

# Before You Submit the NSP Outline: *Critical Questions & DOs and DON'Ts*

## General

- Make sure that the country where your NSP will be implemented has submitted its enhanced NDCs (the first updated NDCs as defined by UNFCCC) to UNFCCC. Have you provided the required data in the NSP Outline template?
- Does your NSP align with the NAMA Facility's key goal and mandate of mitigating GHG emissions as a primary focus? Has your NSP been developed as technology agnostic until the most impactful (emissions-wise), suitable (context-wise) and feasible (cost-wise) technology was selected? *Make sure to clearly reflect this process in the Outline template!*
- Is the overall project intervention realistic in its scope and boundaries (incl. geography, types of technology supported, budget, timeline, speed of an uptake of the resources made available through your NSP)?
- Does your NSP focus only on the supply or demand side of the mitigation technology or practice? If yes, are you still mindful of the relevant considerations associated with the other side? *Remember that even if your NSP will focus only on one side of the market, your success will depend on both.*
- Reflect on the barriers identified for the mitigation technology or practice that the NSP intends to promote - is the list complete and covers besides financial also social, political and behavioural barriers? Can the barriers (even market barriers) be overcome through the introduction of a financial mechanism or can they be tackled through regulatory (market-based and/or command and control) measures?
- Are the social, economic and environmental co-benefits mentioned in the NSP Outline able to further drive the transformational change sought?
- Are the numbers provided in the NSP Outline application (e.g. GHG emission reductions, budget, business model etc.) consistent and coherent throughout the different application documents (e.g. Outline body, logframe, Annex 5a and 5b, Annex 6)? *Make sure that all numbers match in and across the documents.*
- Does your NSP realistically assess and consider the scale and scope of all behavioral change needed in its intervention for all the relevant stakeholders (e.g. social customs, awareness levels, cultural attachment practices, amongst many others)? If the change is not achieved, what are the consequences for the NSP's transformation potential?
- Does the NSP properly account for and consider political risks related, e.g. to the introduction of fees and taxes? How will the barrier of the "culture of non-payment" be overcome?
- Does NSP's logframe account for and explain all relevant risks? *Be sure to propose the risk reduction measures wherever possible and indicate your assumptions.*

## Additionality

- *Reflect on the lessons learnt of other past/ongoing initiatives in the sector/sub-sector in which the NSP intervenes.* Have these lessons been embedded into the NSP design and rationale? What aspects in the relevant sector/sub-sector market are NOT covered by past or ongoing initiatives? Is the NSP designed to cover this gap?

## Replicability/Scalability

- Does your NSP lay the foundation for further upscaling and replication through its financial mechanism and/or measures foreseen under the technical component?

## Sustainability

- What is the phase-out strategy for the NSP and the resources it made available? How will the results be sustained? What will happen to the funds provided by the NAMA Facility as part of the financial mechanism in the "post-NSP" period?

## DO's

## DON'T's

### NSP Outline

#### General Remarks

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| <ul style="list-style-type: none"><li>✓ Do conduct market studies and stakeholder interviews as well as engage with the private sector as part of developing the NSP Outline.</li><li>✓ Do keep in mind that the NAMA Facility focuses on supporting the implementation of ambitious mitigation actions, so make the maximization of the GHG emission mitigation potential one of the core objectives of your NSP Outline</li><li>✓ Do keep the long-term sustainability of your intervention in mind and focus on NSP's transformational effect.</li></ul> | <ul style="list-style-type: none"><li>✗ Don't make generalised assumptions which don't reflect the context or needs of the target group.</li><li>✗ Don't develop an NSP Outline taking a specific mitigation technology or practice you want to promote as a starting point.</li><li>✗ Don't design an NSP as a one-off scheme which can barely be upscaled or replicated (e.g. using NAMA Facility funding as a grant to make one specific intervention).</li><li>✗ Don't use buzzwords (e.g. "circular economy") without proper substantiation.</li></ul> |
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#### 2.1 Barrier Analysis

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| <ul style="list-style-type: none"><li>✓ Do include social, behavioural, political, and environmental considerations in your barrier analysis, along with the financial/economic ones.</li><li>✓ Do dig deeper when addressing barriers and explain why each particular barrier exists keeping in mind the various target groups of the NSP.</li><li>✓ Do make sure that your barrier analysis is context-specific and is based on real onsite observations in the country of implementation.</li><li>✓ Do make sure that the barrier analysis covers all target groups relevant for the NSP, including, if applicable, the informal sector.</li></ul> | <ul style="list-style-type: none"><li>✗ Don't generalise when describing barriers by using broad "one-fits-all" formulations like "lacking access to commercial financing" or "risk-aversion".</li><li>✗ Don't neglect the barriers posed by existing subsidies or other relevant financial incentives and/or disincentives (e.g. tariffs in the energy sector).</li></ul> |
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#### 2.2 Project Rationale

