



Food and Agriculture
Organization of the
United Nations

Manual for the operations of the National Designated Authority for engagement with the Green Climate Fund

**Project: “Support for the management of an effective national
coordination mechanism regarding the Green Climate Fund”**



Republic of North Macedonia
Government of the Republic of North Macedonia



Green development
Republic of North Macedonia

Manual for the operations of the National Designated Authority for engagement with the Green Climate Fund

Project: “Support for the management of an effective national coordination mechanism regarding the Green Climate Fund”

Required citation:

FAO. 2019. *Manual for the operations of the National Designated Authority for engagement with the Green Climate Fund*. Budapest.

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations (FAO) concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO in preference to others of a similar nature that are not mentioned.

The views expressed in this information product are those of the author(s) and do not necessarily reflect the views or policies of FAO.

ISBN 978-92-5-132065-5

© FAO, 2019



Some rights reserved. This work is made available under the Creative Commons Attribution-NonCommercial-ShareAlike 3.0 IGO licence (CC BY-NC-SA 3.0 IGO; <https://creativecommons.org/licenses/by-nc-sa/3.0/igo/legalcode>).

Under the terms of this licence, this work may be copied, redistributed and adapted for non-commercial purposes, provided that the work is appropriately cited. In any use of this work, there should be no suggestion that FAO endorses any specific organization, products or services. The use of the FAO logo is not permitted. If the work is adapted, then it must be licensed under the same or equivalent Creative Commons licence. If a translation of this work is created, it must include the following disclaimer along with the required citation: "This translation was not created by the Food and Agriculture Organization of the United Nations (FAO). FAO is not responsible for the content or accuracy of this translation. The original [Language] edition shall be the authoritative edition."

Disputes arising under the licence that cannot be settled amicably will be resolved by mediation and arbitration as described in Article 8 of the licence except as otherwise provided herein. The applicable mediation rules will be the mediation rules of the World Intellectual Property Organization <http://www.wipo.int/amc/en/mediation/rules> and any arbitration will be conducted in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

Third-party materials. Users wishing to reuse material from this work that is attributed to a third party, such as tables, figures or images, are responsible for determining whether permission is needed for that reuse and for obtaining permission from the copyright holder. The risk of claims resulting from infringement of any third-party-owned component in the work rests solely with the user.

Sales, rights and licensing. FAO information products are available on the FAO website (www.fao.org/publications) and can be purchased through publications-sales@fao.org. Requests for commercial use should be submitted via: www.fao.org/contact-us/licence-request. Queries regarding rights and licensing should be submitted to: copyright@fao.org.

Contents

Acronyms.....	v
1. Introduction	1
2. Green Climate Fund at a Glance.....	2
2.1 Mission	2
2.2 Governance	2
2.3 Resources allocation	3
2.4 Architecture	4
2.5 Financial instruments.....	6
3. Access to the Climate Fund.....	7
3.1 Readiness and preparatory support	7
3.2 Project Preparation Facility.....	9
3.3 Simplified Approval Process.....	9
3.4 Funding projects on a rolling basis	11
3.5 Green Climate Fund requests for proposals	14
4. National Designated Authority responsibilities.....	15
5. Country coordination mechanism.....	17
5.1 Strategic Advisory Committee (NDA-SAC)	18
5.2 Sectoral Working Groups.....	19
5.3 National Council for Sustainable Development	19
5.4 The Government.....	20
6. Country work programme and project cycle.....	21
6.1 Phase 1: Awareness raising and stakeholder engagement	22
6.2 Phase 2: Strategic prioritisation and programming exercise	24
6.3 Phase 3: No-objection and access to finance	29
6.4 Phase 4: Implementation and sharing lessons learnt	34
7. Direct access accreditation	35
7.1 GCF accreditation requirements	35
7.2 Accreditation process	38
References	40
Annexes	42
1. GCF investment criteria and sub-criteria.....	42
2. GCF Environmental and Social Policy	44
3. GCF Gender Policy.....	46
4. Rules of Procedure of the NDA-SAC.....	48
5. Template: Project Idea Note	51
6. Template: Confirmation Letter for project ideas	58
7. Template: Rejection letter for project ideas	59
8. Criteria for prioritizing project ideas.....	60
9. Criteria, sub-criteria, indicators and scoring system for prioritizing Concept Notes/funding proposals.....	64
10. Template: Endorsement letter for Concept Notes.....	75
11. Template: No-objection letter for Project Preparation Facility (PPF)	76
12. Template: No-objection letter for Simplified Approval Process proposals.....	77
13. Template: No-objection letter for funding proposals	78
14. GCF fiduciary standards.....	79
15. Template: Nomination letter for Direct Access Entity application.....	82

Acknowledgements

The Manual for the Operations of the National Designated Authority (NDA) for Engagement with the Green Climate Fund (GCF) was prepared by the Food and Agriculture Organization of the United Nations (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.

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 Kateryna Stelmakh, GCF Procedures consultant, Ms. Olgica Apostolova, Gender Specialist, Mr. Igor Slavkoski, National Team Leader and Ms Carmen Arguello Lopez, FAO GCF Advisor.

The authors would like to acknowledge the role of the members of the National Designated Authority for their inputs and guidelines for the preparation of the this GCF Handbook aiming at increasing the knowledge and understanding of GCF operations among national stakeholders, to explore the best avenues to contribute to climate action in the Republic of North Macedonia.

Acronyms

AE	Accredited Entity
AF	Adaptation Fund
CSO	Civil society organisation
DAE	Direct Access Entities
DG DEVCO	Directorate-General for Development and Cooperation – EuropeAid of the European Commission
ESMS	Environmental and Social Management System
ESS	Environmental and Social Safeguards
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
GCF	Green Climate Fund
IAE	International Access Entities
ITAP	Independent Technical Advisory Panel
LDC	Least Developed Country
NCSD	National Council on Sustainable Development
NDA	National Designated Authorities
NDC	Nationally Determined Contribution
OAS	Online Accreditation System
OSS	Online Submission System
PPF	Project Preparation Facility
PSF	Private Sector Facility
PSO	Private sector organisation
SAC	Strategic Advisory Committee
SAP	Simplified Approval Process
SDGs	Sustainable Development Goals
SEA	Secretariat of European Affairs
SIDS	Small Island Developing States
SWG	Sectoral Working Group
TWG	Technical Working Group
UNFCCC	United Nations Framework Convention on Climate Change

1. Introduction

This Manual aims to provide guidance to the National Designated Authority on the engagement with the Green Climate Fund, on its operations and roles to facilitate the implementation of climate change activities in North Macedonia.

North Macedonia can feel the impacts of climate change already today and will become increasingly vulnerable to its effects. As a party of the UN Framework Convention on Climate Change (UNFCCC), North Macedonia has committed to give its fair contribution to global action against climate change by ratifying the Paris Agreement and communicating its first Nationally Determined Contribution (NDC) in 2017.

The Paris Agreement brings all nations together by undertaking ambitious efforts to combat climate change and adapt to its effects. The Paris Agreement's aim is to keep the increase in global temperature this century to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the increase even further to 1.5 degrees Celsius. To contribute to this goal, North Macedonia committed to reduce its CO₂ emissions by 30%, that is, by 36% at a higher level of ambition, by 2030 compared to the business as usual (BAU) scenario.¹

Both mitigation commitment and adaptation needs will require substantial financial resources. They are to be raised from multiple public and private, national and international sources. The Green Climate Fund is one such source. It is established under the UNFCCC with a mandate to support the global efforts to respond to the challenge of climate change. GCF seeks to promote a paradigm shift to low-emission and climate-resilient development, accounting for the needs of developing nations that are particularly vulnerable to climate change impacts.

By providing information and building understanding of GCF and national frameworks and processes, this Manual is intended to accelerate North Macedonia's engagement with GCF and facilitate investment in the country's low carbon and climate resilient transition.

The Manual introduces key facts about access windows to GCF, the fund's processes, investment areas and requirements. It explains the NDA roles, the purpose of the national coordination mechanism and the responsibilities of its members. The Manual also provides a step-by-step guidance on the No-objection procedure and country programming.

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 (MOEPP).

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 NDA 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 SDG 13 on Climate Action.

¹ Intended Nationally Determined Contributions (INDC) of North Macedonia (2015)

2. Green Climate Fund at a glance

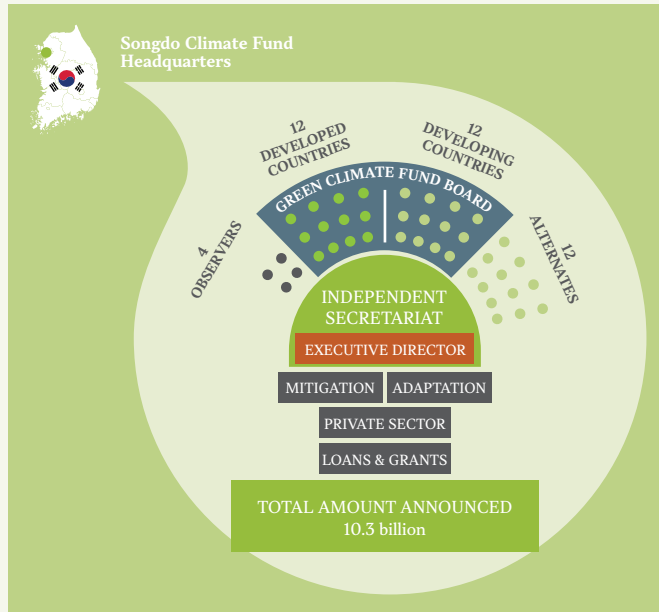
2.1 Mission

The Green Climate Fund is a global fund created by the countries, parties to the **United Nations Framework Convention on Climate Change**, to support the efforts of developing countries to respond to the challenge of climate change. GCF seeks to **promote a paradigm shift to low-emission and climate-resilient development**, accounting for the needs of nations that are particularly vulnerable to climate change impacts. GCF uses public investment to stimulate private finance and unlock climate-friendly investment for low emission, climate resilient development. The Fund also plays an important role in serving the **Paris Agreement** and supporting developing counties in the implementation of their Nationally Determined Contributions.

2.2 Governance

GCF is **accountable to the United Nations** and guided by the UNFCCC principles and provisions. GCF is governed by the **Board**. It is comprised **equally of 12 developed and 12 developing countries**. The Board makes decisions based on the consensus agreement of all Board members.

Figure 1. GCF structure



Source: GCF, 2019

GCF Secretariat is an operational body of the Fund. It is responsible for executing the day-to-day operations. The GCF Secretariat services and is accountable to the Board.

Independent Accountability Units are to make sure the Fund meets the highest standards of integrity. These include:

- Independent Integrity Unit;
- Independent Redress Mechanism;
- Independent Evaluation Unit.

Accredited Observers have access to the Board meetings to ensure active engagement of diverse stakeholders. This includes two representatives from accredited civil society organisations (CSOs), one each from developed and developing countries, and two from accredited private sector organisations (PSOs), also one each from developed and developing countries.

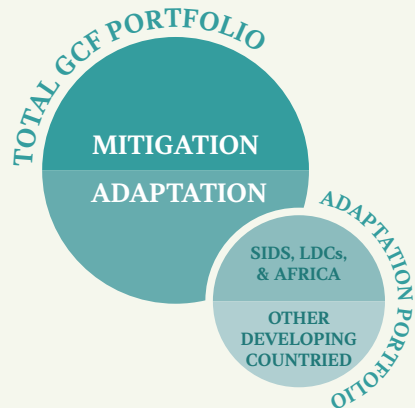
2.3 Resources allocation

USD 10.3 billion is the total pledged amount to GCF as of January 2019, and the resources mobilisation is on an ongoing basis.

GCF resources will be **equally split between mitigation and adaptation** over time. At least half of adaptation finance will be provided to the Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African countries.

GCF will maintain **geographic balance** and a reasonable and fair allocation across a broad range of countries, while **maximizing the scale and transformational impact** of the mitigation and adaptation activities.

Figure 2. Allocation of GCF resources

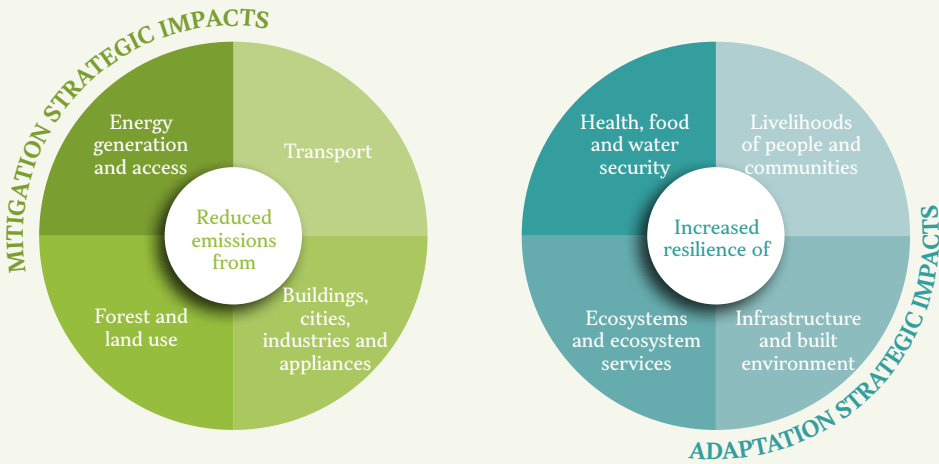


Source: GCF, 2019

Country ownership is a core principle of GCF. All GCF activities are aligned with the priorities of developing countries through their National Designated Authorities and national coordination mechanisms. GCF has established a direct access modality so that national and sub-national organisations can receive funding directly rather than only via international intermediaries. GCF has committed financial resources for readiness and preparatory support for the implementation of effective country-driven approaches.

GCF supports projects and programmes in mitigation and adaptation across eight impact areas (Figure 3). The Fund engages with **both the public and private sectors** in transformational climate-sensitive investments.

