



Food and Agriculture  
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United Nations

# No-objection procedure for the Republic of North Macedonia



Republic of North Macedonia  
Government of the Republic of North Macedonia



Green development  
Republic of North Macedonia



# No-objection procedure for the Republic of North Macedonia

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# Contents

Preface	
Acknowledgements	
Acronyms .....	<b>viii</b>
No-objection procedure .....	<b>1</b>
1.Country Ownership and the work of the Green Climate Fund .....	<b>1</b>
2.Country Ownership in the Republic of North Macedonia .....	<b>3</b>
2.1.National Designated Authority nomination .....	<b>3</b>
2.2.Country Coordination mechanism on Green Climate Fund matters.....	<b>5</b>
2.3.Rules of procedure of the Strategic Advisory Committee as part of the Coordination Mechanism on GCF/climate finance matters.....	<b>8</b>
2.4.National Designated Authority and other stakeholders capacities and needs .....	<b>11</b>
3.No-objection procedure in the Republic of North Macedonia .....	<b>21</b>
Phase 1: Raising awareness and engaging stakeholders .....	<b>22</b>
Phase 2: Strategic prioritization and programming exercise.....	<b>23</b>
Phase 3: No-objection and access to finance.....	<b>29</b>
Phase 4: Implementation and lessons learned .....	<b>46</b>
References .....	<b>47</b>
Annexes.....	<b>48</b>
Annex 1: Project idea template .....	<b>48</b>
Annex 2a: Confirmation letter template for project ideas .....	<b>55</b>
Annex 2b: Rejection letter template for project ideas.....	<b>56</b>
Annex 2c: Endorsement letter template (technical check) .....	<b>57</b>
Annex 2d: Review sheet for assessing project proposals at different phases of the No-objection process.....	<b>58</b>



# Preface

The Republic of North Macedonia (RNM), as a party of the United Nations (UN) Framework Convention on Climate Change (UNFCCC), is fully committed to advancing climate action and the implementation of the Paris Agreement. In this sense, the Republic of North Macedonia announced its Nationally Determined Contribution (NDC) to reduce the CO<sub>2</sub> emissions from fossil fuels combustion for 30%, that is, for 36% at a higher level of ambition, by 2030 compared to the business as usual scenario. The CO<sub>2</sub> emissions from fossil fuels combustion cover almost 80% of the total GHG emissions in the country with a dominant share of the following sectors: energy supply, buildings and transport.

The Republic of North Macedonia is particularly vulnerable to climate change and in the forthcoming years, climate change will cause significant effects on important sectors, including agriculture, including forestry, fisheries and livestock production, energy, transport, health and tourism, leading to relatively high adaptation and mitigation costs. Climate change will adversely affect the country's natural resources, cultural heritage and socio-economic development. It will cause loss of ecosystems and biodiversity and will have impact on the overall economy, including the vulnerable populations (women, children, elderly, persons with special needs and low-income households).

Given the high costs of adaptation and mitigation and in the context of global climate action and implementation of Nationally Determined Contributions, availability of financial resources to finance urgent mitigation and adaptation measures is of great relevance to ensure the achievement of the overall objective of the UNFCCC.

In this context, the Republic of North Macedonia nominated the Cabinet of the Deputy President of the Government in charge of Economic Affairs as its National Designated Authority (NDA) to the Green Climate Fund (GCF) in 2016 and requested through this NDA an initial grant from the GCF to strengthen country capacities for strategic engagement with the Fund.

Through the Readiness and Preparatory Support Programme, the GCF assists the Government of the Republic of North Macedonia in strengthening mechanisms for in-country coordination as well as all the required procedures and criteria for the prioritization of climate investments to be submitted by the country for consideration and possible approval by the Green Climate Fund.

This technical document was developed in the context of the Project "Support for the management of an effective national coordinative mechanism regarding the Green Climate Fund" which engaged all relevant stakeholders in consultative processes aiming at prioritization of strategic climate investments for GCF funding. In this sense, this achievement was possible thanks to the work of FAO experts and the inputs of technical staff of relevant national institutions involved in the discussions over the last year, and in particular, thanks to the guidance and leadership of the Cabinet of the Deputy President of the Government in charge of Economic Affairs and the Ministry of Environment and Physical Planning of the Republic of North Macedonia.

This technical document is one means by which country ownership is strengthened for enhanced access to climate finance and for transparent and participatory technical assessment of country priorities in its engagement with the GCF. The document is structured in three key parts, including:

- **Country Ownership and the work of the GCF**, which aims to provide a general overview of the Country Ownership principle of the GCF and the general suggestions that the Fund provides to ensure country ownership in the context of access to climate finance.
- **Country Ownership in the Republic of North Macedonia**, which provides a brief description of the institutional setup and relevant elements to ensure country ownership in the Republic of North Macedonia in the context of the engagement with the Green Climate Fund, including description of the NDA and the proposed coordination mechanism on GCF matters.
- **No-objection procedure in the Republic of North Macedonia**, which provide detailed description of the procedure through which funding proposals will be assessed prior to submission to the GCF for consideration, including roles and responsibilities of the different stakeholders and the specific criteria, scoring system, templates and other important elements to support the NDA and the coordination mechanism.

Additional details on the procedure and other elements to strengthen country ownership are provided on the webpage of the National Designated Authority for the Republic of North Macedonia at [www.greendevlopment.mk](http://www.greendevlopment.mk)

The National Designated Authority and FAO as Delivery Partner for the GCF Readiness grant are confident that this technical document responds to the needs of the different stakeholders and will provide guidance and all the required elements for the development of high quality proposals in the Republic of North Macedonia for GCF financial support. It is expected that these efforts will contribute to the successful implementation of the Nationally Determined Contributions and to overall achievement of the objective of the United Nations Convention on Climate Change and Sustainable Development Goal (SDG) 13 on Climate Action.

# Acknowledgements

This technical document was prepared by the FAO Regional Office for Europe and Central Asia, under the leadership and guidance of the Cabinet of the Deputy President of the Government of the Republic of North Macedonia in charge of Economic Affairs as National Designated Authority to the Green Climate Fund (GCF).

This technical document was developed in the context of the implementation of the first GCF Readiness and Preparatory Support grant, under the overall coordination of Ms Tania Santivanez, Lead Technical Officer and Ms Carmen Arguello Lopez, FAO GCF Advisor.

The main authors of the report are Ms Natasha Bakreska-Kormusoska, National Coordination Mechanism Consultant, Ms Slavjanka Pejcinovska-Andonova, National prioritization procedures consultant and Ms Carmen Arguello Lopez, FAO GCF Advisor.

The authors would like to acknowledge the role of the members of the Strategic Advisory Committee within the National Council for Sustainable Development for their inputs and guidelines for the preparation of the No-objection procedure for the assessment of funding proposals to be submitted to the GCF.

Finally, the authors would also like to express their appreciation to the different public and private institutions who collaborated in the discussions to develop this document, showing interest in contributing to climate action in the Republic of North Macedonia.

# Acronyms

<b>AE</b>	Accredited Entity
<b>CBIT</b>	Capacity Building Initiative for Transparency
<b>CC</b>	Climate Change
<b>CN</b>	Concept Note
<b>CSO</b>	Civil Society Organizations
<b>DAE</b>	Direct Access Entity
<b>ESS</b>	Environmental and Social Safeguards
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organisation of the United Nations
<b>FP</b>	Focal Point
<b>GCF</b>	Green Climate Fund
<b>LSGs</b>	Local Self-Governments
<b>NAMAs</b>	Nationally Appropriate Mitigation Actions
<b>NAPAs</b>	National Adaptation Programs of Action
<b>NAP</b>	National Adaptation Plans
<b>NCSD</b>	National Council on Sustainable Development
<b>NDA</b>	National Designated Authority
<b>NDA-SAC</b>	National Designated Authority- Strategic Advisory Committee
<b>NDC</b>	Nationally Determined Contributions
<b>NoP</b>	No-objection Procedure
<b>MoEPP</b>	Ministry of Environment and Physical Planning
<b>PI_C</b>	Prioritization Criteria
<b>RNM</b>	Republic of North Macedonia
<b>SDGs</b>	Sustainable Development Goals
<b>SEA</b>	Secretariat of European Affairs
<b>SWG</b>	Sectoral Working Group
<b>tCO<sup>2</sup>eq</b>	Tons of Carbon Dioxide Equivalent
<b>TWG</b>	Technical Working Group
<b>UNFCCC</b>	United Nations Convention on Climate Change
<b>4NCCC</b>	4 <sup>th</sup> National Communication on Climate Change

# No-objection procedure

## 1. Country ownership and the work of the Green Climate Fund

The principle of Country Ownership is at the heart of the work the Green Climate Fund (GCF) conducts in the developing world; it is reflected in the Governing Instrument of the Fund, providing that “The Fund will pursue a country-driven approach and promote and strengthen engagement at country level through effective involvement of relevant institutions and stakeholders” (GCF, 2011)<sup>1</sup>. Particularly, the Fund will consider Country Ownership as the measure through which countries, through consultation with relevant national, local and community-level stakeholders, can demonstrate ownership of, and commitment to mitigation and adaptation to climate change (GCF, 2016)<sup>2</sup>. The Fund also recognizes that country ownership is a continual process, not a fixed state and that NDAs have a key role in driving institutional development and stakeholder engagement for establishing effective mechanism that addresses climate-related issues.

The relevance of this principle is incorporated in GCF’s Investment Framework, which includes Country Ownership as one of its six criteria. The Framework also recognizes the importance of guaranteeing that funding proposals are aligned with NDCs, with relevant national plans, with country’s policies on environmental, social, gender issues and indigenous peoples, and that relevant stakeholders are engaged. According to the GCF guidelines, the Country Ownership principle will imply the following elements:

- a. Designating, by developing countries, an NDA or a country Focal Point (FP), including its functions based on GCF’s best-practice guidelines for establishing NDAs.
- b. Defining a coordination mechanism and a No-objection procedure (NoP) based on GCF’s best-practice options for country coordination and multi-stakeholder engagement, considering in these procedures bottom-up approaches emphasizing to strengthen stakeholder consultation.
- c. Organizing stakeholder consultations process under the leadership of NDAs/FPs.
- d. Developing a Country Work Programme, that includes a concrete project pipeline, agreed upon with the major stakeholders.
- e. Strengthening the key role of NDAs/FPs in formulating Country Work Program/project pipelines, monitoring the impact of Fund operations, among others.
- f. Enhancing direct access to GCF resources through national accredited entities as an effective way of setting high standards in country ownership.
- g. Developing National Adaptation Plans (NAPs).

<sup>1</sup> Governing Instrument of the Green Climate Fund, 2011

<sup>2</sup> Country Ownership Guidelines, GCF/B.15/06, 2016

In this context, Decision GCF/B.08/45, Annex XIII, provides initial best-practice guidelines for selecting and establishing National Designated Authorities (NDAs) and Focal Points (FPs), highlighting that “The NDA or FP will likely be placed within a ministry or authority conversant with the country’s national budget, economic policies and their interconnection with climate change-related priorities and development plans. Additionally, the selected institutions should ideally have mandate enabling the institutions to work on and influence an appropriate combination of economic policy and development planning, with appropriate leverage over climate change, energy, sustainability and environmental resources management priorities, strategies and plans”(GCF, 2016) <sup>3</sup>.

These guidelines include provisions establishing that the legal authority with signing capacity of the institutions nominated as NDA by the countries, should be at a senior level. Furthermore, the guidelines indicate the necessity of having a team responsible for coordinating and driving communication with the Fund and managing operational activities, including leading the country’s efforts to prepare the Country Work Programme. To this end, the NDA should ensure consistency with national priorities, strategies and plans by ensuring interaction and coordination with the focal points, and designated authorities of other funds, if applicable and as appropriate.

Additionally, Decision GCF/B.15/45, Annex XIV also provides initial best practice options for country coordination and multi-stakeholder engagement, which makes reference to the fact that “the Fund will have a broad scope, funding both mitigation and adaptation activities through multiple access modalities, including through private sector and other innovative financial instruments. Consequently, on an operational level, it will involve various sectors at multiple levels of governance”(GCF, 2016) <sup>4</sup>.

Particularly, the GCF provides some criteria and country coordination options through consultative processes, which may include:

- a. Using existing regular country meetings or national planning/dialogue exercises, including in the context of other climate change (CC) activities funding sources, sharing learned lessons and collecting inputs and views;
- b. Establishing, when possible and where national circumstances allow, dedicated country coordination mechanism for the country to identify its strategic framework in the context of the Fund;
- c. Integrating into other relevant national consultation processes or programming exercises that may enable synergies and complementary information exchange; and
- d. Building on the country’s prior experience in coordinating cross-sectoral initiatives and investments and engaging with other finance sources.

