development) strategies and/or (sub-) sector strategies, and relates to international agreements? Is clear evidence provided that the national government will support the NAMA Support Project?</p> <p>Has a legal framework been established that provides enabling conditions for project implementation? Are the technical and financial preconditions met and can project implementation start? Is the targeted sector prioritised in the national emission reduction plan?</p>
Project structure	<p>Is the structure of the NAMA Support Project in itself consistent and convincing? Is the scope of the NAMA Support Project defined? Are the government institutions that are involved clearly identified and committed to the project? Are the roles of the different stakeholders clearly defined and presented? How are stakeholders involved? Are the implementation steps clearly laid out and shown to be feasible? Are the planned methods, mechanisms and/or instruments appropriate for reaching the project goals? Are the proposed measures and/or activities appropriately designed for the</p>

	national context?
Log-frame and monitoring and evaluation (M&E)	<p>Is the log-frame and monitoring and evaluation (M&E) approach consistent with the NAMA Facility’s objectives?</p> <p>Are project hypotheses and goals realistic and measurable?</p> <p>Are the expected long-term impacts, outcomes, outputs and, activities appropriately selected and achievable by the envisaged activities and within the proposed time frame?</p> <p>Do the planned monitoring and reporting activities seem appropriate?</p>
Project finance	<p>Is the project finance and/or budget calculation feasible and consistent with the cost specification?</p> <p>Are the funds requested for the in-depth appraisal adequate, reasonable and consistent with the cost specification?</p> <p>Are the funds requested for implementing the NAMA Support Project adequate and reasonable given the planned activities?</p> <p>Are financial contributions from other sources (national budget, private, other international donors) secured?</p> <p>Is the distribution of funds over the course of the project consistent with the planned activities and implementation steps?</p>

3.3 In-depth appraisal and the NAMA Support Project Proposal (Step 2)

Once a NAMA Support Project has been pre-selected by the NAMA Facility Board, the delivery organisations are mandated to conduct an in-depth appraisal and prepare a detailed NAMA Support Project Proposal.

The delivery organisation(s) will be responsible for conducting an in-depth appraisal and due diligence of the NAMA Support Project and implementing partner organisations so as to ensure the project’s feasibility and produce a robust implementation plan. The in-depth appraisal will be guided by a template for NAMA Support Project Proposals, which will address the main aspects to be appraised.

Appraisal funding will be granted to delivery organisations based on the appraisal costs, as defined in the NAMA Support Project Outline. GIZ and KfW will subcontract third-party delivery organisations in order to safeguard the underlying contractual arrangements and legal requirements of the NAMA Facility, and to support the appraisal process. This includes the appraisal of the specific eligibility of the delivery organisation(s) as specified in the “Eligibility criteria for qualified delivery organisations” in section B (see section 3.4) by KfW and/or GIZ.

The project appraisal must comply with international standards for financial and technical cooperation, and should lead to the presentation of a fully-fledged NAMA Support Project Proposal to the NAMA Facility Board.

To prove that the NAMA Support Project Proposal is fully endorsed by the national government, written documentation must be provided confirming that the relevant national (sector) ministry, the ministry responsible for climate change (including the UNFCCC climate change negotiations) and the public entity responsible for the coordination of Official Development Assistance (ODA) have been consulted on the detailed concept and implementation plan and that they have endorsed this. This documentation must be annexed to the NAMA Support Project Proposal.

The TSU will evaluate the NAMA Support Project Proposal according to the ambition and feasibility criteria and inform the NAMA Facility Board of the results. The NAMA Facility Board will, at its sole discretion, ultimately decide to approve (or reject) the NAMA Support Project Proposal.

Once a project has been approved by the NAMA Facility Board, the delivery organisations will be commissioned to implement the NAMA Support Project.

If third-party delivery organisations are involved, GIZ and KfW in their roles as trustees of the NAMA Facility will subcontract the delivery organisations in order to safeguard the underlying contractual arrangements of the NAMA Facility.

In accordance with international practices, the support of the NAMA Facility will be formalised via an exchange of notes between the lead donor of the Facility and the partner government.

3.3.1 Feasibility criteria for NAMA Support Project Proposals

NAMA Support Project Proposals will be assessed on more stringent feasibility criteria than at the Outline stage. These are as follows:

Criterion	Definition/explanation/rationale
Overall project structure	Is the NAMA Support Project’s structure coherent and convincing? Are the government institutions involved clearly identified and committed to the project? Are the roles and various responsibilities of the different stakeholders clearly set out? Is the cooperation structure clearly laid out? Is the overarching project goal realistic? Does the project fit with the NAMA Facility’s ambition criteria? Do the FC and TC components align with the overarching project goal? Have barriers been identified and clearly addressed by the planned activities?
Overall embeddedness	Is the current national climate change policy aligned with national (development) strategies and/or (sub-) sector strategies, and relates to international agreements? Has the target sector been appropriately described? Is an enabling legal framework in place or being drawn up? Is the proposed NAMA Support Project integrated into the broader context of a NAMA for this sector? Is the NAMA Support Project aligned with the development goals and strategies of the sector?