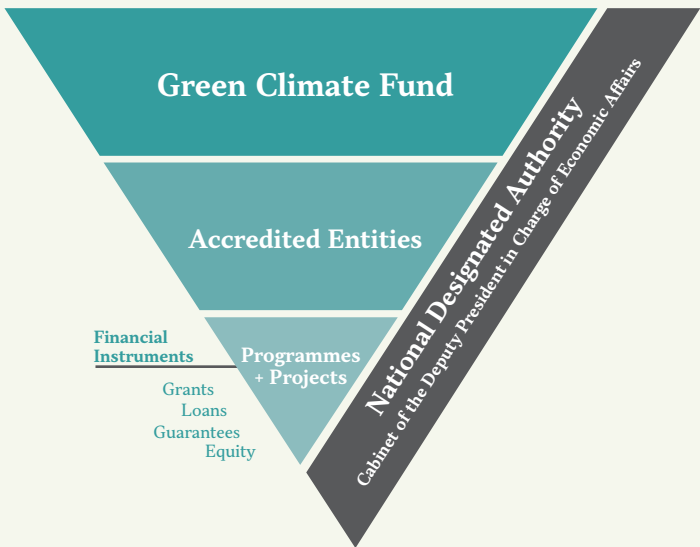
Figure 3. GCF strategic impact areas



GCF aims to **unlock private investment** through its Private Sector Facility (PSF) and overcoming market barriers for private sector by bearing significant climate-related risk, leveraging and crowding in additional financing. At the same time, resources will be allocated at **minimum concessionality** without crowding out potential financing from other public and private sources.

2.4 Architecture

Figure 4. GCF Architecture



Source: GCF, 2019

GCF channels its resources through **Accredited Entities** – international, regional, national and sub-national entities. They can be public, private or non-governmental institutions. ‘Accredited’ means that these entities went through the GCF accreditation process and meet the standards of the Fund. Chapter 7 provides more details on the accreditation process.

There are two types of Accredited Entities:

- Direct Access Entities
- International Access Entities

Direct Access Entities (DAE) are sub-national, national or regional organisations that need to be nominated by the National Designated Authorities (NDA).

International Access Entities (IAE) which include United Nations agencies, multilateral development banks, public and private international or regional organisations. Full list of Accredited Entities is available at the GCF webpage (GCF, 2019a)².

Accredited Entities (AEs) develop and submit project proposals to the GCF. They work together with the national and sub-national partner institutions in developing proposals and implementing projects. They are responsible for managing and monitoring projects. Accredited Entities closely coordinate their work on their project pipeline, endorsement of funding proposals and project implementation with the NDA.

National and sub-national stakeholders from public, private or civil society sectors which are not accredited to GCF can be involved in multiple ways:

- They support the NDA in defining country priorities and project portfolio for GCF funding by participating in the coordination mechanism and stakeholder consultations.
- They identify project ideas and cooperate with AEs on a Concept Note and funding proposal development and implement project activities if approved by GCF. Relevant stakeholders can also be engaged as a delivery partner for project implementation depending on the cooperation of the AE and the approved project proposal.
- They can communicate to NDA their interest in direct access accreditation. Nominated by NDA, entities can apply for accreditation and access GCF resources directly.
- Public entities also provide their input to the NDA on the endorsement of funding proposals as part of the No-objection procedure.
- Relevant stakeholders, such as civil society organisations, public stakeholders, involved in and/or affected by project development/implementation, also oversee and provide feedback through a stakeholder engagement process.

² Accredited Entity directory of the Green Climate Fund, 2019

2.5 Financial instruments

GCF offers **grants, loans, guarantees and equity** instruments for funding projects. It also provides additional grants and technical assistance for the preparation of funding proposals and countries' readiness.

The terms of financial instruments for public and private sector are determined on a case-by-case basis. Some of the guiding principles are:

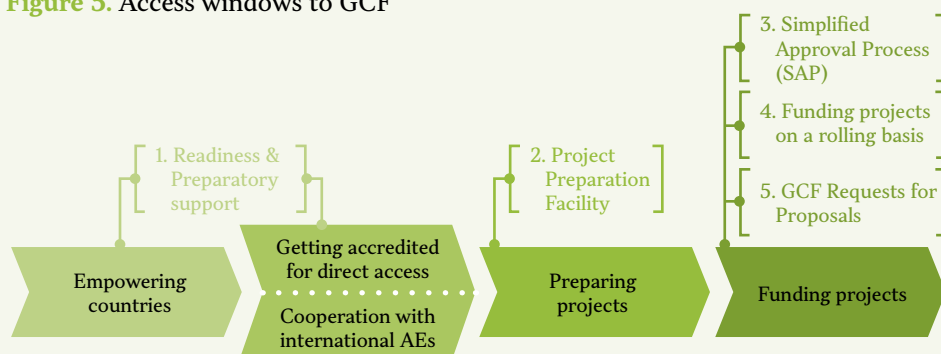
- Grants should be tailored to incremental cost or the risk premium required to make the investment viable, or to cover specific activities such as technical assistance;
- The level of concessionality should not displace investments that would have occurred otherwise, including private sector investment;
- The recipient's indebtedness capacity should be taken into account;
- Promoting long-term financial sustainability and seeking to maximise leverage in the case of private financing.

3. Access to the Green Climate Fund

There are five access windows to GCF resources which can be used by NDA, selected national entities or Accredited Entities, depending on the needs of the country and at what stage it is in its country ownership process and project preparation (Figure 5).

NDA is involved in all access windows to GCF, either by implementing country readiness activities, generating or endorsing project proposals, endorsing national entities for accreditation or overseeing project implementation.

Figure 5. Access windows to GCF



3.1 Readiness and preparatory support

The GCF Readiness Programme provides support to NDAs and nominated Direct Access Entities for strengthening their institutional capacities to efficiently engage with the Fund. Resources may be provided in the form of grants or technical assistance.

The Readiness Programme provides:

- **Up to USD 1 million per country per year** for all readiness activities (except for adaptation planning). Of this amount, NDA may request up to USD 300,000 per year to help establish or strengthen the NDA to deliver on the Fund's requirements.
- **Up to USD 3 million per country for the formulation of adaptation plans** and/or other adaptation planning processes by NDA. This support can facilitate the development of National Adaptation Plans, which set national priorities for measures to address adaptation to climate change.

Within these specific funding caps, countries may submit multiple proposals over multiple years, to best meet their needs over time. Multiple proposals may be implemented by Direct Access Entities, international Accredited Entities and/or delivery partners, to best address comparative areas of expertise and opportunities. This applies to all readiness activities, including adaptation planning.

All applications for readiness support are made by the NDA. This is the case whether the support will directly benefit the NDA, or if it is to support a Direct Access Entity. The funding itself can be managed by different bodies depending on the type of support requested. These may be the NDA itself, or by a delivery partner selected by the NDA. Delivery partners may be organisations that have signed a Readiness Framework Agreement. If delivery partners are not Accredited Entities, then they should complete a Financial Management Capacity Assessment questionnaire. Templates and further guidelines are available on GCF webpage(GCF, 2019b)⁵.

The Readiness Programme supports activities according to five outcomes:

1. **Strengthening country capacity.** This can include capacity building of the NDA and related procedures.
2. **Engaging stakeholders in consultative processes.** This can include development of a Country Work Programme for engagement with GCF, and annual reviews of the GCF portfolio in North Macedonia. In 2016, the NDA of the Republic of North Macedonia accessed a first Readiness Grant in the amount of USD 300,000 for NDA Strengthening and Stakeholder engagement.
3. **Direct access.** Nominated Direct Access Entities can receive pre- or post-accreditation support. Pre-accreditation support includes in-depth assessments of their institutional capacity and required standards, followed by development of an action plan to get ready to apply for GCF accreditation. Post-accreditation support includes building capacity and developing work programmes.
4. **Access to finance.** This might include ensuring that Country Work Programmes implement high-impact priorities identified in the Nationally Determined Contributions and national strategies, development of Concept Notes, ensuring the alignment of funding proposals with country priorities.
5. **Private sector mobilisation.** This includes measures to crowd in private and capital market financing for the implementation of Country Work Programmes and enabling private sector participation in public-private partnerships.

For the formulation of adaptation plans, the NDA should identify activities based on the country's specific needs and corresponding to the indicative examples of outcomes that can be financed with GCF resources:

- Adaptation planning governance and coordination established;
- Climate vulnerability and adaptation investment rationale strengthened;
- Adaptation knowledge management, information sharing, and communication;
- Alignment of country's overall development policy and strategy;
- Adaptation finance strategy developed;
- Monitoring, evaluation, and learning capacity and system developed.

⁵ Empowering countries. Fine print, 2019

3.2 Project Preparation Facility

The Project Preparation Facility (PPF) supports Accredited Entities in project and programme preparation. It is especially targeted to **support Direct Access Entities, and micro-to-small size category projects**.

Each PPF request subject has a cap of USD 1.5 million and can be provided through grants and repayable grants while equity may be considered for private sector projects through grants or equity. A total of USD 40 million has been made available for the initial phase of the PPF.

PPF support covers the following activities:

- Pre-feasibility and feasibility studies, as well as project design;
- Environmental, social and gender studies;
- Risk assessments;
- Identification of programme/project-level indicators;
- Pre-contract services, including the revision of tender documents;
- Advisory services and/or other services to financially structure a proposed activity;
- Other project preparation activities, where necessary, provided that sufficient justification is available.

PPF funding requests are developed and submitted by Accredited Entities. Direct Access Entities that are not yet accredited may be able to receive support to help them with this process via the Readiness and Preparatory Support Programme.

The NDA should provide a No-objection letter for the PPF requests (see Annex 11 for the template). Therefore, the NDA should coordinate with the Accredited Entity on the development of the PPF application and ensure that PPF requests are in line with the country programming process and eligibility, prioritisation and technical assessment criteria for project ideas and Concept Notes (see Section 6).

PPF requests can be submitted either before or after a Concept Note submission. Often, PPF applications follow the submission of a Concept Note. If a Concept Note has not already been submitted relating to the request, then there is an additional section on the PPF application form to complete. Funding proposals developed with the PPF should be submitted to the GCF Board within two years of the approval of a PPF request.

3.3 Simplified Approval Process

The Simplified Approval Process Pilot Scheme (SAP) is an **application process for smaller-scale projects** or programmes. Under SAP, the application templates and approval process are simplified and streamlined, leading to shorter timelines.

Three main eligibility criteria for the SAP projects or programmes are:

- Ready for scaling up and having the potential for transformation, promoting a paradigm shift to low-emission and climate-resilient development;
- A request for financing to GCF of up to USD 10 million of the total project budget;
- The environmental and social risks and impacts are classified as minimal to none.

SAP can support a number of activities. A few examples are:

- Early warning and other monitoring systems;
- Household-level facilities such as rainwater harvesting and small-scale renewable energy;
- Small-scale rural and urban community-based projects such as village water supply and drainage, and climate-resilient agriculture.

Projects or programmes that include known risk factors, which would require additional information and more detailed due diligence and consultations by relevant entities, are not eligible. Examples of activities with inherent risk factors are those causing the displacement of people or affecting indigenous people, as well as those occurring in protected areas and cultural heritage sites, or that generate waste, affect people's health, or involve trans-boundary impacts.

Figure 6. Key steps of the Simplified Approval Process

Step	Actor	Responsibility
Concept Note	AE or NDA	<ul style="list-style-type: none">• AEs or NDAs submit SAP Concept Notes using the SAP Online Submission System (OSS). Concept Notes should be submitted with the Environmental and Social Safeguards (ESS) screening.
	GCF Secretariat	<ul style="list-style-type: none">• The GCF Secretariat validates the risk category and notifies the AE and/or NDA of the project eligibility under the SAP.
	AE	<ul style="list-style-type: none">• The AE develops a funding proposal using the dedicated SAP Funding proposal template and submits the proposal using the SAP OSS.
	NDA	<ul style="list-style-type: none">• NDA issues a No-objection letter for the SAP Funding proposal, which should be annexed to the proposal.
Funding proposal	GCF Secretariat and ITAP	<ul style="list-style-type: none">• The GCF, upon the request of the entity and in agreement with the NDA, may provide technical assistance towards the finalisation of the proposal• The GCF Secretariat reviews the Funding Proposal and Annexes, as does the Independent Technical Advisory Panel (ITAP), on a rolling basis.• The activities included in the Funding Proposal will be assessed on a case-by-case basis to determine their eligibility under the SAP.
	GCF Board	<ul style="list-style-type: none">• Currently the Board considers the Funding Proposals for approval during its regular meetings

Source: GCF, 2019

Concept Note submission is a mandatory step in SAP. Accredited Entities, especially Direct Access Entities, as well as NDAs, can submit Concept Notes under the SAP. Over time, projects from Direct Access Entities should constitute at least 50 percent of the SAP portfolio.

The NDA should provide a No-objection letter for the SAP funding proposals (see the template in Annex 12). The NDA should follow the project approval cycle and prioritisation and assessment criteria for the SAP project ideas, Concept Notes or funding proposals as described in Section 6.

3.4 Funding projects on a rolling basis

GCF accepts all funding proposals and requests on a rolling basis. This is a “regular” track for submission. Accredited Entities develop funding proposals in collaboration with the national partners and in close consultation with the NDA.