<sup>3</sup> Decision GCF/B.08/45, Annex XIII, Initial best-practice guidelines for the selection and establishment of national designated authorities and focal points, 2016

<sup>4</sup> Decision GCF/B.15/45, Annex XIV, Initial best-practice options for country coordination and multi-stakeholder engagement, 2016

Lastly, the GCF highlights that national climate change strategies, plans and priorities will be the strategic framework provided in a Country Work Programme, and would therefore be a basis for preparing and implementing funding proposals. Recipient countries may therefore define their strategic framework based on existing national climate change plans and strategies, including nationally appropriate mitigation actions (NAMAs), national adaptation plans (NAPs) and national adaptation programs of action (NAPAs), or choose to develop a Fund-specific strategic framework drawing on existing relevant national plans and strategies.

## **2. Country ownership in the Republic of North Macedonia**

In line with the guidelines on Country Ownership and the initial guidelines for National Designated Authority (NDA) nomination and coordination mechanisms, the Republic of North Macedonia has established initial mechanisms for engaging the Green Climate Fund and is actively working with different relevant stakeholders to ensure enhanced access to climate finance in the country.

### **2.1 National Designated Authority nomination**

Following a request from the GCF to all developing countries to ensure a nomination of a National Designated Authority/Focal Point, following the Decision of the Government of the Republic of North Macedonia on 28<sup>th</sup> September 2016, the Cabinet of the Deputy President of the Government of the Republic of North Macedonia in charge of economic affairs and coordination with economic sectors was nominated as National Designated Authority for the Republic of North Macedonia. In accordance with the requirements of the Green Climate Fund, the NDA in the Republic of North Macedonia has been set up within a competent authority with a high strategic function and has been linked to the country's national budget, economic policies, development priorities and plans as well as sustainable development policies.

The Cabinet is responsible for the overall coordination of the economic departments within national institutions for proper alignment with national priorities, strategies and policies. The Cabinet is also responsible for coordinating and implementing activities arising from the Republic of North Macedonia's arrangements with relevant international financial and economic institutions, for coordinating the implementation of processes related to structural reforms and impacts of legal acts to the business community in the country.

The Deputy President of the Government of the Republic of North Macedonia, is also responsible for sustainable development policies and for coordinating the implementation and monitoring of the Sustainable Development Agenda and the Sustainable Development Goals (SDGs); the Deputy President assigns the role to the National Council for Sustainable Development (NCSD), as a political body, to guide the implementation of relevant SDGs and country targets; the Deputy President is the chair of the NCSD.

Currently, the NDA team is composed of 4 people employed in the Sector for economic policies, structural reforms and investments within the General

Secretariat of the Government of the Republic of North Macedonia. The team serves to fulfill the working activities in the Cabinet of the Deputy President of the Government of the Republic of North Macedonia, in charge of economic affairs. Additionally, according to the Government Conclusion of 7<sup>th</sup> July 2017, members of the Ministry of Environment and Physical Planning (MoEPP) have also been appointed as part of the NDA technical focal point team, to provide expert advice on technical CC-related matters.

By Government Decision, the NDA has mandate and coordinates institutions working on economic policy and development, planning, climate change, energy, sustainable development and environmental resource management priorities and strategies, and plans appropriate coordination and direction of action. The NDA has a leading role in coordinating the climate financing process according to GCF procedures.

The main responsibilities of the NDA are the following:

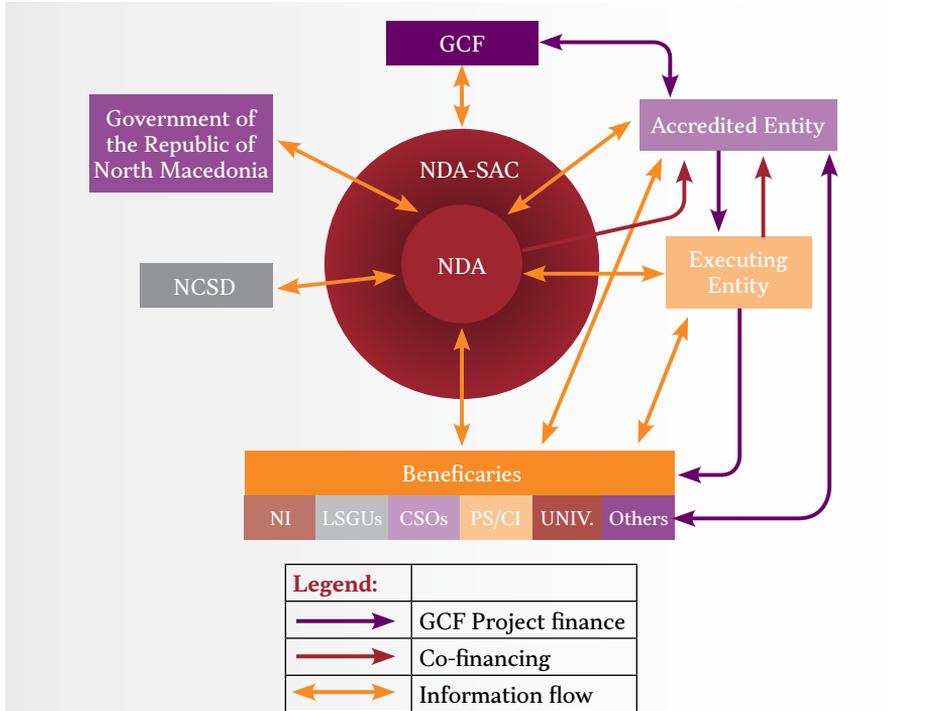
- Acting as Point of contact for the GCF in the Republic of North Macedonia;
- Managing stakeholder coordination and engagement;
- Developing/updating the Country Work Programme and pipelining projects to be submitted to the Fund
- Overseeing national priorities on proposal development and accreditation
- Announcing open calls for project ideas
- Performing administrative checks of project ideas;
- Ensuring commitment and close coordination with AEs in developing full project proposals
- Submitting project co-financing proposals to Government
- Issuing No-objection letters for project/programs for submission to the GCF
- Issuing Direct Access Entities (DAEs) nomination letters to GCF
- Disseminating information and raising awareness of all stakeholders on climate finance and GCF matters
- Approving proposals under the Readiness and Preparatory Support Programme, in coordination with the SAC

Regarding the increased responsibilities of the NDA to communicate with the GCF, as well as those related to national coordination of the GCF procedures, in light of enhanced engagement with the GCF and with national stakeholders, additional internal efforts will be needed in the coming years to re-organize the NDA team in order to ensure existing capacities are used in a more efficient way.

NDA is responsible for organizing consultations with all national stakeholders (local self-governments, state authorities, business sector, civil society organisations, academia etc.) in order to inform on GCF opportunities and to build capacity in developing proposals. Communication plan should be developed for disseminating information to stakeholders on a regular basis.

Following the GCF Indigenous Peoples Policy, the GCF Gender Policy and Action Plan, and other relevant GCF procedures and policies; women and children, and other vulnerable and disadvantaged stakeholders should be consulted in designing or implementing GCF activities.

The role of NDA in disseminating GCF information and in consulting the relevant stakeholders are described in Figure 1.



**Figure 1.** Consultations and information flows

## 2.2. Country Coordination mechanism on Green Climate Fund matters

Based on the guidelines and initial best practices provided by the GCF related to country coordination mechanisms, an analysis of the structure of existing coordination bodies has been conducted, including interviews with relevant stakeholders. This analysis sets out from the fact that the Republic of North Macedonia has a small NDA, with wide potential to coordinate and communicate all interested stakeholders and lead the GCF engagement process.

In this sense, all GCF-related activities will be coordinated by the NDA; however, a Strategic Advisory Committee (NDA-SAC) should be created as a permanent technical working group to support the NDA on GCF/climate finance matters.

### *Strategic Advisory Committee (NDA-SAC)*

The role of the NDA-SAC will be to assist the NDA in coordinating and engaging stakeholders, in overseeing and aligning national priorities for developing funding

proposals and in accrediting potential DAEs in the Republic of North Macedonia.

The responsibilities of the NDA-SAC in the national coordination process related to the GCF are:

- a) Contributing in evaluating project eligibility by providing specific expertise on financial and CC issues, performing impartial prioritization of the projects, and reviewing all aspects of the project proposal;
- b) Ensuring there is no-overlap with other CC related activities/projects and assisting in donor CC coordination
- c) Supporting the NDA in performing general monitoring of the financial and technical aspects during project implementation phase, including aspects of equal opportunity;
- d) Supporting the NDA in assessing DAEs;

The NDA-SAC will be composed of experts in climate change, project management and financing. Along with the NDA representatives (4), representatives from the following institutions (6) should participate in the NDA-SAC:

- **Ministry of Finance (MoF)** - two (2) persons, including the State Secretary and State Counselor from the Budgeting Sector
- **Secretariat of European Affairs (SEA)** – two (2) persons, including the Head of Sector for EU funds coordination and other foreign assistance and one representative from the Sector for integration
- **Ministry of Environment and Physical Planning (MoEPP)** - two (2) persons, including the State Secretary and State Counselor on Climate Change

It is of crucial importance to ensure that representatives from different Ministries/ institutions/ organizations, are officially nominated, i.e. that their participation in NDA-SAC is incorporated in their job description in order to create ownership and commitment to the initiatives. In this sense, it is important to explore options to include in the Climate Change Law currently in development, a concrete requirement for institutions participating in the NDA-SAC, to review their internal structure to officially reflect the nominations of representatives from those institutions and their specific role in the Coordination Mechanism on GCF/Climate Finance matters.

Considering that only Accredited Entities can submit funding proposals to the GCF, it is highly advisable to involve the AEs in the early stages of the review process and, in that respect, the NDA-SAC may decide to invite AEs on separate consultation meetings.

Activities within the NDA-SAC should be further made official and communicated with the NCSD.

Based on the specific project idea/proposal, the NDA-SAC should initiate technical coordination meetings with the Sectoral Working Groups (SWG) and should provide technical advice on further approving project ideas/proposals.

### *Sectoral Working Groups (SWG)*

Sectoral working groups (SWG) may be created upon request of the NDA-SAC. They may participate in decision-making processes with technical discussions and by providing relevant information. The main responsibility of a sectoral working group is to advise the NDA-SAC on technical and operational issues in specific sectors (transport, energy, water management, waste management, agriculture, forestry, nature & biodiversity, land management etc.). For some of the mentioned sectors, ad-hock working groups have already been established within the National Council for Sustainable Development and, in order to support continuity of existing processes, the NDA-SAC will, where possible, cooperate with the existing sectoral working groups.

### *National Council for Sustainable Development*

The National Council for Sustainable Development (NCSD) is the next stage of the coordination mechanism and has a verification/validation function on all matters related to the GCF/climate financing, including prioritizing funding proposals, developing Country Work Programme and nominating potential Direct Access Entities.

One of the major strengths of the NCSD is that it is composed of ministers, senior representatives of many relevant government bodies, business sector representatives and academia. This creates a broad platform that provides opportunity to review all aspects of a given investment to be proposed to the GCF, and to make decisions in view of the needs and expectations of all stakeholders. Added value of the NCSD is being an awareness raising platform for CC and SDGs-related topics.

Additionally, the NCSD has established a Technical Working Group (TWG), which is a multi-sectoral body created to provide NCSD with technical advice and expert knowledge on certain issues. The TWG already has representatives from line ministries and, although they do not technically and solely work on climate change, they represent the work of their respective institutions as regards sustainable development.

To cover all relevant topics for discussion on GCF/climate finance-related matters, the NCSD membership is recommended to be extended to include the following high-level representatives:

- The Governor of the National Bank
- The President of Development Bank of North Macedonia
- The President of the Steering Committee of the Association of Local Self Government Units
- CSO representatives

### *Government*

The Government of the Republic of North Macedonia is the highest decision-making body in the country, particularly on GCF/climate finance matters. The Government of the Republic of North Macedonia is expected to give the

final approval of the strategic areas of engagement with the Fund, through the Country Work Programme and the identified project pipeline.

Additionally, the Government will have the final decision in endorsing project proposals and will request the NDA to issue (or not) the No-objection letter to investments as well as to issue nomination letters to potential Direct Access Entities.

Figure 2 below provides an overview of the organizational chart and the different levels of the coordination mechanism on GCF/climate finance matters in the Republic of North Macedonia. It is important to highlight that the workflow and the differentiated steps and responsibilities within this coordination mechanism is provided in Section 3 of this document.