Overall budget and financing structure	<p>Is the overall budget consistent with the FC and TC budget? Are the funds requested for the implementation of the NAMA Support Project reasonable for the planned activities and the specification of quantities?</p> <p>Is the distribution of funds over the course of the project consistent with the planned activities? Is the financial contribution from other sources (national budget, private and other international donors) planned and secured?</p>
National implementing partners and subcontractors (FC and TC component)	<p>Have the national implementing partners and subcontractors been reasonably selected?</p> <p>Are the legal form, institutional status and decision-making powers of the implementing partners and subcontractors consistent with their project responsibilities? Do they enjoy legitimacy from the point of view of the target group and intermediaries?</p> <p>Do the implementing partners have sufficient financial and human resources to implement the project, and is there evidence of this?</p>
Target groups and stakeholders (FC and TC component)	<p>Are the relevant target groups for the NSP identified? Will the target groups be appropriately involved in implementing the NAMA Support Project?</p> <p>Are the key stakeholders identified? Are stakeholders appropriately involved in the implementation process?</p> <p>Have the goals and interests of the relevant stakeholders in relation to the NAMA Support Project been identified?</p>
Log-frame and M&E Framework (FC and TC component)	<p>Are the expected long-term impacts, outcomes, outputs and activities appropriately selected and achievable by the envisaged activities and within the proposed time frame?</p> <p>How do they relate to the ambition criteria of the NAMA Facility? Do they correspond to the NAMA Facility's M&E framework? Is the overall theory of change reasonable and appropriate?</p>
Implementation process and planned instruments (FC and TC component)	<p>Are the implementation steps appropriate and feasible? Is the implementation time frame realistic?</p> <p>Is the GANTT chart well developed and robust? Have milestones been identified? How do they relate to one another and do they fit with the project goal?</p> <p>Are the planned methods, mechanisms and instruments appropriate for reaching the project goals?</p>
Risks and risk assessment (FC and TC component)	<p>Have the relevant risks been identified and have they been properly addressed by the planned activities? Have appropriate measures to mitigate the risks been identified? Can these measures reduce the risks to such an extent that the success of the project is not in danger?</p>
Assessment of environmental, social and climate change standards (FC and TC component)	<p>Is an in-depth environmental, social impact and climate change assessment required? Has a screening been conducted? Has the impact of the planned activities/measures been assessed?</p>
Budget and financing structure (FC and TC component)	<p>Are the funds requested for the implementation of the NAMA Support Project reasonable for the planned activities and the underlying quantitative structure? Is the distribution of funds over the years consistent with the planned activities and the specification of quantities? Is the FC component of the project economically justifiable? Is the choice and set-up of the financial mechanism(s) appropriate and economically justifiable? Is the distribution of TC funds for personnel, material expenses and investments appropriate?</p>

3.4 NAMA Support Project implementation (Step 3)

Following the final approval of a NAMA Support Project by the Board, the delivery organisation will enter into contractual arrangements with the relevant partners for implementing the NAMA Support Project.

All the rules and procedures for implementing NAMA Support Projects, which have been defined in the underlying contractual arrangements between DECC, BMUB, GIZ and KfW, shall be reflected in the NAMA Support Project's contractual arrangements.

If a NAMA Support Project selected by the Board has nominated qualified delivery organisation(s) other than KfW/GIZ, these will be subcontracted by KfW and/or GIZ to implement the NAMA Support Project. This is necessary in order to safeguard the underlying contractual arrangements of the NAMA Facility and meet donors' requirements.

4 Monitoring and evaluation (M&E)

Monitoring and evaluation will be an important part of the NAMA Facility. It will be based on the Monitoring and Evaluation (M&E) Framework established by the NAMA Facility Board. The NAMA Facility M&E Framework provides guidance on monitoring and reporting requirements for both core mandatory indicators and additional sector-specific indicators. The NAMA Facility M&E framework will be monitored and revised if appropriate in the light of lessons learned from implementing NAMA Support Projects.

Monitoring and evaluation of the NAMA Facility will take place at both an individual project level and the overall NAMA Facility level.

4.1 Monitoring and reporting requirements at project level

The M&E Framework of the NAMA Facility is in line with the results-based monitoring policies of BMUB and DECC. It addresses both the reductions in GHG emissions as a result of the NAMA Support Project and the project's contributions to moving the partner country towards a low-emission development path in accordance with the ambition criteria of the NAMA Facility. The Monitoring and Evaluation Framework established by the NAMA Facility Board is available on the official www.nama-facility.org website. Delivery organisations are requested to provide an M&E plan in the first year of implementing a NAMA Support Project.

- Delivery organisations are also required to report regularly to the TSU with the following:
- Semi-annual report: checklist on progress of project and financial reporting.

- Annual project report: describes the status and progress of the project, provides an update on the implementation schedule, reports on indicators and risks as observed in the log-frame and gives feedback on the financial status of the project.
- Final project report: A final report of the NAMA Support Project must be submitted within six months of the end of the project. 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.

TSU will assess the performance of the NAMA Support Project on the basis of the log-frame, the M&E plan and the reports provided by the project, and will check documents against the M&E framework established by the Board. The NAMA Facility Board may decide to conduct an external evaluation of the project mid-term or following conclusion of the project.

4.2 Monitoring and evaluation requirements at NAMA Facility level

Monitoring and evaluation will take place not only at the specific NAMA Support Project level but also at the level of the NAMA Facility. This includes three basic elements:

- Semi-annual and annual NAMA Facility review: The Technical Support Unit will undertake a regular Facility review to assess the performance of the NAMA Facility as a whole on the basis of the M&E framework established by the Board. The reviews will be based on the semi-annual and annual project reports and on data gathered at the overall NAMA Facility level. The reviews will also offer a background against which to determine lessons for broader application.
- Final NAMA Facility review: A final review of the NAMA Facility as a whole will be conducted by the trustees (GIZ and KfW) to assess the performance of the Facility and its contribution to related outcomes. A mid-term evaluation conducted by an independent party will analyse the performance of the NAMA Facility and inform BMUB and DECC of the lessons learned and the areas in which there is potential for improvement or refinement, which might also include the scale or focus of the NAMA Facility.
- Final evaluation: The NAMA Facility as a whole will be evaluated ex-post by an independent party.