Figure 7. GCF strategic impact areas and project examples

Mitigation	Adaptation
<p>Low-emission energy access and power generation</p> <p>Description: reducing emissions in the power sector</p> <p>Project examples: development of on-grid, micro-grid or off-grid solar energy, wind, geothermal energy deployment or other investment that facilitates emission reductions in the sector, etc.</p>	<p>Enhanced livelihoods of the most vulnerable people, communities, and regions</p> <p>Description: increasing the resilience of the most vulnerable people and communities</p> <p>Project examples: installation of multi-hazard early warning systems, increasing the resilience of the agriculture and tourism sectors and those who depend on it for their livelihoods, diversification of supply sources and supply chain management, relocation of manufacturing facilities and warehouses, etc.</p>
<p>Low-emission transport</p> <p>Description: reducing emissions in the transport sector</p> <p>Project examples: development of high-speed rail, rapid bus systems, low-carbon urban transport infrastructure, reducing emissions from freight transport, etc.</p>	<p>Increased health and well-being, food and water security</p> <p>Description: increasing the resilience of health and well-being, and food and water security</p> <p>Project examples: resilient agriculture, which can reduce food security risks as well as pressures on water supply, e.g. climate-resilient crops, efficient irrigation systems, strengthening the resilience of cities by improving water sanitation and management systems and infrastructure in urban areas, etc.</p>
<p>Energy efficient buildings, cities and industries</p> <p>Description: reducing emissions in buildings, cities and the industry sector</p> <p>Project examples: investment in new and retrofitted energy-efficient buildings, energy-efficient appliances and equipment, supply chain management in industry.</p>	<p>Resilient infrastructure and built environment</p> <p>Description: increasing the resilience of infrastructure and the built environment to climate change threats</p> <p>Project examples: construction of climate resilient coastal infrastructure, e.g. sea walls, climate resilient urban infrastructure and road networks, etc.</p>

Sustainable land use and forest management

Description: reducing emissions from land use, deforestation and forest degradation

Project examples: forest conservation and management, emissions reduction in the agriculture sector, e.g. agroforestry, agricultural irrigation, water treatment and management, etc.

Source: GCF, 2019

Resilient ecosystems

Description: increasing the resilience of ecosystems and ecosystem services

Project examples: ecosystem-based adaptation with a focus on coastal ecosystems, wetlands, forests, ecosystem conservation and management, ecotourism, etc.

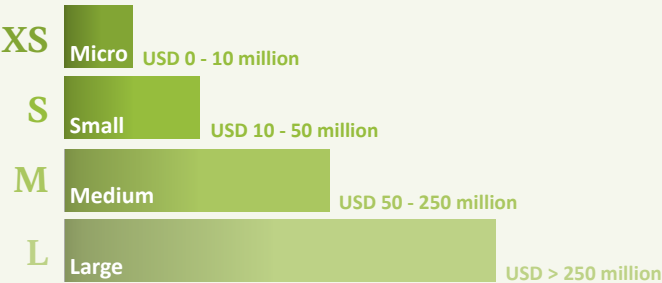
Projects should fall under at least one of GCF strategic impact areas (Figure 7). Projects can vary in size from micro (< \$10 million) to large-scale investments (> \$250 million). Projects should be aligned with the national climate and development priorities, country-driven and developed in consultation and cooperation with the relevant national stakeholders.

Funding proposals can be submitted to GCF only by the Accredited Entities. Entities which are not accredited but interested to develop funding proposals to GCF should partner with international Accredited Entities and receive guidance from the NDA on the project cycle and a list of Accredited Entities (see Section 6).

Projects proposed for GCF funding should fulfil the following key requirements:

- ✓ **NDA No-objection** – every funding proposal should be endorsed by the NDA.
- ✓ **GCF investment criteria** – complying with six criteria that guide GCF investment decisions (Figure 9). Each investment criterion includes activity-specific sub-criteria (Annex 1).
- ✓ **Environmental and social assessment** – providing the assessment of the key environmental and social risks and impacts of the project and how they will be avoided, minimised and mitigated in line with GCF Environmental and Social Policy. (Annex 2).
- ✓ **Gender assessment and action plan** – providing the gender assessment and project/programme-level gender action plan that is aligned with the objectives of GCF’s Gender Policy (Annex 3).

Figure 8. GCF project sizes



In addition to the GCF requirements, project proposals should

correspond to the national eligibility, prioritisation and technical assessment criteria which are to ensure that projects proposed correspond to the national country programming process and strategic prioritisation. Section 6 provides details on the steps and criteria for the national project cycle.

Source: GCF, 2019

Figure 9. GCF investment criteria

Criteria	Definition
Impact potential	<p>Potential of the programme/project to contribute to the achievement of the Fund's objectives and results areas:</p> <ul style="list-style-type: none"> • Contribution to the shift to low-emission sustainable development pathways; • Contribution to increased climate-resilient sustainable development.
Paradigm shift potential	<p>Degree to which the proposed activity can catalyze impact beyond a one-off project or programme investment:</p> <ul style="list-style-type: none"> • Potential for scaling up and replication, and its overall contribution to global low-carbon development pathways being consistent with a temperature increase of less than 2 degrees Celsius (mitigation only); • Potential for knowledge and learning; • Contribution to the creation of an enabling environment; • Contribution to the regulatory framework and policies; • Overall contribution to climate-resilient development pathways consistent with a country's climate change adaptation strategies and plans (adaptation only).
Sustainable development potential	<p>Wider benefits and priorities, including environmental, social, and economic co-benefits as well as gender-sensitive development impact</p>
Recipients' needs	<p>Vulnerability and financing needs of the beneficiary country and the population in the targeted group:</p> <ul style="list-style-type: none"> • Vulnerability of the country (adaptation only); • Vulnerable groups and gender aspects (adaptation only); • Economic and social development level of the country and the affected population; • Absence of alternative sources of financing; • Need for strengthening institutions and implementation capacity.
Country ownership	<p>Beneficiary country ownership of and capacity to implement a funded project or programme (policies, climate strategies and institutions):</p> <ul style="list-style-type: none"> • Existence of a national climate strategy and coherence with existing policies; • Capacity of Accredited Entities or executing entities to deliver; • Engagement with civil society organisations and other relevant stakeholders.

Figure 9. GCF investment criteria

Criteria	Definition
Efficiency and effectiveness	<p>Economic and, if appropriate, financial soundness of the programme/project, and for mitigation-specific programmes/projects, cost-effectiveness and co-financing:</p> <ul style="list-style-type: none"> • Cost-effectiveness and efficiency regarding financial and non-financial aspects; • Amount of co-financing; • Programme/project financial viability and other financial indicators; • Industry best practices.

Source: GCF, 2019

3.5 Green Climate Fund requests for proposals

The GCF has established three supporting programmes to issue Requests for Proposals:

1. **Micro-, Small-, and Medium-Sized Enterprises Pilot Programme.** This programme was established in 2016 as part of the Private Sector Facility. It aims to support micro-, small-, and medium-sized enterprises in addressing mitigation and adaptation challenges.
2. **Enhancing Direct Access.** In 2016, the GCF Board approved an initial allocation of USD 200 million for 10 pilots under Enhance Direct Access, including at least four to be implemented in Small Island Developing States, the Least Developed Countries and African States. The objective of Enhancing Direct Access is to devolve decision-making to the Accredited Entity while ensuring strong country ownership and multi-stakeholder engagement.
3. **Mobilising Funding at Scale Pilot Programme.** The GCF Board has allocated up to USD 500 million for this programme to identify innovative, high-impact projects and programmes that mobilise private sector investment in climate change activity.

Funding proposals for the GCF Requests for Proposals should be developed and submitted by the Accredited Entities and correspond to the Fund's investment framework and policies. They should also be in line with the country ownership principles, i.e. follow the project cycle and No-objection procedure described in Section 6.

4. National Designated Authority responsibilities

Figure 10. Scope of NDA role



Source: GCF, 2019

The Cabinet of the Deputy President of the Government in Charge for Economic Affairs is the National Designated Authority to the Green Climate Fund in North Macedonia. Its key function is to serve as an official focal point for communication with GCF and to ensure the country ownership in all GCF-funded activities in North Macedonia.

The Cabinet is responsible for the overall coordination of the economic departments within the 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 the 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.

The NDA team serves to undertake the activities related to GCF in the Cabinet of the Deputy President of the Government of the Republic of North Macedonia in charge of economic affairs. Additionally, members of the Ministry of Environment and Physical Planning have also been appointed, as part of the NDA technical focal point team, to provide expert advice on technical matters related to climate change.

NDA main responsibilities include:

- **Provide strategic oversight:**
 - Ensure alignment of funding proposals with national sustainable development and climate objectives, frameworks, strategies and policies.

- Ensure strategic oversight of the implementation of GCF-funded projects and programmes.
- **Convene national stakeholders to identify priorities for GCF funding:**
 - Convene all relevant national and sub-national public, private and civil society entities to prepare the Country Work Programme for engagement with GCF or other matters related to climate finance that require national consultations.
 - Announce calls for project ideas and Concept Notes to generate the project portfolio for the Country Work Programme, in line with the approved schedule for Country Work Programme updates and reviews.
 - Validate proposed the Country Work Programme and the project portfolio with the National Council on Sustainable Development and the Government.
 - Disseminate information and raise awareness among all stakeholders on climate finance and GCF matters.
 - Ensure the engagement of stakeholders representing women and children, and other vulnerable and disadvantaged groups in the design and/or implementation of GCF activities, following the GCF Indigenous Peoples Policy, the GCF Gender Policy and Action Plan, and other relevant GCF procedures and policies.
 - Ensure regular updating of the Country Work Programme and the project portfolio.
- **Nominate entities for direct access:**
 - Engage with potential public, private sector and non-governmental entities interested in direct access accreditation.
 - Issue nomination letters to entities for direct access accreditation to the Fund, selected in line with the national strategic priorities.
- **Implement the No-objection procedure on funding proposals:**
 - Lead the implementation of the No-objection procedure, engage with and support the members of the national coordination mechanism in line with the procedure.
 - Perform administrative and eligibility checks of the project ideas and Concept Notes.
 - Lead and coordinate technical assessment of Concept Notes and funding proposals by the members of the Strategic Advisory Committee (NDA-SAC) and the Sectoral Working Group (SWG).
 - Issue letters of endorsement for the approved Concept Notes;
 - Support Accredited Entities in arranging the presentation of Concept Notes/ funding proposals to the National Council on Sustainable Development.
 - Perform the final No-objection check of funding proposals.
 - Issue No-objection letters for the Project Preparation Facility (PPF) and funding proposals that were approved through the No-objection procedure.
 - Ensure commitment and close coordination with AEs in the development of full funding proposals.
 - Submit to the Government proposals for project co-financing.
- **Lead the deployment of readiness and preparatory support:**
 - With (optional) support of delivery partners, identify readiness and preparatory support needs in North Macedonia, develop, and submit readiness proposals to GCF, and lead the implementation of readiness activities.

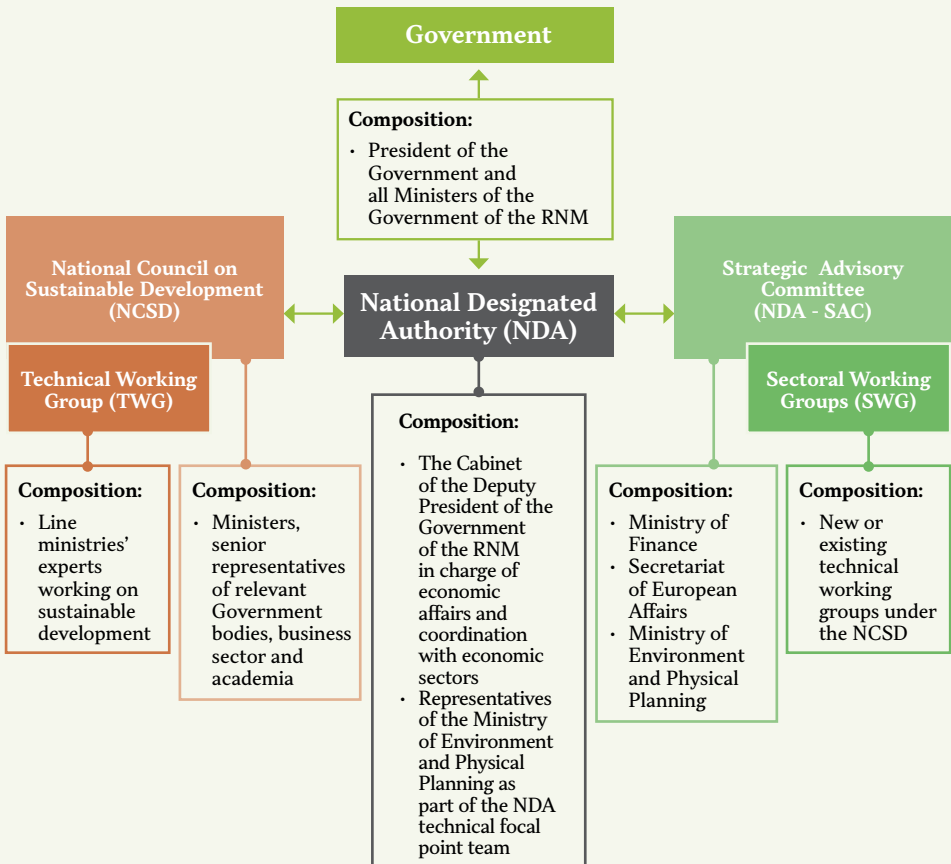
5. Country coordination mechanism

The country coordination mechanism ensures the systematisation of stakeholder engagement and the decision-making process. It supports the NDA in the effective implementation of its tasks, especially the identification of country priorities for GCF funding and the preparation of the Country Work Programme, the implementation of the No-objection procedure, the nomination of Direct Access Entities and its other roles.

The country coordination mechanism in North Macedonia consists of:

- National Designated Authority;
- Strategic Advisory Committee;
- Sectoral Working Groups;
- National Council for Sustainable Development;
- Government.