**Figure 2.** Organizational chart of the National Coordination Mechanism on GCF/climate finance matter in the RNM

### 2.3. Rules of procedure of the Strategic Advisory Committee as part of the Coordination Mechanism on Green Climate Fund/climate finance matters

This section aims at providing information on the composition, selection, term, roles and responsibilities of the Strategic Advisory Committee (SAC) members, which will support the NDA in evaluating project proposals to be submitted to the GCF, as well as the Country Programme and the Republic of North Macedonia's Project Pipeline for the Fund.

### *2.3.1 Composition*

It is recommended that the SAC should be composed of 6 members, including representatives of the Ministry of Environment and Physical Planning (2 representatives), the Ministry of Finance (2 representatives), the Secretariat of European Affairs (2 representatives), specifically as follows:

- State Secretary of the Ministry of Environment and Physical Planning
- UNFCCC Focal Point
- State Secretariat of the Ministry of Finance
- Head of Budgeting Department, Ministry of Finance
- Head of Department for Coordinating Foreign Aid, Secretariat of European Affairs
- Representative of the Sector for Integration, Secretariat of European Affairs

Each SAC member should have a substitute member, with substitute members entitled to participate in SAC meetings only through the principal member, without the right to vote, unless they serve as members. During the absence of the member from all or part of a SAC meeting, his/her substitute will serve as a member.

The SAC meetings will include full NDA member participation, one of which will serve as chair of the SAC, additionally holding the role of Secretary of the SAC.

### *2.3.2 Election of Strategic Advisory Committee members*

Strategic Advisory Committee (SAC) members and their substitutes will be appointed by decision of the Government of the Republic of North Macedonia. Additionally, the Government of the Republic of North Macedonia will explore the possibility to include in the new Climate Change Law, currently in development, a requirement to institutions participating in the NDA-SAC, to review their internal structure to officially reflect the nominations of representatives from those institutions and their specific role in the Coordination Mechanism on GCF/Climate Finance matters.

Once nominees have been notified of their participation in the SAC, a training session will be convened by the NDA to discuss the specific expected tasks and the different procedures developed for assessing proposals in the country.

### *2.3.3. Meeting frequency and location*

The SAC will convene upon request of the NDA, once project ideas/concept notes/full proposals have been received and need to be assessed in order to grant the No-objection letter.

The NDA will notify SAC members/substitute members of the meeting dates, will circulate a provisional agenda and the package containing the project idea/concept note/full proposal, and any other supporting documentation to conduct an initial review, based on established criteria according to the different phases of the No-objection procedure.

The NDA will use electronic means for transmitting, distributing and storing the documentation. Comments by SAC members regarding proposals will be compiled by the NDA team prior to the Committee's in-person meeting.

The SAC will convene in person once the initial review has been conducted independently by each SAC member, aiming at discussing the individual assessments conducted by the different members and will agree on the overall SAC assessment based on the average scoring proceeding from each of the members.

At least one member from each participating institution must be present at a meeting to make a quorum. Quorum will be verified by the NDA at the beginning of the meeting and at the time of discussing overall assessments. At the end of each meeting, the NDA will develop an act of the meeting, as a means to keep track of SAC decisions with regards to each project proposal.

#### *2.3.4. Working language of the SAC*

While project ideas/concept notes/full proposals and supporting documents will be submitted by project developers/AE in English, meeting documents (including the agenda) and opinions and discussions related to assessing these proposals will be conducted in Macedonian. Communication with applicants will be carried out by the NDA in English/Macedonian as needed.

#### *2.3.5. Meetings arrangements and maintenance of permanent minutes of meetings*

The NDA will make all arrangements for the SAC meetings, which will take place (unless otherwise defined by the SAC) at the premises of the Government building in Skopje.

The NDA will decide, according to applicable practice and relevant national policies, to what extent the minutes of SAC meetings will be made public; however, any minutes of proceedings of each meeting will be kept by the NDA on behalf of the SAC.

#### *2.3.6. Decision-making methodology, confidentiality and conflict of interest*

Assessing project ideas/concept notes/funding proposals will be carried out according to developed criteria and scoring system, respectively. Once each SAC member has provided their individual assessment/scoring, the final and overall proposal assessment will be based on the sum of the scores provided by SAC members divided by the number of members that participated in the assessment, i.e. by obtaining the average proposal score.

Then, following established categorization thresholds (Groups A, B, and C during the prioritization process and Endorsed/Not endorsed during the technical checking phase), the proposals will fall under these categories according to their overall average score.

SAC members/substitute members are required to keep proposal contents as confidential information until a final decision has been made with regards to its submission to the GCF. The NDA will be in charge of the liaison and communication with both project developers and the GCF Secretariat.

At each meeting, SAC members and substitute members will disclose any conflict of interest they may have concerning any proposal to be assessed according to

the agenda of the meeting. SAC members and substitute members will exclude themselves from participating in reviewing any project proposal with which they have conflict of interest.

In order for the work to be conducted by the SAC, conflict of interest shall mean a situation in which a person or institution is involved in developing a project proposal, as originator or executing entity and therefore, serving as a reviewer of that proposal may imply bias and/or threat to impartiality in assessing the proposal.

#### **2.4. NDA and other stakeholders capacities and needs**

As a result of the analysis of the existing capacities and structure of the Cabinet of the Deputy President of the Government in charge of Economic Affairs, Table 1 below summarizes the main strengths, weaknesses, opportunities and threats to fully comply with its role as NDA for the GCF in the Republic of North Macedonia.

**Table 1.** SWOT analysis of the NDA and National Coordination Mechanism on GCF/climate finance matters in the RNM

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Efficient and highly motivated NDA team</li> <li>• NDA is established within the competent high-level political body</li> <li>• NDA has influence on National Economic Policies</li> <li>• NDA has fruitful communication with GCF</li> <li>• Current position of the NDA in the Government enables efficient coordination with other stakeholders</li> <li>• Fruitful and productive cooperation with the private sector</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate specific expertise on CC in the current structure of the NDA team</li> <li>• Moderate specific knowledge and skills for Project Cycle Management related to CC (mitigation and adaptation)</li> <li>• Lack of clear distribution of responsibilities related to CC and Sustainable Development issues, as well as climate financing matters among different institutions</li> <li>• Lack of time for exclusive dedication to GCF matters</li> <li>• Lack of systematic, clear and transparent knowledge sharing mechanisms related to the commitment of the country on CC</li> <li>• Lack of clear knowledge on climate financing modalities and sources in the country</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Allocating competencies for implementing the GCF Procedures</li> <li>• Developing capacities of NDA and key national stakeholders on GCF procedures</li> <li>• Facilitating cooperation and coordination among stakeholders;</li> <li>• Developing a communication platform and sharing identified good practices to engage the Green Climate Fund.</li> <li>• Mainstreaming lessons learned and procedures on GCF matters in drafting the Law on climate action</li> <li>• Developing communication platform – web-page with advanced digital solutions</li> <li>• Strengthened capacity and transparency of the NDA to monitor, oversight and streamline climate finance</li> <li>• Strengthened capacity of local financial institutions for climate finance and the financing instruments available through the GCF</li> <li>• Lessons learned from the Readiness and Preparatory Support Programme</li> <li>• Outcomes from this project incorporated in the forthcoming Law on climate action, 4NCCC and CBIT project</li> </ul>	<ul style="list-style-type: none"> <li>• High mobility of qualified staff in national institutions</li> <li>• Lack of ownership and commitment to initiatives by Ministries if they are primarily coordinated by other ministry/institution</li> <li>• Lack of dedicated Focal Point/department for climate issues in all relevant institutions</li> <li>• Political instability and impact of the national context</li> <li>• Difficulty to ensure co-financing for project proposals</li> <li>• Ensuring co-financial contribution (without increasing public debt)</li> </ul>

Overall responsibility of the Cabinet of the Deputy President of the Government of the Republic of North Macedonia is to establish cooperation with all governmental bodies, private sector, relevant international financial institutions and civil society organizations on economic development issues, structural reforms and investments, in this sense, including climate investments. The following paragraphs provide detailed information on the strengths, weaknesses, opportunities and threats currently faced by the Cabinet of the Deputy President of the Government in charge of Economic Affairs in its role as NDA of the Republic of North Macedonia, as well as other relevant national institutions to comply with the mandates and key functions regarding state engagement with the Fund:

### *Strengths*

- Efficient and highly motivated NDA Team - Even though the current NDA team consists of a small number of directly involved employees, this team is highly motivated to efficiently complete given tasks related to the GCF along with other responsibilities.
- NDA is established within a competent high-level political body - Nominating the Deputy President of the Government of the RNM in charge of economic affairs and coordinating the economic sectors as NDA to the Green Climate Fund (GCF) is a high-level political commitment and enables the coordination of GCF activities from a highly strategic perspective within the Government, which facilitates the decision-making processes.
- NDA has influence on National Economic Policies - The Deputy President of the Government of the Republic of North Macedonia in charge of economic affairs and coordination with the economic sectors, is responsible for sustainable development and national economic policies and is the Chairperson of the NCSD. He is responsible for coordinating the implementation and monitoring of the SDGs on a national level, which enables balanced coordination and focus on high priority issues.
- Additionally, the Deputy President of the Government of North Macedonia in charge of economic affairs plays a key role in implementing those areas related to economic affairs and sustainable development investments within the Work Programme of the Government of the Republic of North Macedonia, and supports the implementation of defined strategic objectives related to economic growth. In this context, the Cabinet of the Deputy President of the Republic of Macedonia in charge of economic affairs constantly implements a series of activities, measures and projects aimed at improving the working climate, business environment and competitiveness.
- NDA has fruitful communication with GCF – The Cabinet of the Deputy President of the Government of the Republic of North Macedonia, in charge of economic affairs and coordination with the economic sectors has already established fruitful communication with the GCF.
- Current position of the NDA in the Government of the Republic of North Macedonia enables efficient coordination with other stakeholders – Carrying out a high strategic function linked to the country's national budget, economic policies, development priorities, the Deputy President of the Government of

the Republic of North Macedonia in charge of economic affairs facilitates the overall coordination, plans sustainable development policies and communicates with the Cabinet of the President of the Government, with other Ministry Cabinets, and with the departments within the General Secretariat of the Government, and with other national and international organizations. Ensuring fruitful and productive cooperation with the private sector, the Cabinet of the Deputy President of the Government of the Republic of North Macedonia in charge of economic affairs also daily communicates with and coordinates private sector activities.

### *Weaknesses*

- Moderate specific expertise on CC in the current structure of the NDA team – Activities related to CC mitigation and adaptation are cross-cutting and may influence many different sectors. However, in the current structure of the NDA team there is moderate expertise in some specific sectors.
- Lack of clear distribution of responsibilities related to CC and Sustainable Development issues, as well as climate financing matters among different institutions – There is unclear division of responsibilities related to climate change issues and sustainable development between Ministry of Environment and Physical Planning and the Cabinet of the Deputy President of the Government as NDA. For example, according to the Law on environment (Article 186) MoEPP is responsible for implementing SD; however, according to the proposal for Institutional Set-up to support the implementation of Sustainable Development in the Republic of North Macedonia included in the National Strategy for Sustainable Development, the political responsible body for implementing the SD strategy is the NCSDD, which shall be chaired by the Deputy President of the Government. Additionally, with rare exemptions (i.e. MoEPP), other ministries delegate officers or advisors to work with the NDA on specific CC issues without any official nomination and/or activities related to CC incorporated in the job description for the delegated person.
- Lack of time for exclusive dedication to GCF matters – The members of the NDA team are regular staff in the Cabinet of the President of the Government of the Republic of North Macedonia. Each of them have daily obligations/tasks related to other topics and often coordinate the work on GCF issues along with several other projects from different sources and sectors and have insufficient time for exclusive dedication and focused approach to GCF projects and CC issues.
- Lack of systematic, clear and transparent knowledge sharing mechanisms related to the commitment of the country on CC - Even though a CC Communication Strategy and Action Plan was developed in 2013, and several activities were performed aiming at engaging key stakeholders at national and local levels, the main stakeholders' awareness of issues related to climate change is still moderate. In addition, the general perception of the key stakeholders is that there is lack of commitment to CC issues by the country. This situation is partially accounted for by the fact that information is fragmented and there is no single tool to reference all relevant information and to systematize knowledge (i.e. a dedicated website, Community of Practices, others).