##### Starting Situation

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| <ul style="list-style-type: none"><li>✓ Do provide a clear justification when proposing a pilot (e.g. innovation, need to kickstart technology introduction in a market). Make sure to think about potential paths to scalability.</li><li>✓ Do make sure that you describe how the NSP addresses key barriers identified and listed under 2.1 Barrier analysis.</li></ul> | <ul style="list-style-type: none"><li>✗ Don't ignore the barriers identified in the barrier analysis when describing the starting situation and the NSP's role in changing it.</li></ul> |
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##### Scope of the NSP

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| <ul style="list-style-type: none"><li>✓ Do properly account for a realistic timespan needed for behavioural changes and changes in policy frameworks.</li><li>✓ Do "think big" and explain how the NSP will trigger a transformation.</li></ul> | <ul style="list-style-type: none"><li>✗ Don't ignore risks and uncertainties around the proposed changes.</li><li>✗ Don't assume that the change will happen on its own due to e.g. one successful pilot or demonstration case.</li></ul> |
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##### Target Group

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| <ul style="list-style-type: none"><li>✓ Do consider all actors that will be relevant for the mitigation technology or practice promoted by the NSP from the lifecycle perspective (from production to final disposal), including authorities at different levels of governance, private sector companies, utilities, financial institutions, informal sector actors, etc.</li><li>✓ Do try to provide a "snapshot" of the profiles of different target groups, including their needs and interests, socio-economic status and, educational background.</li><li>✓ Do specify what would serve as an incentive for the target group to take part in the NSP and its activities.</li></ul> | <ul style="list-style-type: none"><li>✗ Don't exclude certain relevant stakeholders from your target groups due to the fact that you as an applicant don't have a communication and coordination channel with them.</li><li>✗ Don't generalize the target group, e.g. 200,000 beneficiaries.</li><li>✗ Don't homogenise the stakeholders to fit them within one target group (e.g. assuming that all private companies in the sub-sector/sector have the same interests, needs and problems).</li><li>✗ Don't take for granted that all target groups identified will be eager to participate in the NSP and/or accept the solutions proposed.</li></ul> |
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## 2.3 Project Concept

### Proposed Technologies/Practices

- ✓ Do consider the entire lifecycle of a mitigation technology or practice, including the stages of production and disposal, and by-products generated.
- ✓ Do propose one concrete mitigation technology or a limited number of concrete mitigation technologies to remain specific and showcase that you know what will fit the conditions on the ground.
- ✓ Do make sure to describe alternative mitigation technologies or practices considered by the NSP and explain why they are less suitable.
- ✓ Do consider a realistic timeline needed for a roll-out of the mitigation technology or practice.
- ✓ Do describe the after sales services capacities as well as the warranty offerings of the technology suppliers.
- ✗ Don't ignore potential adverse environmental and climate impacts of the mitigation technologies or practices.
- ✗ Don't be generic and vague in the description of the mitigation technology or practice.
- ✗ Don't try to cover too many technologies / practices as it will blur the focus and the boundary of the NSP.

### Business Case

- ✓ Do realistically consider needs, vested interests, behaviours, economic conditions and choices of various target groups.
- ✓ Do use market studies and stakeholder interviews to substantiate the NSP's business case.
- ✓ Do remain realistic with respect to the risks of default or non-payment of fees or taxes that NSP's business case depends on.
- ✓ Do remain realistic in terms of the time needed to implement reforms, particularly fiscal reforms.
- ✗ Don't apply unsubstantiated generalised assumptions as a basis for the NSP's business case.
- ✗ Don't ignore market volatilities and uncertainties.
- ✗ Don't ignore the side of the market (demand or supply) that the NSP does not explicitly focus on.
- ✗ Don't rely too much on the mechanisms and tools that are only planned to be implemented by the government (e.g. tax exemptions, emission trading systems etc.).