Figure 11. Country coordination mechanism on GCF and climate finance matters in North Macedonia



5.1 Strategic Advisory Committee

The Strategic Advisory Committee (NDA-SAC) is composed of representatives from the most relevant institutions regarding the GCF. Along with four members of the NDA staff, six representatives of the following institutions participate in the NDA-SAC (see Annex 4 for the Rules of Procedure):

- **Ministry of Finance** – 2 representatives:
 - State Secretary
 - State Counsellor from the Budgeting Sector
- **Secretariat of European Affairs (SEA)** – 2 representatives:
 - Sector for EU Funds Coordination
 - Sector for Integration
- **Ministry of Environment and Physical Planning** – 2 representatives:
 - State Secretary of the Ministry of Environment and Physical Planning
 - State Counsellor on Climate Change

The responsibilities of the NDA-SAC are:

- To assist the NDA in the No-objection procedure:
 - To contribute to the evaluation of project eligibility by providing specific expertise on financial and CC issues, including equal opportunity aspects;
 - To perform impartial prioritisation of the projects by assessing alignment of projects with national priorities;
 - To review all aspects of the project Concept Notes and funding proposals in line with technical assessment criteria;
- To ensure there is no overlapping with other activities/projects related to climate change and to assist the NDA in donor coordination on climate change issues;
- To assist the NDA in coordinating and working with stakeholders;
- To support the NDA in general monitoring of the financial and technical aspects during the project implementation phase;
- To support the NDA in assessing Direct Access Entities (DAEs).

If needed, the NDA-SAC may initiate meetings of the Sectoral Working Group for the specific project proposals for the specific project/sector.

5.2 Sectoral Working Groups

The Sectoral Working Groups (SWG) may be created at the request of the NDA-SAC on an ad-hoc basis and depending on the sectoral focus. The SWG will include sector experts from the line ministries and public bodies. For those sectors, where there are already established ad-hoc working groups in the context of the National Council for Sustainable Development, the NDA-SAC will, where possible, cooperate with the existing working groups.

The main SWG responsibilities are:

- To contribute to the technical discussions and project assessments, at the request of the NDA-SAC, by providing relevant information (on an ad-hoc basis);
- To advise NDA-SAC on technical and operational issues in specific sectors (transport, energy, water management, waste management, agriculture, forestry, nature & biodiversity, land management health, cultural heritage gender aspects and vulnerable group perspectives, etc.)

5.3 National Council for Sustainable Development

The NCSD is composed of the ministers and 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. An added value of the NCSD is its being an awareness raising platform for climate change and SDGs-related topics.

The National Council for Sustainable Development has the following roles:

- Verify the prioritisation process within the Country Work Programme;
- Assist the NDA in stakeholder coordination
- Assist the NDA in climate change and SDGs awareness raising.

Additionally, the NCSD has established the **Technical Working Group**, which is a multi-sectoral body created to support the NCSD with technical advice and expert knowledge on certain issues. The TWG already has representatives from line ministries, who represent the work of their respective institutions as regards sustainable development. The NDA may request an ad-hoc support from the TWG members on technical expertise within their mandates and focus sectors.

5.4 The Government

The Government of the Republic of North Macedonia represents the highest decision-making body in the country and concretely on the GCF and climate finance matters. It is represented by the President of the Government and all the Ministers of the government.

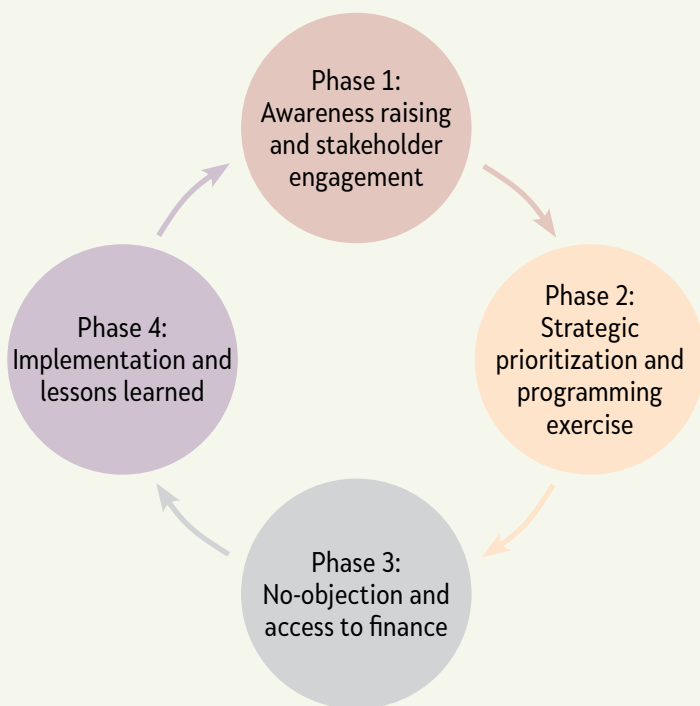
The Government of the Republic of North Macedonia provides:

- Approval of the final Country Work Programme;
- Approval of the final project proposals by issuing a No-objection letter;
- Final approval of the recommended DAEs by issuing a DAE Nomination Letter.

6. Country work programme and project cycle

The Country Work Programme and the project cycle is a process of strategic engagement and programming led by the NDA that will require continuity and cyclic efforts from the relevant stakeholders. As such, the different processes will be organised around four key phases, as described in Figure 12 below. Figure 13 summarises the main steps included in each of the four phases.

Figure 12. Phases of the engagement with the Green Climate Fund in the Republic of North Macedonia



Phase 1. Awareness raising and stakeholder engagement. In this phase, the NDA engages with the national stakeholders on matters related to GCF through bilateral and multilateral consultations and opens calls for project ideas to generate an initial project portfolio.

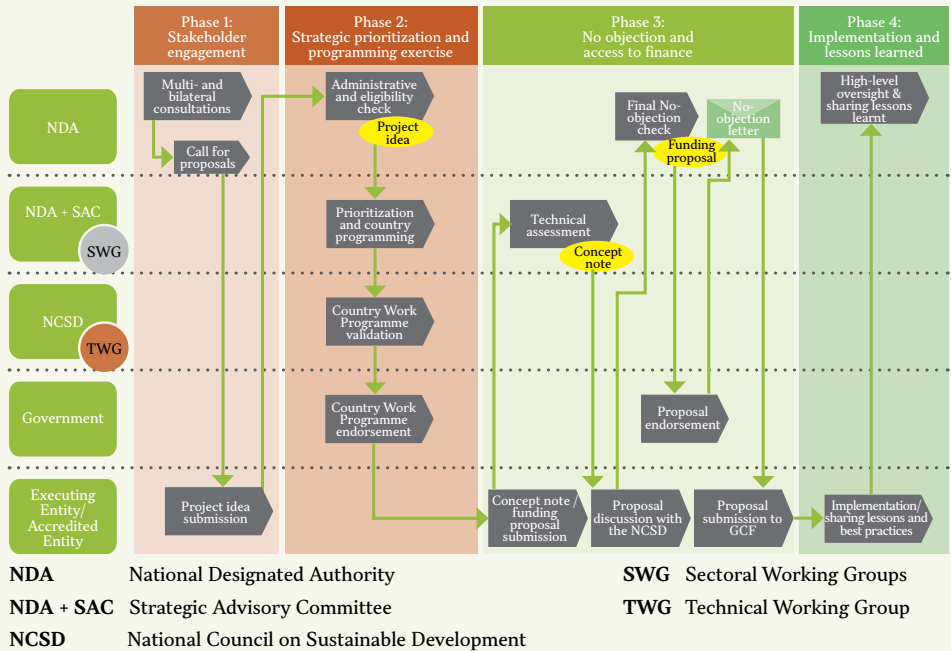
Phase 2. Strategic prioritisation and programming exercise. In this phase, the NDA, with the SAC support, leads the eligibility check and prioritisation of the project ideas submitted. Selected and prioritised projects will be developed into Concept Notes and constitute the project portfolio included in the Country Work Programme, validated by the NCSD and approved by the Government.

Phase 3. No-objection and access to finance. In this phase, the NDA, with the SAC support, leads the technical assessment of submitted Concept Notes and/or funding

proposals, and, conditional to positive assessment and approval by the Government, issues letters of No-objection.

Phase 4. Implementation and lessons learned. This phase provides a space for the NDA to integrate lessons learnt from the previous phases and the implementation of approved projects into the next round of the Country Work Programme and the project cycle.

Figure 13. Country Work Programme and project cycle

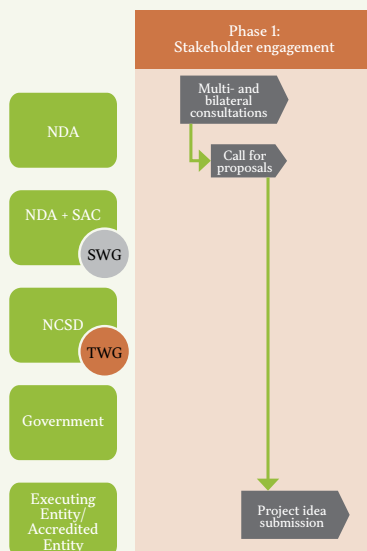


6.1 Phase 1: Awareness raising and stakeholder engagement

Raising awareness among national stakeholders on matters related to climate action and available sources of climate finance, as well as engaging these stakeholders in consultative processes is not only a priority for the GCF but it is also necessary to ensure real ownership and sustainability of climate investments at national level.

This phase will include the following steps:

- Step 1a: Multi-stakeholder consultations and bilateral discussions;
- Step 1b: Calls for proposals.

Figure 14. Phase 1: Awareness raising and stakeholder engagement**Step 1a: Multi-stakeholder consultations and bilateral discussions**

Timeframe	On ongoing basis
Responsible body	NDA with support from NCSD

The Cabinet of the Deputy President of the Government will look for opportunities to engage with stakeholders at national and local levels, including local and national public institutions, private sector, civil society and academia to discuss country priorities and needs and to leverage traditional knowledge, particularly, on topics related to adaptive practices.

In this context, the NDA will regularly organise national/sub-national consultations to collect and systematise the views and expectations on the engagement with the GCF. These consultations will be even more relevant in the context of development and update of the Country Work Programme to ensure its alignment with national priorities as reflected in the NDC and other existing strategic and policy documents. To this end, the NDA will also make use of the platform of the NCSD to convene multiple stakeholders and to engage them into this discussion.

Additionally, on demand, the NDA will conduct bilateral meetings with stakeholders to share the specificities and opportunities for work with the GCF and explore concrete partnership options for the development and implementation of climate investments and, more specifically, to identify potential co-financing contributions for these investments.

Step 1b: Calls for proposals

Timeframe	Open for 45 days
Responsible body	NDA with inputs from SAC

The NDA will launch biennial calls for project ideas to collect inputs along the priority sectors and stakeholders on the potential projects to be developed in the context of the engagement with the GCF.

The NDA will use of the template Project Idea Note (Annex 5). Project proponents can use this template for submission of their project ideas to the NDA. If project is already more elaborated, project proponents can also submit Concept Notes or funding proposals using the GCF templates. Project Idea Notes should not exceed 5 pages, excluding Annexes, and should be submitted, duly completed in English languages through the online submission form at www.greendevdevelopment.mk.

The NDA should make public the call requirements and all assessment criteria, so all project proponents will have sufficient and transparent information for the preparation of project ideas/Concept Notes/funding proposals. The NDA should also include in the call for project ideas and upload on the NDA website (www.greendevdevelopment.mk) all supporting guidelines, e.g. templates and guidelines to complete them, the GCF Handbook, the GCF Results Framework and Performance Measurement Framework, the Environmental and Social Safeguards and the Gender Policy.

The calls for project ideas will be open for a period of 45 natural days unless otherwise specified by the NDA. Calls for project ideas should be public and as participatory as possible. Submitted project ideas will be used for the process of development and periodic update of the Country Work Programme and project portfolio.

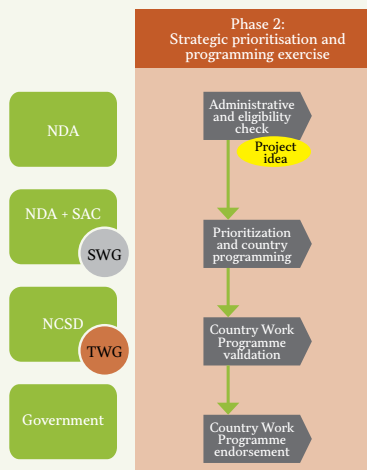
The NDA will accept spontaneous submissions of project ideas, Concept Notes and funding proposals from the Accredited Entities and national stakeholders in between the biennial calls for project ideas to ensure continuous development of the country project portfolio and facilitate access to GCF resources. Regardless of the submission timing, the NDA should conduct all the quality assurance phases and assess all project ideas, Concept Notes and funding proposals against all criteria presented in the Phase 2 and 3.

In case a project proponent submits more than one project idea/Concept Note/funding proposal to the NDA, each of those proposals will follow the review and quality assurance phases and will be treated independently from the other ones.

6.2 Phase 2: Strategic prioritisation and programming exercise

Upon completion of the established timeframe for the calls for proposals, and upon receipt of project ideas, the NDA will initiate the analysis based on the defined criteria in two steps:

- Step 2a: Administrative check and eligibility assessment;
- Step 2b: Strategic prioritisation and Country Work Programme development/update.

Figure 15. Phase 2: Strategic prioritisation and programming exercise

Step 2a: Administrative check and eligibility assessment

Timeframe	2 weeks
Responsible body	NDA

The NDA will conduct an initial administrative check to ensure that submitted project ideas are compliant with the call requirements and all sections of the project idea template have been completed with relevant information.

The NDA will then assess the project ideas against the four eligibility criteria, presented in Figure 16.

Submitted project ideas should comply with all four eligibility criteria. If the assessment answer to at least one of the four criteria is 'No', the project idea will be rejected. Project ideas that have passed the eligibility criteria will be included in the Country Work Programme and categorised according to the prioritisation criteria discussed in the next step (Figure 17).

Figure 16. Criteria for the evaluation of eligibility of project ideas

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

The NDA should communicate its decision on the project ideas to each project proponent. The NDA should send a confirmation letter (Annex 6) to those applicants whose project ideas have passed the eligibility criteria. Project proponents of the endorsed project ideas will be encouraged to establish partnerships with an Accredited Entity (in case they are not accredited themselves) and develop their idea into a Concept Note according to the GCF template and in consultation with the NDA.