- Lack of clear knowledge on climate financing modalities and sources in the country - Climate finance is a combination of national and international financial resources, drawn from public and private sources. However, despite the relevance of climate finance to support the development of priority investments to tackle climate change, there is no clear knowledge on climate financing in the country. Potential beneficiaries, especially the private sector, the industry and some CSOs have very limited information on potential financing sources for CC investments.

### *Opportunities*

- Allocating competencies for implementing the GCF Procedures based on work under the Readiness Program - GCF financing procedures are relatively complex and therefore working on the readiness project provides opportunities for strengthening relevant knowledge and competences related to the GCF procedures in the country.
- Developing capacities of the NDA and key national stakeholders on GCF procedures – clear national coordination mechanism on GCF procedures, prioritization process and No-objection procedure will positively contribute to further developing the capacities of the NDA team, including capacities to monitor, oversight and streamline climate finance. All relevant institutions should also strengthen their efficient project implementation capacities.
- Facilitating cooperation and coordination among stakeholders – Identifying all relevant stakeholders and determining their role within the GCF procedures for CC project development and implementation will enable efficient cooperation and will facilitate the coordination process.
- Developing a communication platform and sharing identified good practices to engage with the Green Climate Fund including experiences from other countries, especially regional countries in similar context
- Mainstreaming lessons learned and procedures on GCF matters in drafting the Law on climate actions - Lessons learned from the Readiness and Preparatory Support Programme can be incorporated in the forthcoming Law on Climate Action, including the clear definition of roles of different stakeholders in accessing and implementing climate finance in the country.

### *Threats*

- High mobility of qualified staff in national institutions – Opportunity to work for international organizations in the country or work abroad, contribute to high mobility of qualified staff in governmental institutions. This poses discontinuity risk to project implementation and/or need to re-start the training processes.
- Lack of ownership and commitment to initiatives by Ministries if they are primarily coordinated by other Ministry/institution - CC-related issues are not priority for all stakeholders, which may create bottlenecks in coordination and information sharing. For example, this may create insufficient involvement and lack of expert knowledge in the coordination mechanism to conduct the prioritization and No-objection process for GCF proposals.
- Lack of dedicated Focal Point/department for climate issues in all relevant institutions – In most ministries, there is no focal point for CC issues. This possibly explains the lack of internal coordination within the institution on CC-related issues. This gap reflects also in inter-ministry cooperation and creates functional discontinuity in inter-ministerial working groups (Ad-hock Groups).
- Political instability and impact of the national context - climate change issues are issues sensitive to the public and can be used to politically influence the national context. Also, the GCF funding process can be jeopardized due to political instability and/or change of Government and guidelines for government action.
- Difficulties to ensure project proposal co-financing – Since there is no detailed information on total CC-related investments made in the country, and that the Government is committed to not increasing the public debt, it is necessary to identify co-financing as prerequisite for submitting funding proposals. Lack of such information slows down the overall process.
- Based on the NDA role and functions, the proposed structure of the coordination mechanism and the analysis of the Strengths, Weaknesses, Opportunities and Threats to the operationalization and work of both the NDA and the coordination mechanism, Table 2 below provides a systematization of the roles and responsibilities of each stakeholder participating in the decision-making process on GCF matters and the specific capacity development needs and tasks needed in the immediate term to make progress in working with the Fund.

**Table 2.** Mapping the roles and capacity development needs of the NDA and the National Coordination Mechanism on GCF/climate finance matters

Body	Roles and responsibilities	Capacity development needs	Concrete tasks required
<p><b>National Designated Authority (NDA)</b></p>	<ul style="list-style-type: none"> <li>• Point of contact of the GCF in the Republic of North Macedonia;</li> <li>• Managing coordination and engagement with stakeholders;</li> <li>• Oversight aligned to national priorities on proposal development and accreditation;</li> <li>• Performing administrative checks of project ideas;</li> <li>• Ensuring AE commitment and close coordination in developing full project proposal</li> <li>• Announcing call for project ideas</li> <li>• Disseminating information and raising awareness of all stakeholders</li> <li>• Approving readiness support</li> <li>• Issuing nomination letters for direct access</li> <li>• Issue No-objection letters for project/ Programmes</li> <li>• Submitting proposals for project co-financing to Government</li> <li>• Developing/ Updating Country Programme and project pipeline</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening capacity of the NDA to monitor, oversight and streamline climate finance</li> <li>• Developing tools for increasing transparency of GCF procedures in the country</li> <li>• Determining responsibilities of separate positions within the NDA team</li> <li>• Strengthening capacities of the NDA for Project Cycle Management related to CC (mitigation and adaptation)</li> </ul>	<ul style="list-style-type: none"> <li>• Developing operational guidelines/manuals for the work of the NDA, including No-objection procedures</li> <li>• Developing manual for project prioritization</li> <li>• Launching a website that consolidates information on GCF priorities and procedures at state-level</li> <li>• Updating the organizational structure of the NDA team in terms of Human Resources and in terms of achieving better efficiency</li> <li>• Conducting advanced training on Project Cycle Management in the field of CC</li> <li>•</li> </ul>

Body	Roles and responsibilities	Capacity development needs	Concrete tasks required
<p><b>NDA – Strategic Advisory Committee (NDA-SAC)</b></p>	<ul style="list-style-type: none"> <li>• Contributing in evaluating project eligibility by providing specific expertise on financial and CC issues, including equal opportunity aspects</li> <li>• Supporting NDA in assessing Direct Access Entities (DAEs)</li> <li>• Assisting NDA in coordinating and working with stakeholders</li> <li>• Performing impartial prioritization of projects by assessing their alignment with national priorities</li> <li>• Technical reviewing of all aspects of project proposal (consult SWG if needed), including monitoring the financial and technical aspects during project implementation phase</li> <li>• Ensuring no-overlap with other CC-related activities/ projects and assists in donor CC coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening the capacities of NDA-SAC for accessing climate finance and identifying project co-financing</li> <li>• Increasing capacities on CC and opportunities of GCF</li> </ul>	<ul style="list-style-type: none"> <li>• Requesting official nomination of focal points of all relevant governmental and national financial institutions to actively and permanently participate in NDA-SAC</li> <li>• Conducting capacity development events (including trainings, workshops, simulations, conferences and other events as needed) on specific topics related to climate action and climate financing, including project development and management</li> </ul>

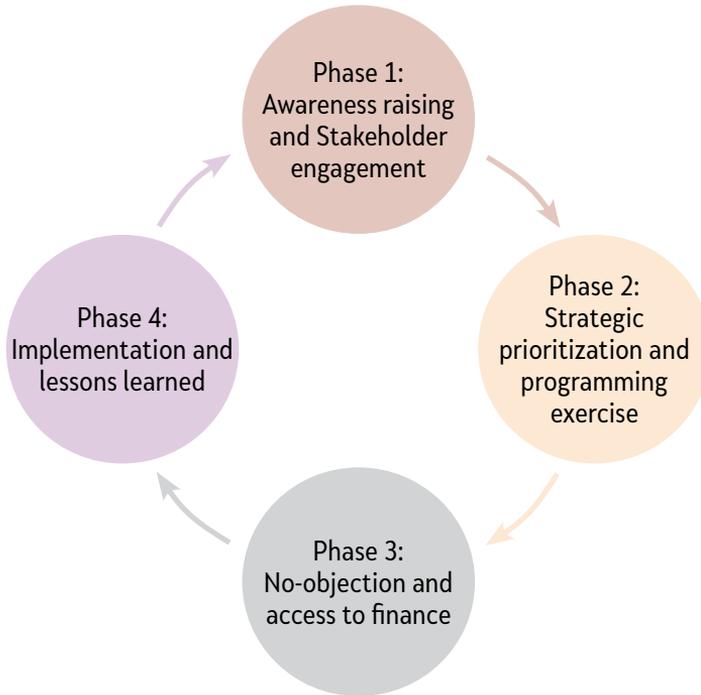
Body	Roles and responsibilities	Capacity development needs	Concrete tasks required
<b>Sectoral Working Group</b>	<ul style="list-style-type: none"> <li>• At the request of NDA-SAC, contributing to technical discussions and project assessments by providing relevant information (on ad-hock basis)</li> <li>• Advising NDA-SAC on technical and operational issues in specific sectors (transport, energy, water management, waste management, agriculture, forestry, nature &amp; biodiversity, land management health, cultural heritage gender aspects and vulnerable group perspectives, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing awareness on Paris agreement, NDC implementation and Sustainable Development Goals</li> <li>• Increasing awareness on CC and GCF opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring continuity and commitment of nominated members in the existing Sectoral Working Groups within the NCSO</li> <li>• Conducting capacity development events (including trainings, workshops, simulations, conferences and other events as needed) on specific topics related to climate action and climate financing, including project development and management</li> </ul>
<b>National Council for Sustainable Development</b> - NCSO + (Technical Working Group of NCSO)	<ul style="list-style-type: none"> <li>• Verifying the prioritization process within the Country Work Programme</li> <li>• Assisting NDA in stakeholder coordination</li> <li>• Assisting the NDA in CC and SDGs awareness raising</li> </ul>	<ul style="list-style-type: none"> <li>• Raising awareness of issues related to CC and climate finance modalities and sources, and GCF procedures</li> <li>• Raising awareness of NDC and Paris climate Agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring Banks and other financial institutions are involved in the structure of the Council</li> <li>• Involving representatives from CSOs in the NCSO</li> <li>• Involving the Association of the Units of Local Self-government of the Republic of North Macedonia (ZELS) in the NCSO</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>• Approving the final Country Work Programme</li> <li>• Approving final project proposals to issue a No-objection letter</li> <li>• Final approval of the recommended DAEs to issue a DAE Nomination Letter</li> </ul>		<ul style="list-style-type: none"> <li>• Presenting Government with regular and comprehensive information related to climate action, as well as opportunities and procedures related to the work with the GCF</li> </ul>

This analysis provides important information on the needed capacity development activities and the specific operational requirements for the NDA and the country coordination mechanism to function. Particularly, the following key actions are suggested to increase NDA and coordination mechanism capacities:

- NDA should increase its capacity in number and qualification of staff dedicated to GCF/climate finance matters;
- Capacity development (i.e. workshops, certifications and trainings) on topics related to climate change and climate finance are required at different levels (technical, high-level) to ensure informed decision-making processes;
- Official nominations of the members of the NDA-SAC should be sought by the NDA, to ensure the relevant institutions' sustainability, full commitment to, and participation in the different processes related to the GCF/climate finance in the country. More specifically, the possibility should be explored to include in the Law on Climate Change, currently in development, a requirement to institutions participating in the NDA-SAC, to review their internal structure to officially reflect the nominations of representatives from those institutions and their specific role in the Coordination Mechanism on GCF/Climate Finance matters.
- The Deputy President of the Government as chairperson of the National Council on Sustainable Development should consider expanding the membership to include the financial sector, CSOs and other stakeholders currently not represented in this body. This would ensure the decision-making process is representative and inclusive, by guaranteeing that all the relevant sectors/stakeholders are aware and involved in the process.

### 3. No-objection procedure in the Republic of North Macedonia

The engagement of the Republic of North Macedonia with the GCF is an ongoing process that will require continuity and cyclic efforts from relevant stakeholders. As such, the different processes will be organized around four key phases, as described in Figure 3 below:



**Figure 3.** Phases of engagement with the Green Climate Fund in the Republic of North Macedonia

These phases are intended to provide clarity to different stakeholders about GCF/climate finance processes in the country and can be conducted in parallel or consecutively depending on country context and needs, and progress achieved in accessing GCF resources. Each phase will include different steps to support the NDA and stakeholders to make progress towards the goal of advancing climate action in the Republic of North Macedonia, by accessing climate finance, particularly from the GCF.

Along the engagement cycle, different institutions/stakeholders will have differentiated roles and responsibilities to advance the work required in the different phases; however, the overall oversight and coordination responsibility will remain with the Cabinet of the Deputy President of the Government, as the GCF NDA of the Republic of North Macedonia. Specifically, the four phases will include the following concrete steps:

## Phase 1: Raising Awareness and Engaging Stakeholders

Raising awareness of national stakeholders on matters related to climate action and available sources of climate finance, as well as engaging them in consultative processes is not only a GCF priority, but also a need to ensure real ownership and sustainability of climate investments at national level. In this sense, this phase will include the following steps:

### Step 1a: Multi-stakeholder consultations and bilateral discussions

<b>Timeframe</b>	On ongoing basis
<b>Responsible body</b>	NDA supported by NCSD

The Cabinet of Deputy President of the Government will look for opportunities to work with stakeholders at national and local levels, including private sector, civil society and academia to discuss national priorities and needs and to leverage traditional knowledge, particularly on topics related to adaptive practices. In this context, the NDA will regularly organize national/sub-national consultations to collect and systematize the views and expectations on the course of the work the NDA will conduct with the GCF.