### Financial Support Mechanism

- ✓ Do focus on scalable financial mechanisms that can kick-start the market for the mitigation technology or practice as well as lead to long-term sustainability.
- ✓ Do focus on how the financial support mechanism is appropriate for overcoming the barriers identified during the barrier analysis, and ensure a clear causal link between the barriers identified and the financial mechanism proposed.
- ✓ Do analyse the financing needs of both the demand and supply sides of the technology when designing the financial support mechanism.
- ✓ Do account for bureaucratic hurdles and delays related to the set-up of the financial mechanism. *Make sure to involve the relevant stakeholders (i.e. executive authorities in the sector of finance) early on!*
- ✗ Don't create financial support mechanisms which are of a one-off nature and cannot sustain change.
- ✗ Don't offer a financial mechanism that is detached from the financial and market barriers identified during the barrier analysis.
- ✗ Don't neglect the lack of awareness and/or procedures that financial institutions might have regarding mitigation technologies / practices.
- ✗ Don't skip analysis of alternative financial mechanisms (including an explanation why they are not suitable).

### Technical Assistance

- ✓ Do consider all aspects of the mitigation technology or practice arising during the lifecycle and clearly indicate which issues are addressed by the NSP and which by other initiatives.
- ✓ Do link the technical assistance measures to the needs of the target group(s) as described under 2.2 Project rationale.
- ✓ Do take gender issues into account (e.g. women empowerment through capacity-building), as well as social equity and equality if relevant to the NSP.
- ✗ Don't offer a generic and vague technical assistance package.
- ✗ Don't duplicate activities that are already implemented in the relevant country and sector by other initiatives (or do substantiate why the NSP should duplicate these activities).
- ✗ Don't offer an overly ambitious and comprehensive technical assistance package detached from the scope and boundary of the NSP.

## 2.4 Embedding Sustainable Development Co-benefits

- ✓ Do clearly outline the co-benefits associated with the NSP and clearly explain how the NSP will foster them.
- ✗ Don't include co-benefits that are not directly related to the NSP, e.g. reduced emissions because of the Covid-19 pandemic.

## Related Initiatives, Programmes, and Projects

- ✓ Do describe the lessons learnt from other projects or activities in the sector/sub-sector that your NSP intervenes in.
- ✗ Don't ignore the possibility to engage with other ongoing projects earlier to establish potential synergies.
- ✓ Do try to cover all relevant initiatives - both national and international.

## 3.2 Financial Ambition Financial Contribution from Private / Public Sector

- ✓ Do provide a clear estimation of the funds that can be leveraged in both private and public sectors indicating your assumptions and limitations.
- ✗ Don't overestimate public or private financial contributions.
- ✓ Do attach a respective letter of support or any kind of other confirmations if the NSP managed to leverage co-financing from another public or private actor.
- ✗ Don't try to cater for a financial leverage that is perceived as "appropriate for the NAMA Facility" but unrealistic in practice.
- ✗ Don't make unsubstantiated claims.

## 3.3 Mitigation Ambition

- ✓ Do make sure that the numbers in the Outline match the numbers in Annex 6.
- ✗ Don't mix up "direct" and "indirect" GHG emission reductions when filling in the table.

## Annex 5a and 5b – Financial Mechanism and Business Case

- ✓ Do fill in Annex 5a to the greatest possible extent.
- ✗ Don't use hard-coded figures.
- ✓ Do provide sources of data and indicate underlying assumptions when describing the financial mechanism and the business case.
- ✗ Don't apply unsubstantiated assumptions and/or numbers.
- ✓ Do describe alternative financial mechanisms and explain why they have been rejected by the NSP.
- ✗ Don't submit an empty / inappropriately filled Annex.
- ✓ Do run sensitivity scenarios for the NSP's business model and make sure to reflect it properly in Annex 5a/5b.
- ✗ Don't ignore questions posed in the Annex, leaving the response field empty.
- ✓ Do follow the instructions and requirements set out in the Annex.
- ✓ Do check the [NAMA Facility Podcast on Annex 5a](#).

## Annex 6 – GHG Mitigation Potential

- ✓ Do take the time to read the explanation in Annex 6 to understand the difference between "direct" and "indirect" emission reductions.
- ✗ Don't assume that the definitions for "direct" and "indirect" are equal to those applied by the GHG protocol or other similar methodologies.
- ✓ Do remain conservative in your estimations.
- ✗ Don't use hard coded figures.
- ✓ Do account for rebound and leakage effects. *Make sure to mention these effects even if they cannot be quantified.*
- ✗ Don't apply unsubstantiated assumptions and/or numbers.
- ✓ Do follow instructions and requirements set out in the Annex.
- ✓ Do ensure to allocate a sufficient amount of time to fill in the Annex. *This Annex is extremely important, but is demanding to prepare.*
- ✓ Do check the [NAMA Facility Podcast on Annex 6](#).