For the project ideas that have not passed all eligibility criteria, the NDA should send a rejection letter (Annex 7) with recommendations for improvement and potential resubmission at a later stage.

Step 2b: Strategic prioritisation and Country Work Programme development/update

Timeframe	2 weeks
Responsible body	NDA + SAC

The NDA, together with the Strategic Advisory Committee and, when needed, the Sectoral Working Groups, will perform **strategic prioritisation** of the project ideas that have passed the eligibility assessment.

The strategic prioritisation process is based on 8 criteria:

- PI_C 1: Project approach;
- PI_C 2: Capacity of project implementing entities;
- PI_C 3: Estimated duration of the project;
- PI_C 4: Status of the project idea;
- PI_C 5: Potential to support the national EU accession process;
- PI_C 6: Project objectives in line with the national priority SDGs;
- PI_C 7: Coherence with national climate change strategies;
- PI_C 8: Impact potential (preliminary assessment).

It aims to assess the level of preparedness and soundness of the proposal and its alignment and compliance with the country context and GCF Performance Measurement Framework(GCF, 2014)⁴. Annex 8 includes a description of each criteria, indicators and a rating scale from 0 (minimum) to 3 (maximum) points per criterion.

Figure 17. Prioritisation criteria

	Criteria	Indicator
PI_C 1	Project approach	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)
PI_C 2	Capacity of project implementing entities	Experience and skills of implementing entities/ partners (this indicator is relevant for the whole implementing consortium – all partners)
PI_C 3	Estimated project duration	Timeframe indicating the duration of proposed activities
PI_C 4	Status of the project idea	Current status of the project idea/degree of development
PI_C 5	Potential to support national EU accession process	Number of EU benchmarks to be achieved with project implementation and its impact
PI_C 6	Project objectives in line with the national priority SDGs	Number of SDGs impacted or triggered by project implementation
PI_C 7	Coherence with national climate change strategies	Coherence and alignment of the project objectives with priorities addressed already in the national climate policy and strategies
PI_C 8	Impact potential (preliminary assessment)	<ol style="list-style-type: none"> 1. Preliminary estimate of mitigation potential (tCO₂eq over lifespan of the project) 2. Preliminary estimate of adapting potential (number of direct beneficiaries and indirect beneficiaries as % of total population) 3. Gender equity and impact potential to women and men separately as well as to vulnerable groups

The NDA should circulate to the SAC members/alternate members the project package, containing the project idea/Concept Note/full proposal and supporting documents to conduct prioritisation, based on the established prioritisation criteria. The NDA should also notify the SAC members/alternate members of the dates of the meetings at least two weeks in advance and share a provisional agenda.

Each SAC member should provide their assessment of a project idea/Concept Note/full proposal, based on the prioritisation criteria, and share electronically the results and comments with the NDA prior to the SAC meeting.

⁴ Mitigation and adaptation performance measurement frameworks, 2014

The SAC will hold a meeting once the independent review has been conducted by each SAC member, in order to discuss the individual assessments and agree on the overall SAC assessment based on the average scoring proceeds from each of the members. To take decisions, the SAC meeting should have a quorum verified by the NDA and follow the Rules of Procedure described in Annex 4. The final total maximum points that a project can obtain is 24 points.

The proposed projects will be grouped in three categories according to the points received depending on the quality/completeness/soundness of the proposal:

- **Group A (score of 17 - 24 points)** – higher quality project ideas/Concept Notes/funding proposals that are categorised as first priority for submission to the GCF
- **Group B (score of 8 - 16 points)** – project ideas that are of a 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.

The NDA will communicate the SAC assessment results on the individual projects to their proponents in order to incorporate this feedback in the development of the Concept Notes. The NDA will support Accredited Entities and national project proponents to identify the most appropriate partners for the development of the Concept Note and/or funding proposal. The NDA will also provide guidance on the GCF project cycle.

Project ideas/Concept Notes/funding proposals will constitute the project portfolio of the Country Work Programme, listed in the order of their prioritisation scores. The Country Work Programme is developed by the NDA in a consultative process. It is a strategic framework for the country's engagement with the GCF. It builds on the key national development and climate strategies, plans and actions. Its objective is to determine investment priorities and strategic initiatives for the use of the GCF funding. The project portfolio is one of the key sections of the Country Work Programme.

The Country Work Programme includes three main parts:

- Country Profile – description of the key climate change vulnerabilities and trends, development indicators and trends, and key policies in the area of development and climate change;
- Country Agenda and GCF Engagement – description of the key stakeholders and institutional arrangements for engagement with the Fund, outline of the country priorities and the project portfolio for the GCF;
- Monitoring and evaluation - process and schedule for reviews and updates of the document.

The NDA will present the Country Work Programme to the National Council on Sustainable Development for validation and recommendation for final approval by the Government of the Republic of North Macedonia. The Deputy President of the Government in their role as the NDA and the Chairman of the NCSD will convene and preside the meeting of the Council where the Country Work Programme and the project portfolio will be reviewed and validated.

The Country Work Programme is intended to be a living document, i.e. a flexible framework that is subject to periodic reviews and adjustments to reflect the latest developments. It will be valid for 5 years, while the project portfolio section will be

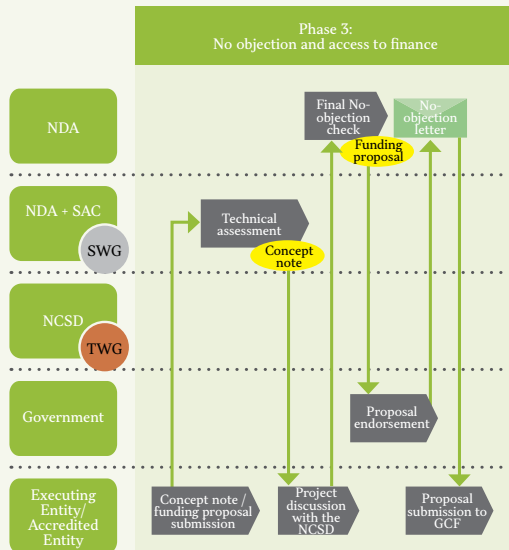
updated by the NDA every 2 years in order to incorporate new proposals received via calls for proposals launched by the NDA or received from potential applicants in a spontaneous way at any point.

6.3 Phase 3: No-objection and access to finance

In this phase, Accredited Entities will submit to the NDA Concept Notes in order to obtain the endorsement letter. Concept Note submission is an optional step, except for the simplified approval process (see Section 3.3 for more details), and Accredited Entities may skip it and submit funding proposals for the No-objection letter. In either case, the NDA should ensure that both Concept Notes and funding proposals are assessed based on the technical assessment criteria and undergo a final check before issuing the No-objection letter:

- Step 3a: Technical assessment of Concept Notes/funding proposals
- Step 3b: Final No-objection check

Figure 18. Phase 3: No-objection and access to finance



The NDA should ensure that Concept Notes/funding proposals pass through all assessment criteria, namely eligibility, prioritisation and technical assessment criteria regardless of whether they were submitted spontaneously or as a result of the biennial calls for proposals.

Step 3a: Technical assessment of Concept Notes/funding proposals

Timeframe	3–4 weeks
Responsible body	NDA + SAC

Accredited Entities together with their national executing partner should submit Concept Notes/funding proposals in the GCF templates.

Technical assessment of Concept Notes/funding proposals is performed against six criteria:

- C1: Project impact potential;
- C2: Paradigm shift potential;
- C3: Sustainable development potential;
- C4: Relevance to country needs;
- C5: Country ownership;
- C6: Efficiency and effectiveness.

Figure 19. Technical assessment criteria

Criteria		Weight	Sub-criteria		Max. score per sub-criterion	Total score per criterion
C1	Project Impact Potential	5	C1.1	Impact potential	15	30
			C1.2	Environmental and social risks mitigation	15	
C2	Paradigm Shift Potential	5	C2.1	Long term change at policy/strategic level resulting from project implementation	15	45
			C2.2	Potential for scaling-up, replication, knowledge and learning	15	
			C2.3	Innovative potential	15	
C3	Sustainable Development Potential	4	C3.1	Environmental benefits	12	36
			C3.2	Economic and social benefits	12	
			C3.3	Gender benefits	12	
C4	Relevance to Country Needs	4	C4.1	Level of economic and social benefits of the target population	12	36
			C4.2	Availability of sources of financial resources	12	
			C4.3	Needs for institutional capacity strengthening	12	
C5	Country Ownership	3	C5.1	Coherence with national climate change strategic, regulatory and legal framework	9	27
			C5.2	Alignment with national development indicators, enabling policy and institutional frameworks	9	
			C5.3	Stakeholder consultation	9	
C6	Efficiency and Effectiveness	3	C6.1	Project efficiency and effectiveness	9	27
			C6.2	Capacity of proponent to leverage co-financing	9	
			C6.3	Best practice technologies applied	9	

Each criterion has a weight assigned in order to reflect the scale of its importance in the overall assessment and the country's priorities. The weights are outcomes of stakeholder discussions and current national priorities. They can be subject to change to reflect changes in the national investment priorities. Figure 19 summarises all technical assessment criteria and their weight, sub-criteria and maximum scores for each sub-criterion. Annex 9 provides full descriptions and indicators.

The SAC members should each assess the Concept Note/funding proposal received within two weeks and communicate their assessment results to the NDA electronically. After this, the NDA will convene an in-person meeting of the SAC to discuss the individual assessments and make a final decision based on the average scores from each evaluator. To take decisions, the SAC meeting should have a quorum verified by the NDA and follow the Rules of Procedure described in the Annex 4.

The maximum score that a Concept Note/funding proposal can obtain after technical assessment is 201 points. 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;
- Proposals scoring between 0 and 79 points will be requested to **thoroughly review their proposal** rationale.

The NDA will issue an endorsement letter for the Concept Notes with an assessment score of 130–201 points (Annex 10). Concept Notes that scored lower than 130 points will receive their endorsement letters once the technical assessment results and recommendations are addressed.

After technical assessment is conducted, the project portfolio under the Country Work Programme will be reviewed to indicate if some proposals are moving up or down within the established three groups of prioritised projects during Phase 2b (Group A/B/C). This categorisation 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 the quality of the proposal.

Once Accredited Entity receives a letter of endorsement from the NDA, the Concept Note can be submitted to the GCF Secretariat for review and feedback. If the Concept Note is submitted to the GCF without an endorsement letter from the NDA, the Secretariat will seek confirmation from the NDA that the Concept Note fits national priorities and country ownership. After review, the GCF Secretariat will provide feedback and recommendations to the Accredited Entity, and advise if the concept is endorsed, not endorsed with a possibility of resubmission, or rejected.

Step 3b: Final No-objection check

Accredited Entity, together with the executing partners, develops the full funding proposal. It should be completed in the GCF template and include all mandatory supporting documents such as, inter alia, results of feasibility studies, Environmental and Social Impact Assessment, Gender Assessment and Action Plan, and co-financing commitment letters. Funding proposals should incorporate the NDA comments and results of the technical assessment of the Concept Note.

Accredited Entities, **especially Direct Access Entities**, can apply for the **Project Preparation Facility** for preparation of **micro-to-small size projects**. PPF requests can be submitted either before or after a Concept Note submission. Often, PPF applications follow the submission of a Concept Note. The NDA should provide a No-objection letter for the PPF requests before submission to GCF. Section 3.2 provides details on the amount and scope of support available.

The NDA will meet the Accredited Entity to schedule a presentation of the project to the NCSD and to allow for further development of the funding proposal. The Accredited Entity, together with the executing partners, will develop/elaborate the full funding proposal by integrating the technical assessment results and the NCSD comments. The full funding proposal should be submitted to the NDA for a final check and issuing of a No-objection letter.

Timeframe	2 weeks
Responsible body	NDA

The final No-objection check is the final quality assurance step for the issuance of the No-objection letter by the NDA (Figure 20). The NDA will complete the final No-objection check with a recommendation to the Government to endorse the proposal, if no major comments are received by the NCSD on the proposal.

Figure 20. Final No-objection check

Final No-objection Check		
1. Has the proposal been assessed as eligible (according to eligibility criteria)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Is the proposal included in North Macedonia's Country Work Programme?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Has the proposal been discussed/developed based on consultations with the target communities?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Has the project received technical clearance?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Has the project addressed all the comments received during the technical assessment?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. Has the Accredited Entity presented the proposal to the NCSD?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

The NDA will issue the No-objection letter for the funding proposal after the proposal is approved by the Government of the Republic of North Macedonia. The No-objection letter template is provided by the GCF and the registered signatory within the NDA is the only one who can complete this letter. There are two different GCF templates – for SAP proposals (Annex 12) and for regular funding proposals (Annex 13).

After receiving the No-objection letter, Accredited Entities are responsible for submitting the funding proposal and all supporting documents, including the No-objection letter, to the GCF Secretariat for consideration. The Accredited Entity should immediately communicate to the NDA the comments received from the GCF, or when the funding proposal is approved/rejected by the GCF Board. If, as a result of the comments received from the GCF, the scope/scale and rationale of the proposal changes, the Accredited Entity is responsible to develop the new structure/scope of the proposal in consultation with the NDA and target communities.

6.4 Phase 4: Implementation and sharing lessons learnt

Timeframe	On ongoing basis
Responsible body	NDA + SAC

The NDA should ensure capacities at national level are strengthened as a result of the engagement with the GCF and national stakeholders learn from the lessons acquired during the implementation of the funding proposals.

For this purpose, the NDA should ensure the Accredited Entities share the information on the status of implementation/completion/impact of the project by following the next steps:

- a) Accredited Entities should share with the NDA the Interim Progress/Completion Reports as submitted to the GCF, a summary of these reports will be uploaded in the NDA website to illustrate the progress in the respective project.
- b) Accredited Entities and executing entities should ensure the target communities are informed about the implementation of the proposal, including by convening stakeholder meetings.
- c) Upon completion of the implementation phase of the project, Accredited Entities should deliver a presentation to the NCSD on the key outputs of the project and the impact achieved as well as 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.