Particularly, these consultations will be even more relevant in light of developing and updating the Country Work Programme to ensure it is aligned with national priorities as reflected in the Nationally Determined Contributions (NDCs) and other existing strategic and policy documents developed in the country. To this end, the NDA will also use the NCSD platform to convene multiple stakeholders and to engage them in this discussion.

Additionally, on demand, the NDA will conduct bilateral meetings with stakeholders to share the specificities and opportunities for working with the GCF and explore concrete partnership options for developing and implementing climate investments and, more concretely, identify potential co-financing contributions to these investments.

### Step 1b: Calls for proposals

<b>Timeframe</b>	Open for 45 days
<b>Responsible body</b>	NDA with inputs from SAC

To develop and periodically update the Country Work Programme and pipeline projects, the NDA will launch specific calls for project ideas to collect inputs from priority sectors/stakeholders on potential projects to be developed in the context of working with the Green Climate Fund. To this end, the NDA will use the project idea template developed (Annex 1). This project idea template may be used by Applicants choosing to submit a Project idea note for consideration by the NDA, or by Applicants interested in responding to a specific call for proposals launched by the NDA.

Calls for project ideas will be public and as inclusive as possible; unless otherwise specified by the NDA, the calls will be open for 45 natural days.

## Phase 2: Strategic Prioritization and Programming exercise

Upon completing the established timeframe of the calls for proposals, and upon receiving project ideas, the NDA will initiate its analysis based on defined criteria, as specified in Steps 2a and 2b below.

### Step 2a: Administrative check and eligibility assessment

<b>Timeframe</b>	Two weeks
<b>Responsible body</b>	NDA

After potential applicants have submitted their project ideas, the NDA will conduct an initial Administrative check to ensure that the proposals submitted are compliant with the criteria established in the call for proposals and to ensure that all project idea template sections have been completed with relevant information.

Additionally, to ensure transparency in the selection process, proposals will be assessed against initial eligibility criteria, to be assessed by the NDA. The NDA will send the applicants a confirmation letter (Annex 2) confirming the endorsement or the rejection of the project idea with recommendations for improving and resubmitting it at a later stage.

Only eligible project ideas will be endorsed and included in North Macedonia's Country Work Programme for the GCF. Applicants of endorsed Project ideas will be encouraged to further develop their ideas into Concept Notes according to GCF templates and in consultation with NDA representatives.

Project ideas should be submitted in English, using the electronic template that can be accessed at [www.greendevlopment.mk/xxxxx](http://www.greendevlopment.mk/xxxxx) according to Call for proposals guidance provided by the NDA. Detailed guidelines for completing the project idea template and other information on the activities of the Green Climate Fund will be available at the NDA website: [www.greendevlopment.mk](http://www.greendevlopment.mk).

The NDA will check the eligibility of the project idea by using the criteria presented in Table 3 below.

**Table 3** Criteria for the evaluating project idea eligibility

Eligibility criteria	Description
Are the objectives of this Project Idea aligned with the objectives of the national climate policy and strategies?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the Project Idea aligned with the relevant national development indicators, enabling policy and institutional frameworks?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the Project Idea in line with at least one of the eight strategic results areas of GCF?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the Project Idea address issues relevant to mainstream gender (and other vulnerable groups, if applicable)? Does it describe how resilience/mitigation to climate change equally impacts men and women? Does it ensure that woman will equally benefit from project activities?	<input type="checkbox"/> Yes <input type="checkbox"/> No

During evaluation of a submitted Project Idea, if the answer to at least one of the four questions is NO, the Project Idea will be rejected, and the NDA will provide recommendations for improvement and potential resubmission at a later stage or for future calls for proposals.

Project ideas that have passed the eligibility criteria in Table 3 (i.e. considered eligible), will move to Step 2b so they are included in the Country Work Programme and categorized according to the Prioritization Criteria (PI\_C).

**Step 2b:** Strategic prioritization and Country Programme development/update

<b>Timeframe</b>	Two weeks
<b>Responsible body</b>	NDA + SAC

Once project ideas/concept notes are received by the NDA, and the Administrative check and eligibility assessment has been conducted, the NDA and the SAC and, when needed, the Sectoral Working Groups, will use the defined Prioritization Criteria.

The aim of the different stages within this procedure is to ensure thorough quality assurance by ideally prioritizing at the Project Idea stage, so project applicants/AEs can develop Concept Notes (CN) and Full Funding Proposals with enough elements regarding the country priorities and strategic approach. In this sense, this procedure will include a simple set of 8 prioritization criteria without a weight factor (PI\_C1-PI\_C8) for the Project ideas, which should be maximum 5 pages and will have limited data/information, and another set of 16 criteria with different weight factors to allow for a technical check of Concept Notes, which will be maximum 20 pages plus supporting documents submitted with the CN.

It is worth highlighting that, in cases when the NDA receives a Concept Note or a Full Funding Proposal (in GCF template) from a national institution or an International Accredited Entity (in response to a call for proposal or spontaneous submission), the NDA will conduct all the quality assurance phases according to this procedure, regardless of how advanced the development of the proposal is. In general terms, to ensure a cost-effective process, applicants/AEs are invited to participate by initially submitting a Project idea; however, more advanced proposals will not be rejected immediately, but will follow the due diligence process as described in this document, including an Administrative check and eligibility assessment conducted by the NDA and a prioritization procedure, conducted by the NDA, supported by the SAC.

The prioritization step includes preparing a list of project proposals according to criteria that are mainly related to the proposal's level of preparedness and its alignment and compliance with GCF Result Framework and country context. The prioritization process is based on 8 key criteria (PI\_C1 – PI\_C8), as described in Table 4 below, which includes a description of each criterion, indicators to be used for rating scores and rating criteria on a scale from 0 (minimum) to 3 (maximum) points per criterion. Total maximum points a Project Idea can obtain is 24 while the minimum is 0 points.

After the prioritization procedure has been carried out, Project ideas will be grouped in three categories according to the score/points received depending on the quality/completeness/soundness of the proposal:

**Group A (score of 17-24 points)** – Higher quality project ideas/ Concept Notes that are categorized as first priority for submission to the GCF.

**Group B (score of 8-16 points)** – Project ideas that are of certain quality but still require further work before submission.

**Group C (score of 0-7 points)** - Project ideas that are eligible but will require substantial work before they can be submitted to the GCF for initial consideration.

Project applicants of endorsed Project ideas will be encouraged to develop the Concept notes in consultation with the NDA. The NDA will support Project applicants to identify the most appropriate Accredited Entity according to the existing list of accredited entities and their respective capacities; these accredited entities will develop partnership with national institutions to finalize the proposal and will provide guidance on the GCF project cycle.

Additionally, if the project idea/ concept note is submitted to the NDA by an Accredited Entity, the NDA will also recommend potential national partners to work with the AEs/Executing Entities on the proposed investment.

Reference to the GCF tool kit, project development guidelines, GCF Results Framework, Environmental and Social safeguard-standards and gender policy will be included in the call for proposals and will be permanently available on the NDA website ([www.greendevlopment.mk](http://www.greendevlopment.mk)). Applicants can opt to submit proposals in any of the 3 stages of development: Project idea, Concept Note and Full Project proposal; the template for these documents will also be available on the NDA website.

**Table 4** Phase 2: Criteria for prioritizing project Ideas

No.	Criteria	Description of Criteria	Indicator	Rating Criteria	
PI_C 1	<b>Project approach</b>	Description of problem, statement and climate rationale, project objectives, main activities and expected results. Coherence between problem/barriers and expected results.	Coherent description of the problem and climate rationale, project objectives and expected results (the level of coherence and relevant data included in the project idea).	3	Clear, well explained problem statement and climate rationale and well-defined project objectives and expected results (high coherence)
				2	Lack of information/ data to understand better the coherence between climate problem/proposed activities and expected results (average coherence)
				1	Lack of information and data (low coherence)
				0	There is a serious lack of relevant data to understand the project approach
PI_C 2	<b>Capacity of project implementing entities</b>	Description of relevant management and organizational skills of the implementing entities / partners for project implementation	Experience and skills of implementing entities/partners (this indicator is relevant for the whole implementing consortium – all partners)	3	High experience, more than 5 years of experience in managing similar projects (of similar size and costs) and more than 2 similar projects implemented
				2	Medium experience, 3 years and at least 2 similar projects implemented so far (of similar size and costs) implemented
				1	Low experience, 2 years of experience and at least 1 similar project (of similar size and costs) implemented
				0	No capacity, Less than 3 years of experience and /or no similar project (of similar size and costs) implemented

No.	Criteria	Description of Criteria	Indicator	Rating Criteria	
PI_C 3	Estimated project duration	Defined time schedule of proposed project activities	Timeframe indicating the duration of proposed activities	3	Long-term (more than 8 years)
				2	Medium-term (more than 5 years)
				1	Short-term (2-5 years)
				0	Short term (less than 2 years)
PI_C 4	Status of the project idea	Identification of the level of development of the project idea (early stage, developed concept note/ developed full project proposal)	Current status of the project idea / Degree of development	3	Full proposal
				2	Concept note
				1	Project idea
				0	Poorly developed project idea
PI_C 5	Potential to support national EU accession process	Description of how and to what extent the project objectives and planned activities support the national EU accession path and assist to achieving EU benchmarks	Number of EU benchmarks to be achieved with the project implementation and its impact	3	High support to achieve EU benchmarks in more than 3 negotiation chapters
				2	Medium support to achieve EU benchmarks (1-2 negotiation chapters)
				1	Low support to achieve EU benchmarks (within only one chapter)
				0	No potential to support national EU accession process
PI_C 6	Project objectives in line with the national priority SDGs	Elaboration on how the project objectives fit to the SDGs	Number of SDGs impacted or triggered by project implementation	3	More than 5 SDGs
				2	3 SDGs
				1	2 SDGs
				0	One SDG or less

No.	Criteria	Description of Criteria	Indicator	Rating Criteria	
PI_C 7	<b>Coherence with national climate change strategies</b>	Description of national country ownership or / and capacity to implement a funded project or Programme (policies, climate strategies and institutions)	Coherence and alignment of the project objectives with priorities addressed already in the national climate policy and strategies	3	High alignment and coherence with the country climate policy, strategies and priorities
				2	Partial alignment and coherence with the country climate policy, strategies and priorities
				1	Not properly aligned with the national priorities
				0	Very low alignment to national policy
PI_C 8	<b>Impact potential (Preliminary assessment)</b>	Potential of the project to contribute significantly to reducing emissions or increasing resilience (preliminary assessment). Specify the climate mitigation and/ or adaptation impact providing the comparable national benchmarks	<ol style="list-style-type: none"> <li>1. Preliminary estimate of mitigation potential (tCO<sub>2</sub>eq over lifespan of the project).</li> <li>2. Preliminary estimate of adapting potential (number of direct beneficiaries and indirect beneficiaries as % of total population).</li> <li>3. Gender equity and impact potential to women and men separately as well as to vulnerable groups</li> </ol>	3	Very High mitigation/ adaptation potential (including gender and vulnerable groups aspect)
				2	High mitigation/ adaptation potential (including gender and vulnerable groups aspect)
				1	Medium mitigation/ adaptation potential (no gender and vulnerable groups aspect presented)
				0	Very low mitigation/ adaptation potential (no gender and vulnerable groups aspect presented)

The information on the Prioritization Criteria in Table 4 above will be provided by the applicant in the Project Idea Note included in Annex 1 to this document (Project objective, Brief justification of the project and List of proposed project actions). These criteria will be public, so all applicants will have information on how these issues need to be addressed. The evaluator will collect the information through the project idea provided and will assess on the basis of this information; in this sense, the applicant needs to ensure that the information provided is as clearly stated as possible.

Upon completing proposals prioritization, they will be incorporated in the project pipeline to be integral part of North Macedonia's Country Programme. The Country Programme will have a valid life of 5 years; however, the pipeline section will be updated by the NDA every 2 years, attempting to incorporate new proposals received via Calls for proposals launched by the NDA or received from potential applicants in a spontaneous way at any point.

The Country Work Programme will be presented to the NCSD for validation and for final approval recommendation by the Government of the Republic of North Macedonia. The Deputy President of the Government in their role as NDA and chairman of the NCSD will convene and preside over the meeting of the Council where the Country Programme/ pipeline will be reviewed and validated.