7. Direct access accreditation

Sub-national, national or regional organisations can become Direct Access Entities and access GCF resources directly without international intermediaries. To become a Direct Access Entity, an entity should be nominated by the National Designated Authorities of the country of their planned operation and pass the accreditation process with the GCF.

7.1 Green Climate Fund accreditation requirements

GCF recognises the diversity of entities in terms of the scope and nature of their activities as well as their capacities. In its accreditation standards and requirements, GCF follows a **fit-to-purpose approach**. It means that applicant organisations need to prove the fulfilment only of those standards and safeguards which are necessary for the implementation of projects they intend to carry out.

Organisations interested in accreditation for a Direct Access Entity need to fulfil/provide:

- ✓ **NDA nomination** – receive a letter of nomination from the NDA.
- ✓ **Fiduciary standards** – fulfil the basic and required specialised fiduciary standards, based on the projects, fiduciary functions and financial instruments they intend to employ (Annex 14).
- ✓ **Environmental and Social Safeguards** – fulfil the eight safeguards on institutional and project level, depending on the risk and size of the projects they plan to carry out (Annex 2).
- ✓ **Gender policy** – provide evidence of competencies, policies and procedures for implementing the GCF Gender Policy on institutional and project level (Annex 3).

Box 1. GCF readiness support for accreditation of Direct Access Entities

Entities nominated by the NDA to become Direct Access Entities may be eligible to receive GCF support.

Readiness support and technical assistance are available to help national, sub-national and regional entities with:

- In-depth assessments of their institutional capacity, fiduciary, Environmental and Social Safeguards and gender standards to meet the GCF accreditation requirements.
- Developing and implementing a personalised readiness and preparatory support plan to address identified gaps to comply with the GCF standards and get ready for accreditation.

All applications for readiness support are made by the NDA, even if it is to support a Direct Access Entity.

A **Self-Assessment Tool** can help interested organisations assess if they meet the basic requirements to become Accredited Entities. By using this tool, organisations can save time and expenses by deciding at an early stage whether they meet GCF accreditation requirements.

The Self-Assessment Tool is an online questionnaire that guides and helps organisations with preliminary assessment of their:

- legal capacity to undertake activities funded by the GCF;
- institutional arrangements, including their systems, policies, procedures and guidelines;
- track record and systematic implementation of their systems, policies, procedures and guidelines.

When considering accreditation with GCF, entities should decide what the size of the project would be, the risk category of the projects they have capacity for and intend to implement, and what fiduciary functions and financial instruments they plan to use.

Three key elements will define the accreditation requirements:

- **Project size.** Projects range from micro to large in their size. Organisations must provide evidence that they have a track record in managing and implementing projects of the size category they intend to carry out with GCF resources. If the entity is accredited for a specific project size, it can implement projects of that size or lower. So, for example, if accreditation was approved for small projects, the entity can carry out small or micro projects.
- **Project risks.** GCF has three categories of environmental and social risks (Figure 21) and eight Environmental and Social Safeguards to address them. When entities intend to implement projects of a specific risk category, they must demonstrate a track record and evidence of the Environmental and Social Risk Management System and other ESS to manage the selected risk category. If the entity is accredited for a specific risk level, it can implement projects and activities of that risk level or lower. For example, if accreditation was approved for medium risk projects (category B), the entity can carry out both medium and low risk projects.

Figure 21. GCF project risk categories

Risk level	Definition	Examples
High	Category A. Activities with potential significant adverse environmental and/or social risks and/or impacts which are diverse, irreversible, or unprecedented.	Large scale projects in infrastructure (e.g. transport, coastal infrastructure, dams, irrigation), energy (e.g. hydropower, high voltage plants), land management, activities in highly sensitive areas at the level of ecosystems and communities.
Medium	Category B. Activities with potential mild environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.	Renewable energy, energy efficiency, sustainable agriculture practices, water management, low carbon transport.
Low/No	Category C. Activities with minimal or no adverse environmental and/or social risks and/or impacts.	Vulnerability assessments, development policies and regulations, monitoring programmes, strengthening capacities.

Source: GCF, 2019

- **Fiduciary functions.** All organisations seeking accreditation to GCF must provide evidence of compliance with the basic fiduciary standards. These cover key administrative and financial capacities as well as requirements on transparency and accountability. In addition to that, organisations need to fulfil certain specialised fiduciary standards, depending on what fiduciary function and financial instruments they intent to employ (Annex 14). Figure 22 provides examples of fiduciary functions and what standards they require. For example, if the organisation plans to award grants as part of its projects, it needs to comply with the specialised fiduciary criteria for grant award and/or funding allocation mechanisms. If the organisation plans to manage credit lines or use GCF resources for guarantees or equity investment, it must fulfil the specialised fiduciary standards on on-lending and/or blending.

Figure 22. GCF fiduciary standards

Intended fiduciary functions	Basic fiduciary standards	Specialised fiduciary standards		
		Project management	Grant award/funding allocation mechanisms	On-lending/blending
Strengthening institutional and regulatory systems	✓			
Implementing projects using GCF resources, where the project is executed by the entity itself or by another entity	✓	✓		
Awarding grants	✓	✓	✓	
Managing credit lines using GCF resources	✓	✓		✓
On-lending and/or blending GCF resources with other funding sources	✓	✓		✓
Using GCF resources for guarantees	✓			✓
Using GCF resources for equity investments	✓			✓

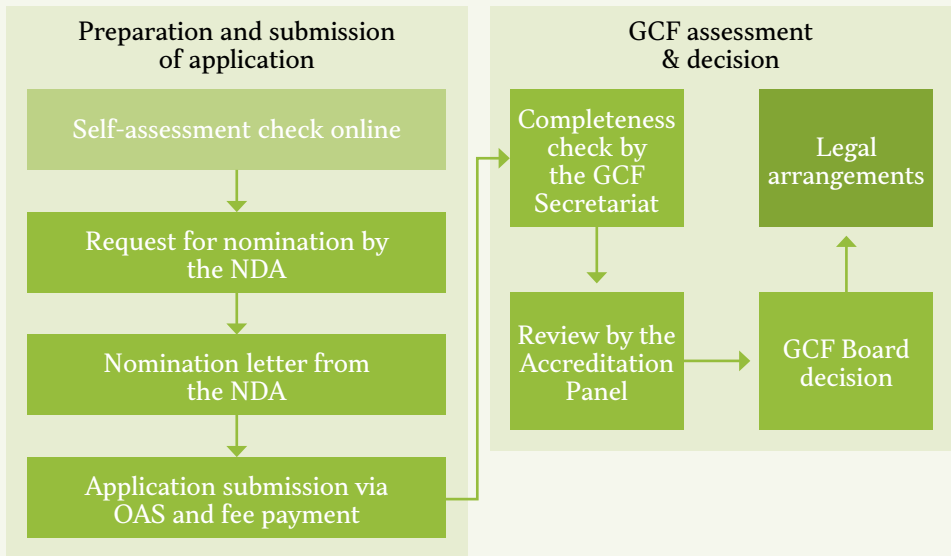
Source: GCF, 2019

7.2 Accreditation process

Accreditation to GCF is a rigorous and multi-stage process (Figure 23). It takes place on a rolling basis. As a first step, organisations are encouraged to take an online self-assessment check, which will help them understand better to what extent they comply with the GCF standards and requirements and where the potential gaps are.

The NDA will provide a nomination letter to the entities for direct access accreditation (Annex 15). Such letter of nomination should be preceded by a bilateral and multilateral consultation process, with the SAC engagement, validation of the candidate entity by the NCSD and approval by the Government.

Organisations which are already accredited to the Global Environment Facility (GEF), or the Adaptation Fund (AF), or the Directorate-General for Development and Cooperation – EuropeAid of the European Commission (DG DEVCO), may be eligible to apply to GCF under the fast-track accreditation process. The fast-track process allows for eligible entities to focus their application on the GCF's accreditation requirements (gaps) that have not been assessed in other accreditation processes.

Figure 23. Accreditation process

OAS - Online Accreditation System

Applications are submitted to GCF through the Online Accreditation System (OAS). Once the accreditation fee is paid, the GCF Secretariat will check if the application is complete, with all the supporting documents required and conduct an institutional assessment.

The next stage is the review by the Accreditation Panel of technical experts. Depending on the quality and the completeness of the documents submitted, several rounds of questions and iterations may take place to determine whether the applicant can be accredited.

After the assessment is finished, the Accreditation Panel will make a recommendation to the GCF Board, which will take a final decision on the accreditation. If approved for accreditation, the process is completed with legal arrangements and signing the Accreditation Master Agreement.

Assuming all documentation is provided in a timely and complete manner, the applicant entity does not opt for readiness support while the application is being processed, and the applicant entity is found to meet all of the standards for which it originally applied for, the GCF assessment and decision-making process is to be completed within 6 months. However, in practice, the accreditation process normally takes more than a year.

References

Green Climate Fund (GCF). 2014. *Annex VIII: Mitigation and adaptation performance measurement frameworks* [online]. Seoul. Available at: www.greenclimate.fund/documents/20182/239759/5.3_-_Performance_Measurement_Frameworks__PMF_.pdf/60941cef-7c87-475f-809e-4ebflacbb3f4

GCF. 2019a. *Accredited Entity directory of the Green Climate Fund* [online]. Seoul. Available at: www.greenclimate.fund/how-we-work/tools/entity-directory

GCF. 2019b. *Empowering countries. Fine print* [online]. Seoul. Available at: www.greenclimate.fund/how-we-work/empowering-countries/fine-print

GCF. 2019c. *Mainstreaming gender. Gender action in practice* [online]. Seoul. Available at: www.greenclimate.fund/how-we-work/mainstreaming-gender/gender-action-in-practice

Annexes

1. GCF investment criteria and sub-criteria

Coverage area	Sub-criteria
<i>Impact potential</i>	
Mitigation impact	Contribution to the shift to low-emission sustainable development pathways
Adaptation impact	Contribution to increased climate-resilient sustainable development
<i>Paradigm shift potential</i>	
Potential for scaling up and replication, and its overall contribution to global low-carbon development pathways being consistent with a temperature increase of less than 2 degrees Celsius (mitigation only)	<ul style="list-style-type: none"> • Innovation • Level of contributions to global low-carbon development pathways, consistent with a temperature increase of less than 2 degrees Celsius • Potential for expanding the scale and impact of the proposed project (scalability) • Potential for exporting key structural elements of the proposed project elsewhere within the same sector as well as to other sectors, regions or countries (replicability)
Potential for knowledge and learning	Contribution to the creation or strengthening of knowledge, collective learning processes, or institutions
Contribution to the creation of an enabling environment	<ul style="list-style-type: none"> • Sustainability of outcomes and results beyond completion of the intervention • Market development and transformation
Contribution to the regulatory framework and policies	Potential for strengthened regulatory frameworks and policies to drive investment in low-emission technologies and activities, promote development of additional low-emission policies, and/or improve climate-responsive planning and development
Overall contribution to climate-resilient development pathways consistent with a country's climate change adaptation strategies and plans (adaptation only)	<ul style="list-style-type: none"> • Potential for expanding the proposal's impact without equally increasing its cost base (scalability) • Potential for exporting key structural elements of the proposal to other sectors, regions or countries (replicability)
<i>Sustainable development potential</i>	
Environmental co-benefits	Expected positive environmental impacts, including in other results areas of the Fund, and/or in line with the priorities set at national, local or sectoral level, as appropriate
Social co-benefits	Expected positive social and health impacts, including in other results areas of the Fund, and/or in line with the priorities set at national, local or sectoral levels, as appropriate
Economic co-benefits	Expected positive economic impacts, including in other results areas of the Fund, and/or in line with the priorities set at national, local or sectoral level, as appropriate
Gender-sensitive development impact	Potential for reduced gender inequalities in climate change impacts and/or equal participation by gender groups in contributing to expected outcomes

<i>Responsive to recipients needs</i>	
Vulnerability of the country (adaptation only)	Scale and intensity of exposure of people, and/or social or economic assets or capital, to risks derived from climate change
Vulnerable groups and gender aspects (adaptation only)	Comparably high vulnerability of the beneficiary groups
Economic and social development level of the country and the affected population	The level of social and economic development of the country and target population
Absence of alternative sources of financing	Opportunities for the Fund to overcome specific barriers to financing
Need for strengthening institutions and implementation capacity	Opportunities to strengthen institutional and implementation capacity in relevant institutions in the context of the proposal
<i>Promote country ownership</i>	
Existence of a national climate strategy and coherence with existing policies	<ul style="list-style-type: none"> • The objectives are in line with the priorities in the country's national climate strategy • The proposed activity is designed in cognizance of other country policies
Capacity of Accredited Entities or executing entities to deliver	Experience and track record of the Accredited Entity or executing entities in key elements of the proposed activity
Engagement with civil society organisations and other relevant stakeholders	Stakeholder consultations and engagement
<i>Efficiency & effectiveness</i>	
Cost-effectiveness and efficiency regarding financial and non-financial aspects	<ul style="list-style-type: none"> • Financial adequacy and appropriateness of concessionality • Cost-effectiveness (mitigation only)
Amount of co-financing	Potential to catalyse and/or leverage investment (mitigation only)
Programme/project financial viability and other financial indicators	<ul style="list-style-type: none"> • Expected economic and financial internal rate of return • Financial viability in the long run
Industry best practices	Application of best practices and degree of innovation

2. GCF Environmental and social policy

GCF Environmental and Social Policy aims to:

- Provide the basis for a coherent, consistent and transparent management system founded on the principles of sustainable development for improving performance and outcomes, managing risks and impacts, and enhancing equitable access to benefits in all GCF-financed activities;
- Support the decision-making of GCF, particularly regarding the accreditation of entities, the provision of support, and the design, development, approval, implementation, and review of GCF-financed activities;
- Underpin the development of an Environmental and Social Management System (ESMS) that incorporates a systematic approach to integrating environmental and social performance and risk management into the operations of GCF and those of the Accredited Entities and other development institutions with which GCF is associated; and
- Define the responsibilities and processes to deliver upon the commitments of GCF.

GCF will require that all GCF-supported activities will commit to:

- Avoid, and where avoidance is impossible, mitigate adverse impacts to people and the environment;
- Enhance equitable access to development benefits; and
- Give due consideration to vulnerable⁵ and marginalised populations, groups, and individuals, local communities, indigenous peoples, and other marginalised groups of people and individuals that are affected or potentially affected by GCF-financed activities.

At entity level, the policy sets out the requirements for Accredited Entities working with GCF to establish and maintain robust, systematic, accountable, inclusive, gender-responsive, participatory and transparent systems to manage risks and impacts from GCF-financed activities, pursuant to this policy and the ESS standards adopted by GCF. These requirements complement the accreditation framework and are considered in the accreditation and reaccreditation processes; and

At activity level, the policy establishes the requirements for environmental and social risk assessment and management to be aligned to **GCF environmental and social safeguards (ESS)** standards ensuring that due diligence is undertaken for all GCF-financed activities, including subprojects financed from GCF-funded programmes or through financial intermediaries, regardless of the financial instruments used or whether these are solely supported by GCF or co-financed by other institutions.

The main elements of the policy on activity level are:

- Environmental and social screening of the activities and assigning risk categories;
- Environmental and social assessment and due diligence;

⁵ “Disadvantaged or vulnerable” refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project’s benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so.

- Environmental and social management plan;
- Monitoring and reporting, including operational changes;
- Information disclosure, stakeholder engagement, and grievance redress.

GCF Interim Environmental and Social Safeguards

Standard	Description
<i>Standards applied on entity level</i>	
PS1. Assessment and management of environmental and social risks and impacts	<ul style="list-style-type: none"> • Identify the funding proposal's environmental and social risks and impacts; • Adopt mitigation hierarchy: anticipate; avoid; minimise; compensate or offset; • Improve performance through an environmental and social management system; • Engagement with affected communities or other stakeholders throughout the funding proposal cycle. This includes communications and grievance mechanisms.
<i>Standards applied on project level</i>	
PS2. Labour and working conditions	<ul style="list-style-type: none"> • Fair treatment, non-discrimination, equal opportunity; • Good worker–management relationship; • Comply with national employment and labour laws; • Protect workers, in particular those in vulnerable categories; • Promote safety and health; • Avoid use of forced labour or child labour.
PS3. Resource efficiency and pollution prevention	<ul style="list-style-type: none"> • Avoid, minimise or reduce project-related pollution; • More sustainable use of resources, including energy and water; • Reduced project-related greenhouse gas emissions.
PS4. Community health, safety and security	<ul style="list-style-type: none"> • Anticipate and avoid adverse impacts on the health and safety of the affected community; • Safeguard personnel and property in accordance with relevant human rights principles.
PS 5. Land acquisition and involuntary resettlement	<ul style="list-style-type: none"> • Avoid/minimise adverse social and economic impacts from land acquisition or restrictions on land use: <ul style="list-style-type: none"> - Avoid/minimise displacement; - Provide alternative project designs; - Avoid forced eviction. • Improve or restore livelihoods and standards of living; • Improve living conditions among displaced persons by providing: <ul style="list-style-type: none"> - Adequate housing; - Security of tenure.

Standard	Description
PS6. Biodiversity conservation and sustainable management of living natural resources	<ul style="list-style-type: none"> • Protection and conservation of biodiversity; • Maintenance of benefits from ecosystem services; • Promotion of sustainable management of living natural resources; • Integration of conservation needs and development priorities.
PS7. Indigenous peoples	<ul style="list-style-type: none"> • Ensure full respect for indigenous peoples <ul style="list-style-type: none"> - Human rights, dignity, aspirations; - Livelihoods; - Culture, knowledge, practices; • Avoid/minimise adverse impacts; • Sustainable and culturally appropriate development benefits and opportunities; • Free, prior and informed consent in certain circumstances.
PS8. Cultural heritage	<ul style="list-style-type: none"> • Protection and preservation of cultural heritage; • Promotion of equitable sharing of cultural heritage benefits.

3. Green Climate Fund gender policy

GCF's gender-responsive approach is captured in the GCF Gender Policy and Action Plan (GCF, 2019c)⁶, which was adopted by the Fund's governing body in 2015. Six principles of the GCF's Gender Policy are:

- Gender equality and equity;
- Inclusiveness in all activities;
- Accountability for gender and climate change results and impacts;
- Country ownership—through alignment with national policies and priorities, and broad stakeholder engagement, including women's organisations;
- Gender-sensitive competencies throughout GCF's institutional framework—skills, knowledge and behaviors acquired from training and experience that enable GCF Secretariat staff members to apply a gender-lens throughout their work; and
- Equitable resource allocation—so that women and men benefit equitably from GCF's adaptation and mitigation activities.

Gender mainstreaming is integrated in the entire project cycle, from project identification, through implementation to M&E. In accordance with the GCF Gender Policy and Action Plan, the core elements of gender mainstreaming required in GCF project design include:

- Country ownership in terms of alignment with national policies and priorities;
- A mandatory initial socioeconomic and gender assessment, to proactively build in a gender-sensitive approach to project planning design and implementation arrangements;

⁶ Mainstreaming gender. Gender action in practice, 2019

- Gender equitable stakeholder consultations based on the gender parameters in the policy;
- Determination of how the project/programme can respond to the needs of women and men in view of the specific climate change issue;
- Identification of drivers of change and gender dynamic s required to achieve the project/programme adaptation or mitigation goals; and
- Identification and design of specific gender elements to be included in project/programme activities.

Mainstreaming gender in GCF projects can be synthesised into a three-pronged approach:

- **Gender analysis:** to understand the social, economic and political factors underlying climate change-exacerbated gender inequality, and the potential contributions of women and men to societal changes in order to build resilience to and address climate change. Gender analysis is the first and the essential part for identifying and defining gender gaps, issues and constraints, in order to respectively reflect them into the project. It helps to identify the differences that women and men are facing in the project context, including the access, participation, involvement, different needs and obstacles of both sexes.
- **Gendered actions:** methods and tools to promote gender equality and reduce gender disparities in climate action. This includes development of objectives and targets addressing gender concerns, and gender responsive actions to address gender issues in the project/program.
- **Gender-sensitive M&E:** measuring the outcomes and impacts of project activities on women and men's resilience to climate change through gender responsive M&E. It contains clear targets, quotas, gender design features and quantitative performance indicators.

4. Rules of procedure of the Strategic Advisory Committee

Composition

The Strategic Advisory Committee (NDA-SAC) is composed of experts in the areas of climate change, project management and financing. Along with the NDA staff, six representatives from the following institutions participate in the NDA-SAC:

- Ministry of Finance – 2 representatives:
 - State Secretariat of the Ministry of Finance
 - Head of the Budgeting Department, Ministry of Finance
- Secretariat of European Affairs (SEA) – 2 representatives:
 - Sector for EU Funds Coordination
 - Sector for Integration
- **Ministry of Environment and Physical Planning** – 2 representatives:
 - State Secretary of the Ministry of Environment and Physical Planning
 - State Counsellor on Climate Change

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 the members will serve as a chair of the SAC, in addition to holding the role of Secretary of the SAC.

Selection of Strategic Advisory Committee members

SAC members and their substitutes will be appointed by a decision of the Government of the Republic of North Macedonia. Additionally, the Government of the Republic of North Macedonia will explore the possibility of including in the new Climate Change Law, which is currently being developed, a requirement for institutions participating in the NDA-SAC to review their internal structure to officially reflect the nominations of their representatives 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 tasks and the different procedures developed for assessing proposals in the country.

Meetings frequency and location

The SAC will convene upon the 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 transmit, distribute and store the documentation electronically. 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. The 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 a minutes of the meeting, as a means of keeping track of SAC decisions with regard to each project proposal.

Working language of the Strategic Advisory Committee

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.

Meetings arrangements and maintenance of permanent records 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.

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 categorisation thresholds (Groups A, B, and C during the prioritisation 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 regard 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.

5. Template: Project Idea Note

Project Idea

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 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.

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

Project general information	
Project title:	
Project or programme	<input type="checkbox"/> Project <input type="checkbox"/> Programme
Project duration (months):	
Geographic location of project activities (please enclose a map in the Annex):	
Implementation entity/ies (title, type of organisation, address, contact persons) <i>Please provide in Annex a List of employees dedicated to project implementation (disaggregated by sex and education) for each entity</i>	Title: Type of organisation: Address: Contact person: Phone/e-mail address:
Previous experience in implementing similar projects (similar in terms of complexity, costs and duration)	<i>Please list at least two finalised 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>
Project status:	<input type="checkbox"/> Full Project proposal <input type="checkbox"/> Concept Note <input type="checkbox"/> Project Idea Note
Project climate focus and results areas	
Focus area of the project:	<input type="checkbox"/> Mitigation <input type="checkbox"/> Adaptation <input type="checkbox"/> Cross-cutting

Green Climate Fund strategic results areas
(Which of the following targeted GCF results areas does the proposed project address?)

Please, mark the most relevant ones

MITIGATION

By reducing greenhouse gas emissions:

- ☐ **Energy access and power generation**
(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.)
- ☐ **Low emission transport**
(E.g. high-speed rail, rapid bus system, etc.)
- ☐ **Buildings, cities, industries and appliances**
(E.g. new and retrofitted energy-efficient buildings, energy-efficient equipment for companies and supply chain management, etc.)
- ☐ **Forestry and land use**
(E.g. forest conservation and management, agricultural irrigation, water treatment and management, etc.)

ADAPTATION to climate change

By increasing resilience in the following spheres:

- ☐ **Most vulnerable people and communities**
(E.g. mitigation of adverse risks associated with climate change, developing early warning systems, developing insurance service systems, etc.)
- ☐ **Health and well-being, and food and water security**
(E.g. providing clean drinking water to population, implementing water-saving technologies, etc.)
- ☐ **Infrastructure and built environment**
(E.g. mudflow and avalanche protection infrastructures, air-conditioning systems, resilient road networks, etc.)
- ☐ **Ecosystem and ecosystem services**
(E.g. ecosystem conservation and management, ecotourism, etc.)

Project description (max. 3 pages)

Project goal:

Project objectives

(if possible, please define specific objectives related to gender and minorities issues and climate change)

Main project beneficiary
(direct and indirect)
disaggregated by type of vulnerability

Brief project justification (coherence and alignment with the country's national climate priorities and development strategies as well as national SDGs)	
Briefly describe the Mitigation/Adaptation problem the proposal intends to address	(please specify the issues relevant for gender and vulnerable groups)
List proposed project activities to address the above problems and identified barriers leading to the expected results	(please mention if the proposed activities/processes or technologies are innovative. Also, explain how women, CSOs, academia, business and other stakeholders will be included in the implementation of project activities)
Briefly describe expected outcomes and economic (in EUR), social climate/environmental and gender aspects target results	(i.e. number of new jobs created, tons of reduced emissions of CO ₂ eq., estimated adaptation impact – number of direct/indirect beneficiaries as percentage of the total population, how the project will address gender and other vulnerable group issues)
Indicate if there is potential for replicating project activities in other region(s) or neighbouring country and describe the use of project results	
Explain why the project requires funding:	(i.e. explain why this is not financed by domestic resources from the public and/or private sector(s))
Financial aspects of the project	
Indicative total project cost (EUR):	
Indicative funding request from GCF (EUR):	
Estimated co-financing (if any) – EUR or % of the total project costs	

Type of financial instrument to be requested:	<input type="checkbox"/> Grant <input type="checkbox"/> Loan <input type="checkbox"/> Other _____
Other financing sources that will partially cover total project costs:	

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

PROJECT IDEA NOTE supporting documents:

ANNEX 1

ANNEX 2

ANNEX 3

6. Template: Confirmation letter for project ideas

To: (name of applicant/AE)

[place], [date]

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

Dear Sir/Madam,

The Cabinet of the Deputy President of the Government of the Republic of North Macedonia, in its role as the 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 it is eligible 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 to develop a Concept Note of this idea, and to submit it for further review by the NDA, according to the North Macedonia's No-objection Procedure;
- c) The applicant must ensure that all relevant partnerships are in place in order to finalise 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, please do not hesitate to write to the NDA team's official e-mail address: Daniel.Josifovski@gs.gov.mk

Yours faithfully,

Name: _____

Title: _____

7. Template: Rejection letter for project ideas

To: (name of applicant/AE)

[place], [date]

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

Dear Sir/Madam,

The Cabinet of the Deputy President of the Government of the Republic of North Macedonia, in its role as the 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 a 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 the 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, please do not hesitate to write to the NDA team's official e-mail address: Daniel.Josifovski@gs.gov.mk

Yours faithfully,

Name: _____

Title: _____

8. Criteria for prioritizing project ideas

No.	Criteria	Description of criteria	Indicator	Rating criteria	
PL_C 1	Project approach	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

No.	Criteria	Description of criteria	Indicator	Rating criteria
PI_C 2	Capacity of project implementing entities	Description of relevant management and organisational skills of the implementing entities/ partners in 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 (of similar size and costs) implemented so far
				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
				3 Long-term (more than 8 years)
PI_C 3	Estimated project duration	Defined time schedule of the proposed project activities	Timeframe indicating the duration of proposed activities	2 Medium-term (more than 5 years)
				1 Short-term (2-5 years)
				0 Short term (less than 2 years)