### Phase 3: No-objection and access to finance

In order to issue the No-objection letter for a funding proposal, the NDA will ensure that proposals undergo the different quality and alignment checks defined, including administrative, eligibility assessment, prioritization and technical assessment.

#### Step 3a: Technical assessment of concept notes/funding proposals

<b>Timeframe</b>	3- 4 weeks
<b>Responsible body</b>	NDA +SAC

The Concept Note developed by the Accredited Entity and Executing parties will be submitted to the NDA for technical assessment, which will be conducted by the NDA, supported by the SAC and, when needed, the SWGs. The Concept Note should be accompanied by the following supporting documents:

1. Map indicating the location of the project/Programme,
2. Diagram to describe the theory of change,
3. Economic and financial model with key assumptions and potential emergency scenarios,
4. Pre-feasibility study,
5. Evaluation report on previous projects (applicable to projects replicating previous investments)
6. Results of environmental and social risk screening analysis

Applicants can opt to submit a fully developed funding proposal, which will be assessed at any stage against eligibility, prioritization and technical assessment criteria in order to be included in the project pipeline within the Country Work Programme and be granted the No-objection letter by the NDA.

Technical assessment of Concept Note/funding proposals will be performed by using the criteria provided in Table 5 below. It is important to highlight that according to the multi-criteria methodology used to develop these criteria, each

criterion will be weighted differently, in order to provide the evaluator with better differentiation between the different projects by assigning them different scores based on criteria importance.

In this sense, not all 6 main criteria of the technical assessment (step 3a) will have equal weight (importance) during prioritization, as some of them are extremely important to highlight the climate rationale of the projects (e.g., the adaptation/mitigation impact potential and long-term change impacts the project brings). In this context, the first two criteria require a description on how the project will catalyze impacts beyond a one-off project investment and how the project will achieve a long-term low-carbon and climate resilient development pathway in the Republic of North Macedonia. This information is of great relevance in light of working with the GCF, as this is the core objective of the Fund; therefore, the Republic of North Macedonia will assign high priority to activities that have the potential to deliver long-term impacts, and subsequently, these two criteria will weigh 5 points.

The “sustainable development potential” and “relevance to country needs” criteria are also very important, to ensure the project adequately reflects country needs, and especially the needs of targeted populations. A project that demonstrates potential for sustainable development and ability to generate co-benefits (environmental, social, and economic) will be very relevant for the country and therefore, these two criteria weigh 4 points.

The less weighed criteria are “country ownership” and “efficiency and effectiveness” with 3 points, not because they are not as important as the others, but because by following this procedure and ensuring project quality, the NDA and the coordination mechanism already ensure that all activities are aligned with country priorities and are as efficient and as effective as possible.

To each main criterion, additional sub-criteria have been allocated in order to reflect project characteristics, planned activities, benefits and impacts in greater detail. By using the sub-criteria, projects will be better and sharply ranked after prioritization has been done. In this way, using not only 6 main criteria, but 15 sub-criteria, will ensure fair, consistent and objective proposal assessment.

**Table 5** Scoring table for prioritization criteria

Criterion	Sub-criteria	Max. score per sub-criterion	Total score/points for each criterion
<b>C1 Project Impact Potential (criteria weight 5)</b>	C1.1	15	<b>30</b>
	C1.2	15	
<b>C2 Paradigm Shift Potential (criteria weight 5)</b>	C2.1	15	<b>45</b>
	C2.2	15	
	C2.3	15	
<b>C3 Sustainable Development Potential (criteria weight 4)</b>	C3.1	12	<b>36</b>
	C3.2	12	
	C3.3	12	

Criterion	Sub-criteria	Max. score per sub-criterion	Total score/points for each criterion
C4 Relevance to country needs (criteria weight 4)	C4.1	12	36
	C4.2	12	
	C4.3	12	
C5 Country Ownership (criteria weight 3)	C5.1	9	27
	C5.2	9	
	C5.3	9	
C6 Efficiency and Effectiveness (criteria weight 3)	C6.1	9	27
	C6.2	9	
	C6.3	9	

The maximum score a concept note/funding proposal may obtain after technical assessment is 201 points (presented on the table below).

SAC members should each assess the received concept note in a two-week timeframe, after which the NDA will convene an in-person SAC meeting to discuss the individual assessments and make a final decision based on the average scores of each evaluator. Based on this assessment, the NDA will meet the Accredited Entity to schedule a proposal presentation at the National Council on Sustainable Development and to further develop the Funding Proposal.

After the Technical assessment of the Concept Notes/ funding proposals:

- Proposals scoring between 130 and 201 points will be considered **endorsed**,
- Proposals scoring between 80 and 129 points will receive **specific improvement recommendations** and will be requested to resubmit their proposal as soon as possible; while,
- Proposals scoring between 0 and 79 points will be requested to **thoroughly review their proposal rationale**.

After technical assessment is conducted, the pipeline will be reviewed to indicate if some proposals are moving up or down within the established three groups of prioritized projects during Phase 2b (Group A/B/C). This categorization is indicative and could be temporary as proposals will be able to move out (up or down) of any given priority group according to the improvements and further work conducted to ensure proposal quality.

Together with the AE, the executing partners will develop the full project proposal in line with GCF investment criteria and will request the NDA to issue a No-objection Letter in order to officially submit the funding proposal to the GCF Secretariat for consideration. It is worth highlighting that according to GCF procedures and regulations, all funding proposals submitted to the GCF should be accompanied by a No-objection letter. Those proposals submitted without the No-objection letter will not be considered by the GCF until this requirement is fulfilled.

**Table 6** Criteria, sub-criteria, indicators and scoring system for prioritizing Concept Notes/ Funding Proposals

No	Criteria	Description of criteria	Indicator	Rating Criteria
C1	<b>Project impact potential</b>			<b>C1 Criteria weight</b>  5
		Potential of the Programme/ project to contribute significantly to reducing emissions or increase resilience. Specify the climate mitigation and/or adaptation impact by providing comparable national benchmarks	1. Estimated mitigation impact (tCO <sub>2</sub> eq over project lifespan) or expected increase in the number of households with access to low- emission energy.  2. Estimated adaptation impact (number of direct beneficiaries and indirect beneficiaries as a % of total population disaggregated by sex and type of vulnerability, changes in loss of lives, value of physical assets, livelihoods and or environmental losses due to the impact of climate disasters).	3  2  1
<b>C 1.1</b>	<b>Impact potential</b>			Very High mitigation/ adaptation impact  High mitigation/ adaptation impact  Medium mitigation/ adaptation impact  Very low mitigation/ adaptation impact

No	Criteria	Description of criteria	Indicator	Rating Criteria	
C 1.2	<b>Environmental and social risk mitigation</b>	Description of residual risk level related to introduction of planned mitigation measures to the environmental media and vulnerable groups	Level of residual risks associated with project and adequate mitigation measures defined to meet Environmental and Social standards (ESS) requirements	3	No substantial risks identified after preliminary ESS screening
				2	Substantial risks identified according to ESS categories and mitigation measures clearly defined
				1	Substantial risks identified according to ESS categories and some mitigation measures defined but not comprehensive
				0	Substantial risks identified according to ESS categories, but no mitigation measures defined
C2	<b>Paradigm shift potential</b>			<b>C2 Criteria weight</b>	<b>5</b>
C 2.1	<b>Long-term change at policy / strategic level resulting from Project Implementation</b>	Degree to which the proposed activities can catalyze impact beyond a one-off project investment and in which scaled project implementation will result in impact on policy changing	Initiate the policy changes, new strategic documents to be developed or new regulation  The extent to which the developed new regulation will impact gender and vulnerable groups	3	Long-term impact (including gender and vulnerable groups)
				2	Medium-term impact (including gender and vulnerable groups)
				1	Short-term impact (including gender and vulnerable groups)
				0	No impact

No	Criteria	Description of criteria	Indicator	Rating Criteria	
C 2.2	<b>Potential for scaling-up and replication for both mitigation and adaptation and Potential for knowledge and learning</b>	Specific values for scaling-up and replication and any potential for knowledge sharing or learning at a project or institutional level	<p>Project opportunities for replication in several regions in RNM and Degree of sharing lessons learned and experience gained from the project</p> <p>Percentage of time dedicated to gender and vulnerable groups during capacity-building Initiatives.</p>	3	High potential for replication and knowledge will be shared on national or wider level
				2	Medium potential for replication and knowledge will be shared on regional level
				1	Low potential for replication and knowledge will be shared on local level
				0	No potential for replication and no knowledge shared
C 2.3	<b>Innovative potential</b>	Description of innovative elements and concept within the project activities	<p>Degree of innovation and opportunities for targeting new market segments, developing or adopting new technologies, business models and /or processes</p> <p>Decree to which the activities will change incentives for market participants by reducing costs and risks and open opportunities for low-carbon solutions</p>	3	High innovative approach
				2	Innovative approach on national level (based on adaptation of innovative idea into national context)
				1	Low potential of innovation
				0	No innovation is presented

No	Criteria	Description of criteria	Indicator	Rating Criteria
C3	Sustainable development potential			C3 Criteria weight 4
C 3.1	<b>Environmental benefits from the project</b>	Description of environmental benefits of project implementation (e.g. improving air quality, better waste management, protecting biodiversity, improving ecosystem services, etc.)	Type of improvements in environmental media and number of sectors/media (e.g. air, water, biodiversity, soil quality, water quality)	3 Benefits to at least three environmental media
				2 Two environmental media will benefit
				1 One environmental medium will benefit
				0 No environmental improvements

No	Criteria	Description of criteria	Indicator	Rating Criteria
C 3.2	<b>Economic and Social benefits from the project</b>	Economic analyses on project activities and description of economic benefits;	<p>Total number of jobs created (direct and in direct) by the project implementation.</p> <p>Amount of government's budget deficits reduced</p> <p>Development and support of competitiveness of SMEs;</p> <p>Types of improvements in social areas (education, social inclusion, access to water supply, health facilities, etc.) in the RNM.</p>	3
		Description of the improvements in the following areas: health and safety, access to education, social inclusion, improved sanitation facilities, improved access to energy, improved cultural preservation and community values		2
		Improvements measured by sex distribution: how many girls, women, and other vulnerable groups will benefit from the improvements. Are their needs assessed before designing the improvement measures? Different roles of women and men assessed in each of the improvements?		1
				0

No	Criteria	Description of criteria	Indicator	Rating Criteria	
C 3.3	<b>Gender benefits</b>	Description of how gender equality will be supported by project implementation and how equal the benefits will be.  Potential for reduced gender inequalities in climate change impacts and/or equal participation by gender groups in contributing to expected outcomes	Improving resilience and climate change gender equality and vulnerability (potential risks in project implementation, but also after project completion)  % of female participation in project activities, % of female beneficiaries, % of gender responsive measures provided by the project, type of affirmative measures provided for women	3	High improvement
				2	Medium improvement
				1	Low improvement
				0	No improvement

No	Criteria	Description of criteria	Indicator	Rating Criteria
C4	Needs of the recipient			C4 Criteria weight 4
C 4.1	Level of economic and social benefits of the target population	Description of the level of social and economic development (including socio-economic vulnerable population) of the country and target population.	% of socio-economic population that will benefit from the project (disaggregated by sex, income level, etc.)	3 2 1 0
				High % of socio-economic vulnerable population benefits from improved economic and social development as a result of project implementation Medium % of socio-economic vulnerable population benefits from improved economic and social development as a result of project implementation Low % of socio-economic vulnerable population benefits from improved economic and social development as a result of project implementation Socio-economic vulnerable population will not benefit from improved economic and social development as a result of project implementation

No	Criteria	Description of criteria	Indicator	Rating Criteria	
C 4.2	Availability of financial resources	Description of the lack of funding sources for project implementation and why the GCF has been approached	<p>Opportunities for overcoming specific barriers to financing</p> <p>Possibility to ensure funding from other sources</p>	3	No possibility to attract any other financial source
				2	Low possibility
				1	Strong possibility for other sources of funding
				0	Very high possibility to combine different funding sources
C 4.3	Needs for institutional capacity strengthening	<p>Description of opportunities to strengthen institutional and implementation capacity in relevant institutions</p>	<p>Specified actions for strengthening institutional and implementation capacity in RNM.</p> <p>To what extent are gender aspects mainstreamed in these capacity strengthening actions?</p>	3	High opportunities to strengthen national institution
				2	Sufficiently described actions that lead to improving institutional capacities
				1	Low opportunities for improvements in relevant institutions
				0	No description of strengthening actions

No	Criteria	Description of criteria	Indicator	Rating Criteria
C5	Country ownership			C5 Criteria weight 3
C 5.1	Coherence with national strategic, regulatory and legal framework on CC	Description of national context to implement a funded project or Programme (policies, regulations, legislation, climate strategies and institutions)	Coherence and alignment of the project objectives with priorities addressed already in the national climate policy, regulation, legislation and strategies	3  2  1  0
				High alignment and coherence with national climate policy, regulation, legislation, strategies and priorities  Partial alignment and coherence with national climate policy, regulations, legislation, strategies and priorities  Improper alignment of the project with national climate policy, regulation, legislation, strategies and priorities  Very low alignment of the project with national climate policy, regulation, legislation, strategies and priorities

No	Criteria	Description of criteria	Indicator	Rating Criteria
C 5.2	<b>Relevance and alignment with national development indicators, enabling policy and institutional frameworks</b>	Explanation of how project proposal fits with national development agenda.	Alignment with the relevant national development indicators and/or enabling policy and institutional frameworks	3
				2
				1
				0

No	Criteria	Description of criteria	Indicator	Rating Criteria	
C 5.3	<b>Stakeholder consultation</b>	<p>Explanation on engaging different stakeholders, and the role of the NDA while developing the CN/Project proposal.</p> <p>Engaging civil society organizations and other stakeholders</p>	<p>To what extent the stakeholders are consulted or involved within the Project activities (relevant stakeholders identified, number of stakeholders, communication channels used, number of events and workshops organized, etc.)</p> <p>Number of events held for women and vulnerable groups (e.g. trainings, workshops, meetings, consultations)</p> <p>Female and vulnerable groups representation (percentage of women compared to percentage of men) participating in capacity building initiatives and events, awareness raising events, informative, consultative events.</p>	3	All relevant stakeholders identified and involved and feedback has been incorporated
				2	Most stakeholders identified and involved and feedback incorporated
				1	Some stakeholders identified and involved and feedback incorporated
				0	No details on how stakeholder consultation was conducted

No	Criteria	Description of criteria	Indicator	Rating Criteria
C6	Efficiency and effectiveness			C6 Criteria weight 3
C 6.1	Project efficiency and effectiveness	Economic and, if appropriate, financial soundness of the Programme/project, and for mitigation-specific Programmes/projects, cost-effectiveness and co-financing	Estimated cost per tCO <sub>2</sub> eq. (total investment cost/expected lifetime emission reductions), Expected volume of finance to be leveraged as a result of GCF financing, disaggregated by public and private sources	3 2 1 0
C 6.2	Capacity of applicant/AE to ensure funding from other sources/leverage co-financing and complementary contributions to this project	Description of possibilities to combine various funding sources and expected volume of finance to be leveraged as a result of GCF financing	Share of total GCF-financing support in the project budget and clear explanation about other financial sources already agreed.	3 2 1 0
				less than 25% between 25-50% up to 75% between 75-100%

No	Criteria	Description of criteria	Indicator	Rating Criteria								
C 6.3	<b>Applied Best Practice Technologies</b>	Description of proposed best practice technologies and degree of innovative technical solutions in the project	Level of technologies of best practices planned to be applied with the project and main benefits to be achieved.	<table border="1"> <tr> <td data-bbox="325 504 414 619">3</td> <td data-bbox="230 199 325 504">High % of best practice technologies included in the project</td> </tr> <tr> <td data-bbox="325 504 414 619">2</td> <td data-bbox="325 199 414 504">Medium % of best practice technologies included in the project</td> </tr> <tr> <td data-bbox="414 504 504 619">1</td> <td data-bbox="414 199 504 504">Low % of best practice technologies included in the project</td> </tr> <tr> <td data-bbox="504 504 594 619">0</td> <td data-bbox="504 199 594 504">Best practice technologies are not included in the project.</td> </tr> </table>	3	High % of best practice technologies included in the project	2	Medium % of best practice technologies included in the project	1	Low % of best practice technologies included in the project	0	Best practice technologies are not included in the project.
3	High % of best practice technologies included in the project											
2	Medium % of best practice technologies included in the project											
1	Low % of best practice technologies included in the project											
0	Best practice technologies are not included in the project.											

**Step 3b:** Final No-objection check

<b>Timeframe</b>	2 weeks
<b>Responsible body</b>	NDA

Lastly, upon submitting a funding proposal to the NDA, the Accredited and Executing Entities will be required to deliver a presentation on the proposal scope, rationale and financial structure to the National Council on Sustainable Development. If no major comments are received by the NCSA on the proposal, the NDA will complete the final No-objection check by recommending the Government to endorse the proposal.

The final No-objection check is the final quality assurance step for the issuance of the No-objection letter by the NDA.

<b>Final No-objection Check</b>	
Has the proposal been assessed as eligible (according to eligibility criteria)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the proposal included in North Macedonia's Country Work Programme?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the proposal's target communities been discussed/consulted?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the project received technical clearance?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the project addressed all the comments received during technical assessment?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the Accredited Entity presented the proposal to the NCSA team?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If the proposal is endorsed by the Government of the Republic of North Macedonia, the NDA will issue the No-objection letter for the proposal accordingly. The No-objection template letter is provided by the GCF and only a registered signatory within the NDA can complete it.

The AE is responsible for submitting the Funding proposal and all supporting documents, including the No-objection letter, to the GCF Secretariat for consideration. If the Accredited Entity receives comments from the GCF, or if the funding proposal is approved or rejected by the GCF Board, the AE will immediately communicate this information to the NDA.

If the comments received from the GCF result in changing the scope/scale and rationale of the proposal, the AE is responsible to socialize the new structure/scope of the proposal with the NDA and target communities.

If an AE submits more than one project idea/concept note/ funding proposal to the NDA, each of the proposals will follow the review and quality assurance phases and will be treated independently from each other.

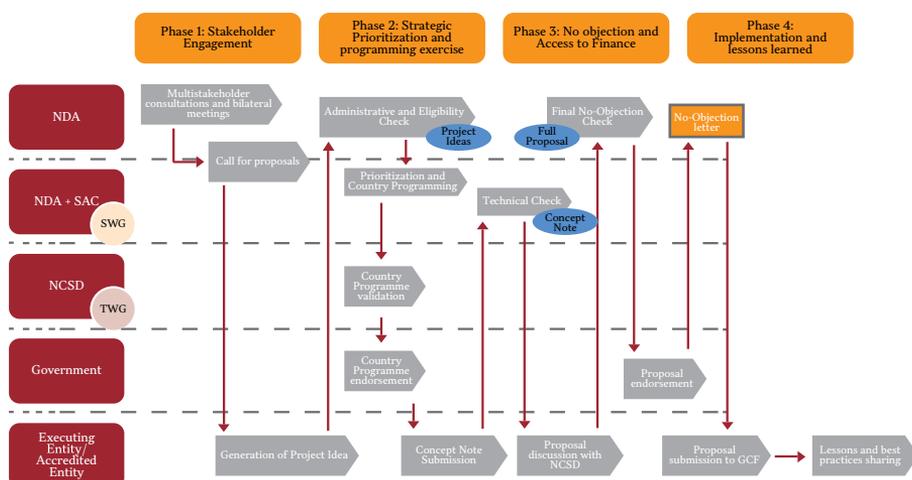
## Phase 4: Implementation and lessons learned

<b>Timeframe</b>	On ongoing basis
<b>Responsible body</b>	NDA +SAC

In order to ensure capacities at national level are strengthened as a result of working with the GCF, national stakeholders also learn from the lessons acquired during the funding proposals' implementation; Accredited Entities should follow the next steps to ensure that information on the status of the project implementation/completion/impact is shared with the NDA:

- The AE will share with the NDA the Interim Progress/ Completion Reports as submitted to the GCF; a summary of these reports will be uploaded to the NDA website to illustrate the progress in the respective project.
- The AE and EEs will ensure the target communities are informed about the proposal implementation, including by convening stakeholder meetings;
- Upon completing the project's implementation phase, the AE will deliver a presentation to the NCSD on the key project outputs and the impact achieved as well as on the lessons learned from the implementation phase.

The NDA will request the AE to present a short update on the project's implementation twice a year (every 6 months); however, if needed, the NDA may request the AEs to provide a project implementation update at any time. With these actions the cycle is completed and best practice replication and learning from important lessons gained during implementation is allowed. The flow chart below provides details on the different steps to be conducted in light of the 4 Country Ownership Phases in the Republic of North Macedonia:



## Reference list

- Green Climate Fund.** 2016. *Country Ownership Guidelines, GCF/B.15/06.*  
Available at: [https://www.greenclimate.fund/documents/20182/490910/GCF\\_B.15\\_06\\_-\\_Country\\_Ownership\\_Guidelines.pdf/1dd8b4d1-3478-4ab4-a2fc-a94c6151d768?version=1.0](https://www.greenclimate.fund/documents/20182/490910/GCF_B.15_06_-_Country_Ownership_Guidelines.pdf/1dd8b4d1-3478-4ab4-a2fc-a94c6151d768?version=1.0)
- Green Climate Fund.** 2016. *Decision GCF/B.08/45, Annex XIII, Initial best-practice guidelines for the selection and establishment of national designated authorities and focal points.*  
Available at: [https://www.greenclimate.fund/documents/20182/466886/Best\\_Practices\\_Guidelines\\_for\\_NDA\\_FP\\_Selection\\_and\\_Establishment.pdf/ad4834dc-53ff-4799-801e-1e1b9f1b41cf?version=1.2](https://www.greenclimate.fund/documents/20182/466886/Best_Practices_Guidelines_for_NDA_FP_Selection_and_Establishment.pdf/ad4834dc-53ff-4799-801e-1e1b9f1b41cf?version=1.2)
- Green Climate Fund.** 2016. *Decision GCF/B.15/45, Annex XIV, Initial best-practice options for country coordination and multi-stakeholder engagement.*  
Available at: [https://www.greenclimate.fund/documents/20182/466886/Best\\_Practices\\_for\\_Country\\_Coordination\\_and\\_Multi-Stakeholder\\_Engagement.pdf/585960fa-8e8d-4078-a313-f5575db240f0?version=1.2](https://www.greenclimate.fund/documents/20182/466886/Best_Practices_for_Country_Coordination_and_Multi-Stakeholder_Engagement.pdf/585960fa-8e8d-4078-a313-f5575db240f0?version=1.2)
- Green Climate Fund.** 2011. *Governing Instrument for the Green Climate Fund.*  
Available at: [https://www.greenclimate.fund/documents/20182/1246728/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235?version=1.14](https://www.greenclimate.fund/documents/20182/1246728/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235?version=1.14)

## **Annex 1: Project idea template**

### **Project Idea**

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Title:

## Project Idea Note

This project idea template may be used by Applicants that choose to submit a Project idea note for consideration by the National Designated Authority, or Applicants interested in responding to a specific call for proposals launched by the NDA.

This Project idea will be reviewed by the NDA by using a set of already established eligibility criteria and only eligible project ideas will be endorsed and included as part of the Country Work Programme. A confirmation letter will be sent by the NDA to applicants to confirm either the endorsement of the idea, or to inform the applicant on the rejection of the project idea and to provide recommendations for improvement.

Applicants of endorsed Project ideas will be encouraged to further develop them into Concept Notes according to GCF templates and in consultation with NDA representatives. At the Concept note stage, an Accredited Entity to support the development and implementation of project proposals should be identified according to the area of activity, and accreditation criteria of the particular accredited entity, including project size this entity is accredited to implement, area/sector of expertise and Category of Environmental and Social risk the entity is able to manage.

Project ideas should be submitted in English by using the electronic template that can be accessed at [www.greendevlopment.mk](http://www.greendevlopment.mk) according to the guidance provided by the NDA in the Call for proposals. Detailed guidelines to complete the project idea template and other information about the work of the Green Climate Fund will be available on the NDA website: [www.greendevlopment.mk](http://www.greendevlopment.mk).

Detailed guidelines to complete this template and other information about the work of the Green Climate Fund are available at: [www.greendevlopment.mk](http://www.greendevlopment.mk)

<b>Project general information</b>	
<b>Project Title:</b>	
<b>Project or Programme</b>	<input type="checkbox"/> <b>Project</b> <input type="checkbox"/> <b>Programme</b>
<b>Project Duration (months):</b>	
<b>Geographic Location of Project Activities</b> (please, enclose a map in the Annex):	
<b>Implementation Entity/ies</b> (title, type of organization, address, contact persons) Please, provide in Annex a List of employees dedicated project implementation (disaggregate by sex and education) for each entity	Title: Type of organization: Address: Contact person: Phone/e-mail address:
<b>Previous experience in implementing similar projects</b> (similar in terms of complexity, costs and duration)	<i>Please, list at least two finalized similar projects providing information on project costs, aim of the projects, main beneficiary and main results. You can provide a Reference list as an Annex with more relevant data on previous similar experience</i>
<b>Project Status:</b>	<input type="checkbox"/> <b>Full Project proposal</b> <input type="checkbox"/> <b>Concept note</b> <input type="checkbox"/> <b>Project idea note</b>
<b>Project climate focus and results areas</b>	
<b>Focus area of the project:</b>	<input type="checkbox"/> <b>Mitigation</b> <input type="checkbox"/> <b>Adaptation</b> <input type="checkbox"/> <b>Cross-cutting</b>

<p><b>Green Climate Fund strategic results areas</b> (Which of the following targeted GCF result areas does the proposed project address?)</p> <p>Please, mark the most relevant ones</p>	<p><b><u>Mitigation</u></b></p> <p>By reducing greenhouse gas emissions:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Energy access and power generation</b> (E.g. access to on-grid, micro-grid or off-grid, where power is generated by renewable energy sources, i.e. solar, wind, geothermal waters, etc.)</li> <li><input type="checkbox"/> <b>Low emission transport</b> (E.g. high-speed rail, rapid bus system, etc.)</li> <li><input type="checkbox"/> <b>Buildings, cities, industries and appliances</b> (E.g. new and retrofitted energy-efficient buildings, energy-efficient equipment for companies and supply chain management, etc.)</li> <li><input type="checkbox"/> <b>Forestry and land use</b> (E.g. forest conservation and management, agricultural irrigation, water treatment and management, etc.)</li> </ul> <p><b><u>Adaptation</u></b> to climate change</p> <p>By increasing resilience in following spheres:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Most vulnerable people and communities</b> (E.g. mitigation of adverse risks associated with climate change, developing early warning systems, developing insurance service systems, etc.)</li> <li><input type="checkbox"/> <b>Health and well-being, and food and water security</b> (E.g. providing clean drinking water to population, implementing water-saving technologies, etc.)</li> <li><input type="checkbox"/> <b>Infrastructure and built environment</b> (E.g. mudflow and avalanche protection infrastructures, air-conditioning systems, resilient road networks, etc.)</li> <li><input type="checkbox"/> <b>Ecosystem and ecosystem services</b> (E.g. ecosystem conservation and management, ecotourism, etc.)</li> </ul>
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<b>Project description (max. 3 pages)</b>	
<b>Project goal:</b>	
<b>Project objectives</b>	<i>(if possible, please define specific objectives related to gender and minorities issues and climate change)</i>
<b>Main project beneficiary</b> (direct and indirect) disaggregated by type of vulnerability	
<b>Brief project justification</b> (coherence and alignment with the country's national climate priorities and development strategies as well as national SDGs)	
<b>Briefly describe the Mitigation/ Adaptation problem the proposal intends to address</b>	<i>(please, specify the issues relevant for gender and vulnerable groups)</i>
<b>List proposed project activities to address the above problems and identified barriers leading to the expected results</b>	<i>(Please, mention if the proposed activities/ processes or technologies are innovative. Also, explain how women, CSOs, academia, business and other stakeholders will be included during the project activities implementation)</i>
<b>Briefly describe expected outcomes and economic (in EUR), social climate/ environmental and gender aspects target results</b>	<i>(i.e. number of new jobs created, tons of reduced emissions of CO<sub>2</sub> eq., estimated adaptation impact – number of direct/indirect beneficiaries as percentage of total population, How will the project address gender and other vulnerable group issues?)</i>
<b>Indicate if there is potential for replicating project activities in other region(s) or neighboring country and describe the use of project results</b>	
<b>Explain why the project requires funding:</b>	<i>(i.e. explain why this is not financed by domestic resources from the public and/or private sector(s))</i>

<b>Financial aspects of the project</b>	
<b>Indicative total project cost (EUR):</b>	
<b>Indicative funding request from GCF (EUR):</b>	
<b>Estimated co-financing (if any)</b> – EUR or % of the total project costs	
<b>Type of financial instrument to be requested:</b>	<input type="checkbox"/> Grant <input type="checkbox"/> Loan <input type="checkbox"/> Other _____
<b>Other financing sources that will partially cover total project costs:</b>	

<b>Applicant information</b>	
<b>Name of the Applicant organization/ Institution:</b>	
<b>Type of organization/institution:</b> <i>(public (governmental), business, CSOs, international organization, academic institution, etc.)</i>	
<b>Address:</b> <i>(street, number, postal code)</i>	
<b>Contact Person:</b>	
<b>Position:</b>	
<b>Contact:</b> <i>(telephone and e-mail):</i>	
<b>Date of submission</b> of the Project idea note for review by the NDA	

## Appendixes

### **PROJECT IDEA NOTE supporting documents:**

**ANNEX 1**

**ANNEX 2**

**ANNEX 3**

## Annex 2a: Confirmation letter template for project ideas

To: (name of the applicant/AE)

[Place], [date]

**Subject:** Confirmation of eligibility of project idea submitted for financing by the Green Climate Fund

Dear Madam/Sir,

The Cabinet of the Deputy President of the Government of the Republic of North Macedonia, in its role as National Designated Authority (NDA) refers to the project idea [name of project idea] as submitted by [name of project applicant/ Accredited Entity].

Pursuant to the steps and criteria defined as part of North Macedonia's No-objection procedure for Green Climate Fund (GCF) projects, we acknowledge this project idea has been reviewed and we hereby confirm its eligibility to be further developed into a Concept Note/Funding Proposal.

By communicating this confirmation, it is implied that:

- a) The idea presented will be included in the project pipeline to be shared with the GCF, as part of North Macedonia's Country Work Programme;
- b) The applicant is encouraged to proceed in developing a Concept Note of this idea, and to submit it for further review by the NDA, according to North Macedonia's No-objection Procedure;
- c) The applicant must ensure that all relevant partnerships are in place in order to finalize the Concept Note, including relevant Accredited Entity and co-financiers;

The NDA would like to highlight that this letter only confirms the eligibility of the project idea and that the applicant must comply with all remaining relevant steps to obtain a No-objection letter.

For further comments or questions, don't hesitate to write to the NDA team's official E-mail address: [Daniel.Josifovski@gs.gov.mk](mailto:Daniel.Josifovski@gs.gov.mk).

Best regards,

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Annex 2b: Rejection letter template for project ideas

To: (name of applicant/AE)

[Place], [date]

**Subject:** Notification of non-eligibility of project idea submitted for financing by the Green Climate Fund

Dear Madam/Sir,

The Cabinet of the Deputy President of the Government of the Republic of North Macedonia, in its role as National Designated Authority (NDA) refers to the project idea [name of project idea] as submitted by [name of project applicant/Accredited Entity].

Pursuant to the steps and criteria defined as part of North Macedonia's No-objection procedure for Green Climate Fund (GCF) projects, we acknowledge this project idea has been reviewed and we hereby notify you that it is ineligible to be further developed as Concept Note/Funding Proposal.

By communicating this ineligibility, it is implied that:

- a) The idea presented will not be included in the project pipeline to be shared with the GCF, as part of North Macedonia's Country Work Programme;
- b) The applicant is encouraged to closely examine the attached review sheet and address all comments provided.

The NDA would like to highlight that this letter is only a notification of ineligibility of the project idea as submitted. If appropriate, the applicant may submit an updated version of their project idea only in cases where all comments have been duly addressed and the scope and relevance of the idea complies with country priorities and needs as reflected in the attached review sheet.

For further comments or questions, don't hesitate to write to the NDA team's official E-mail address: [Daniel.Josifovski@gs.gov.mk](mailto:Daniel.Josifovski@gs.gov.mk).

Kind regards,

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Annex 2c: Endorsement letter template (technical check)

To: (name of the applicant/AE)

[Place], [date]

**Subject:** Notification of Endorsement of Project Concept Note submitted for consideration by the NDA

Dear Madam/Sir,

The Cabinet of the Deputy President of the Government of the Republic of North Macedonia, in its role as National Designated Authority (NDA) refers to the project Concept Note [name of project] as submitted by [name of project applicant/Accredited Entity].

Pursuant to the steps and criteria defined as part of North Macedonia's No-objection procedure for Green Climate Fund (GCF) projects, we acknowledge this project Concept Note has been reviewed and we hereby notify you that it has been endorsed to be further developed into a full funding proposal and considered to move to the final stage of No-objection assessment.

By communicating this endorsement, it is implied that:

- a) The Concept Note presented has received technical clearance from the NDA and the Strategic Advisory Committee;
- b) The applicant is encouraged to move on to developing a Full funding proposal, and to submit it for final No-objection review by the NDA, according to North Macedonia's No-objection Procedure;
- c) The applicant must ensure that all relevant supporting documents, including Feasibility Study, Environmental and Social Assessment and Co-financing letters are in place for submission to the GCF upon No-objection confirmation by the Government of the Republic of North Macedonia.

The NDA would like to highlight that this letter is only a notification of the endorsement of the project Concept Note as submitted, and that the applicant must comply with all remaining relevant steps to obtain a No-objection letter.

For further comments or questions, don't hesitate to write to the NDA team's official E-mail address: [Daniel.Josifovski@gs.gov.mk](mailto:Daniel.Josifovski@gs.gov.mk).

Kind regards,

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Annex 2d: Review sheet for assessing project proposals at different phases of the No-objection process

### Review Sheet

#### Administrative check and eligibility assessment of project ideas

##### I. Basic Information

<b>Proposal title:</b>	Enter Institution Name		
<b>Name of Applicant</b>	Applicant Contact Person		
<b>Type of proposal:</b>	Position of applicant contact Person		
<b>Implementing Institution/ AE:</b>			
<b>Estimated amount of the Project(USD):</b>	USD		
<b>Anticipated Duration:</b>			
<b>Date of 1<sup>st</sup> Submission:</b>	<b>Date of 1<sup>st</sup> Review:</b>	Click or tap to enter a date.	Click or tap to enter a date.
<b>Date of 2<sup>nd</sup> Submission:</b>	<b>Date of 2<sup>nd</sup> Review:</b>	Click or tap to enter a date.	Click or tap to enter a date.
<b>Date of 3<sup>rd</sup> Submission:</b>	<b>Date of 3<sup>rd</sup> Review:</b>	Click or tap to enter a date.	Click or tap to enter a date.
	<b>Number of Comments</b>		<b>Remarks</b>

## II. Document checklist

Section Completeness	Is the section complete?
Section 1: General Information of the Project	<input type="checkbox"/> Yes <input type="checkbox"/> No
Section 2: Project climate focus and result areas	<input type="checkbox"/> Yes <input type="checkbox"/> No
Section 3: Project Description	<input type="checkbox"/> Yes <input type="checkbox"/> No
Section 4: Financial Aspects of the Proposal	<input type="checkbox"/> Yes <input type="checkbox"/> No
Section 5: Applicant Information	<input type="checkbox"/> Yes <input type="checkbox"/> No
Annexes	

## III. Review Sheet (1<sup>st</sup> Submission)

Eligibility Assessment	Yes	No
Are the objectives of this project Idea aligned with the objectives of the national climate policy and strategies?	<input type="checkbox"/>	<input type="checkbox"/>
Is the project idea aligned with the relevant national development indicators, enabling policy and institutional frameworks?	<input type="checkbox"/>	<input type="checkbox"/>
Is the Project Idea in line with at least one of the eight strategic result areas of GCF?	<input type="checkbox"/>	<input type="checkbox"/>
Does the Project Idea address issues relevant to mainstream gender and other vulnerable issues? Does it describe how resilience/mitigation to climate change equally impacts men and women? Does it ensure that women will equally benefit from project activities?	<input type="checkbox"/>	<input type="checkbox"/>

Section	GCF Comments	Responses by Applicant
General		
Section 1: Project General Information		
Section 2: Project climate focus and result areas		

<b>Section 3: Project Description</b>		
<b>Section 4: Financial aspects of the proposal</b>		
<b>Section 5: Applicant's information</b>		

IV. Additional review (2<sup>nd</sup> submission – edit as necessary)

Section	GCF Comments	Responses by Applicant
General		
Section 1: Project General Information		
Section 2: Project climate focus and result areas		

<b>Section 3: Project Description</b>		
<b>Section 4: Financial aspects of the proposal</b>		
<b>Section 5: Applicant's information</b>		

# No-objection procedure for the Republic of North Macedonia

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