No.	Criteria	Description of criteria	Indicator	Rating criteria
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 the 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 in achieving the EU benchmarks	Number of EU benchmarks to be achieved by 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 the 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	Coherence with national climate change strategies	Description of national country ownership or/and capacity to implement a funded project or programme (policies, climate strategies and institutions)	Coherence and alignment of project objectives with the 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
				Very High mitigation/adaptation potential (including the gender and vulnerable groups aspect)
PI_C 8	Impact potential (Preliminary assessment)	Potential of the project to contribute significantly to reducing emissions or increasing resilience (preliminary assessment) Specify the climate mitigation and/or adaptation impact providing comparable national benchmarks	<ol style="list-style-type: none"> 1. Preliminary estimate of the mitigation potential (tCO₂eq over the lifespan of the project) 2. Preliminary estimate of the adaptation potential (number of direct beneficiaries and indirect beneficiaries as % of the total population) 3. Gender equity and impact potential to women and men separately as well as to vulnerable groups 	3 High mitigation/adaptation potential (including the gender and vulnerable groups aspect)
				2 Medium mitigation/adaptation potential (no gender and vulnerable groups aspect presented)
				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)
				Very low mitigation/adaptation potential (no gender and vulnerable groups aspect presented)

9. Criteria, sub-criteria, indicators and scoring system for prioritizing Concept Notes/ funding proposals

No.	Criteria	Description of criteria	Indicator	Rating criteria	
C1	Project impact potential			C1 Criteria weight	5
C 1.1	Impact potential	Potential of the programme/project to contribute significantly to reducing emissions or increasing resilience Specify the climate mitigation and/or adaptation impact by providing comparable national benchmarks	1. Estimated mitigation impact (tCO ₂ eq over the 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 the 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	Very high mitigation/adaptation impact
				2	High mitigation/adaptation impact
				1	Medium mitigation/adaptation impact
				0	Very low mitigation/adaptation impact
C 1.2	Environmental and social risk mitigation	Description of residual risk level related to the introduction of planned mitigation measures to the environmental media and vulnerable groups	Level of residual risks associated with the 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 they are not comprehensive
				0	Substantial risks identified according to ESS categories, but no mitigation measures defined

No.	Criteria	Description of criteria	Indicator	Rating criteria	
				C2 Criteria weight	5
C 2.1	Paradigm shift potential Long-term change at policy/strategic level resulting from project implementation	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 policy changes, new strategic documents or new regulation The extent to which the new regulation developed 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
C 2.2	Potential for scaling-up and replication for both mitigation and adaptation and potential for knowledge and learning	Specific values for scaling-up and replication and any potential for knowledge sharing or learning at project or institutional level	Project opportunities for replication in several regions in the RNM and degree of sharing lessons learned and experience gained from the project Percentage of time dedicated to gender and vulnerable groups during capacity-building initiatives	3	High potential for replication; knowledge will be shared on national or wider level
				2	Medium potential for replication; knowledge will be shared on regional level
				1	Low potential for replication; knowledge will be shared on local level
				0	No potential for replication; no knowledge shared

No.	Criteria	Description of criteria	Indicator	Rating criteria	
C 2.3	Innovative potential	Description of innovative elements and concepts in project activities	Degree of innovation and opportunities for targeting new market segments, developing or adopting new technologies, business models and/or processes Decree to which the activities will change incentives for market participants by reducing costs and risks and open opportunities for low-carbon solutions	3	High innovative approach
				2	Innovative approach on national level (based on the adaptation of an innovative idea in the national context)
				1	Low potential of innovation
				0	No innovation is presented
C3	Sustainable development potential			C3 Criteria weight	4
C 3.1	Environmental benefits from the project	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	Economic and social benefits from the project	Economic analyses on project activities and description of economic benefits	Total number of jobs created (direct and in direct) by project implementation Amount of government's budget deficits reduced Development and support of SMEs competitiveness Types of improvements in social areas (education, social inclusion, access to water supply, health facilities, etc.) in the RNM	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
				1
				0

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

No.	Criteria	Description of criteria	Indicator	Rating criteria	
C4	Recipients' needs			C4 Criteria weight	4
C 4.1	Level of economic and social benefits for the target population	Description of the level of social and economic development (including the socio-economically vulnerable population) of the country and the target population	% of the socio-economically population that will benefit from the project (disaggregated by sex, income level, etc.)	3	High % of the socio-economically vulnerable population benefits from improved economic and social development as a result of project implementation
				2	Medium % of the socio-economically vulnerable population benefits from improved economic and social development as a result of project implementation
				1	Low % of the socio-economically vulnerable population benefits from improved economic and social development as a result of project implementation
				0	The socio-economically 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 for ensuring funding from other sources</p>	3 No possibility for attracting any other financial source
				2 Low possibility
				1 Strong possibility for other sources of funding
				0 Very high possibility for combining different funding sources
C 4.3	Needs for institutional capacity strengthening	Description of opportunities to strengthen the institutional and implementation capacity of relevant institutions	<p>Specified actions for strengthening the institutional and implementation capacity in the 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 Criteria weight	3
C5	Country ownership	Coherence with the national strategic, regulatory and legal framework on CC	Description of the national context to implement a funded project or programme (policies, regulations, legislation, climate strategies and institutions)	3	High alignment and coherence with national climate policy, regulation, legislation, strategies and priorities
				2	Partial alignment and coherence with national climate policy, regulations, legislation, strategies and priorities
				1	Improper alignment of the project with national climate policy, regulation, legislation, strategies and priorities
				0	Very low alignment of the project with national climate policy, regulation, legislation, strategies and priorities
				3	Fully in line with already defined development indicators.
C 5.2	Relevance and alignment with national development indicators, enabling policy and institutional frameworks	Explanation of how the project proposal fits with the national development agenda	Alignment with the relevant national development indicators and/or enabling policy and institutional frameworks	2	Partially in line with development indicators.
				1	Low alignment with development indicators
				0	No arguments to define how development indicators are met

No.	Criteria	Description of criteria	Indicator	Rating criteria
C 5.3	Stakeholder consultation	Explanation on engaging different stakeholders and the role of the NDA while developing the CN/ Project proposal Engaging civil society organisations and other stakeholders	To what extent the stakeholders are consulted or involved in project activities (relevant stakeholders identified, number of stakeholders, communication channels used, number of events and workshops organised, etc.)	3 All relevant stakeholders identified and involved and feedback incorporated
				2 Most stakeholders identified and involved and feedback incorporated
			Number of events held for women and vulnerable groups (e.g. training, workshops, meetings, consultations)	1 Some stakeholders identified and involved and feedback incorporated
			Female and vulnerable groups representation (the percentage of women compared to the percentage of men) participating in capacity building initiatives and events, awareness raising events, informative, consultative events.	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 ₂ 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	Low cost of project activities/ investments per unit of CO ₂ eq. reduction
				2	Medium costs of investment vs. benefits
				1	High costs of project activities/ investments per unit of CO ₂ eq. reduction
				0	Very high cost, or not properly visible
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 for combining 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	less than 25%
				2	between 25-50%
				1	up to 75%
				0	between 75-100%

No.	Criteria	Description of criteria	Indicator	Rating criteria
C 6.3	Best Practice Technologies Applied	Description of proposed best practice technologies and degree of innovative technical solutions in the project	Level of technologies of best practices to be applied in the project and the main benefits to be achieved	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

10. Template: Endorsement letter for concept notes

To: (name of applicant/AE)

[place], [date]

Subject: Notification of endorsement of the project Concept Note submitted for consideration by the NDA

Dear Sir/Madam,

The Cabinet of the Deputy President of the Government of the Republic of North Macedonia, in its role as the 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 and can 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 a 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, please do not hesitate to write to the NDA team's official e-mail address: Daniel.Josifoski@gs.gov.mk.

Yours faithfully,

Name: _____

Title: _____

11. Template: No-objection letter for Project Preparation Facility

To: The Green Climate Fund (GCF)

[place], [date]

Re: Proposal for the GCF Project Preparation Facility by [name of Accredited Entity] regarding [name of PPF proposal]

Dear Sir/Madam,

We refer to the Project Preparation Facility proposal [name of PPF proposal] for preparation of [description of underlying project or programme] in [country] as included in the PPF proposal submitted by [name Accredited Entity] to us on [date] ("PPF Proposal").

The undersigned is the duly authorised representative of [name of NDA/focal point], the National Designated Authority/focal point of [country].

Pursuant to GCF decisions B.08/10 and B.13/21, the content of which we acknowledge to have reviewed, we hereby communicate our No-objection to the Project Preparation Facility activities as included in the PPF Proposal.

By communicating our No-objection, it is implied that:

- (a) The government of [country] has No-objection to the Project Preparation Facility request as included in the PPF Proposal;
- (b) The PPF Proposal is in conformity with [country]'s national priorities, strategies and plans; and
- (c) In accordance with the GCF's environmental and social safeguards, the PPF activities as included in the PPF Proposal are in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining No-objection to the PPF Proposal has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Yours faithfully,

Name:

Title:

12. Template: No-objection letter for SAP proposals

To: The Green Climate Fund (GCF)

[place], [date]

Re: Funding proposal for the GCF by [name of Accredited Entity] regarding [name of project/programme]

Dear Sir/Madam,

We refer to the project [or programme] [name of project [or programme]] in [country] as included in the funding proposal submitted by [name of Accredited Entity] to us on [date].

The undersigned is the duly authorised representative of [name of NDA/focal point], the National Designated Authority/focal point of [country].

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our No-objection to the project [or programme] as included in the funding proposal.

By communicating our No-objection, it is implied that:

- (a) The government of [country] has No-objection to the project [or programme] as included in the funding proposal;
- (b) The project [or programme] as included in the funding proposal is in conformity with [country]'s national priorities, strategies and plans;
- (c) In accordance with the GCF's environmental and social safeguards, the project [or programme] as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining No-objection to the project [or programme] as included in the funding proposal has been duly followed.

[We also confirm that our No-objection applies to all projects or activities to be implemented within the scope of the programme.]

We acknowledge that this letter will be made publicly available on the GCF website.

Yours faithfully,

Name:

Title:

13. Template: No-objection letter for funding proposals

To: The Green Climate Fund

[place], [date]

Re: Funding proposal for the GCF by [name of Accredited Entity] regarding [name of project/programme]

Dear Sir/Madam,

We refer to the project [or programme] [name of project [or programme]] in [country] as included in the funding proposal submitted by [name of Accredited Entity] to us on [date].

The undersigned is the duly authorised representative of [name of NDA/focal point], the National Designated Authority/focal point of [country].

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our No-objection to the project [or programme] as included in the funding proposal.

By communicating our No-objection, it is implied that:

- (a) The government of [country] has No-objection to the project [or programme] as included in the funding proposal;
- (b) The project [or programme] as included in the funding proposal is in conformity with [country]'s national priorities, strategies and plans;
- (c) In accordance with the GCF's environmental and social safeguards, the project [or programme] as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining No-objection to the project [or programme] as included in the funding proposal has been duly followed.

[We also confirm that our No-objection applies to all projects or activities to be implemented within the scope of the programme.]

We acknowledge that this letter will be made publicly available on the GCF website.

Yours faithfully,

Name:

Title:

14. Green Climate Fund fiduciary standards

Basic fiduciary standards

Standard	Description
1.1 Key administrative and financial capacities	<p>Underlying principles:</p> <ul style="list-style-type: none">a) Financial inputs and outputs are properly accounted for, reported, and administered transparently in accordance with pertinent regulations and laws, and with due accountability;b) Information relating to the overall administration and management of the entity is available, consistent, reliable, complete and relevant to the required fiduciary standards; andc) Operations of the entity show a track record in effectiveness and efficiency. <p>Standards:</p> <ul style="list-style-type: none">1.1.1 General management and administrative capacities1.1.2 Financial management and accounting1.1.3 Internal and external audit1.1.4 Control framework1.1.5 Procurement

1.2 Transparency and accountability

Underlying principles:

- a) Protection and commitment against mismanagement and fraudulent, corrupt and wasteful practices;
- b) Disclosure of any form of conflict of interest (actual, potential or perceived); and
- c) Code of ethics, policies and culture that drive and promote full transparency and accountability.

Standards:

1.2.1 Code of ethics

1.2.2 Disclosure of conflict of interest

1.2.3 Capacity to prevent or deal with financial mismanagement and other forms of malpractice

1.2.4 Investigation function

1.2.5 Anti-money laundering and anti-terrorist financing

Specialised fiduciary standards

Standard	Description
2.1 Project management	<p>Underlying principles:</p> <ul style="list-style-type: none"> a) Ability to identify, formulate and appraise projects or programmes b) Competency to manage or oversee the execution of approved funding proposals, including the ability to manage executing entities or project sponsors and to support project delivery and implementation; c) Capacity to consistently and transparently report on the progress, delivery and implementation of the approved funding proposal <ul style="list-style-type: none"> 2.1.1 Project preparation and appraisal 2.1.2 Project oversight and control 2.1.3 Monitoring and evaluation 2.1.4 Project-at-risk systems and related project risk management capabilities
2.2 Grant award mechanisms	<ul style="list-style-type: none"> 2.2.1 Transparent eligibility criteria and evaluation 2.2.2 Grant award decision and procedures 2.2.3 Public access to information on beneficiaries and results 2.2.4 Transparent allocation and implementation of financial resources 2.2.5 Good standing with regard to multilateral funding
2.3 On-lending and/or blending	<p>Additional specialised criteria for on-lending and blending will apply for intermediaries and IEs that wish to use those financial instruments with the Fund's resources.</p>

Please check the GCF/B.07/11 document for details and requirements on each of the fiduciary standards.

15. Template: Nomination letter for Direct Access Entity application

[Government Letterhead]

Mr. Yannick Glemarc
Executive Director
Secretariat of the Green Climate
Fund
175 Art Center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea

Date:
Reference:
Page:

Subject: Expression of nomination for the application for accreditation to the Green Climate Fund

Dear Mr. Glemarec,

Pursuant to paragraph 47 of the Governing Instrument for the Green Climate Fund, [in my capacity as a representative of the National Designated Authority] *OR* [in my capacity as a focal point] for [country name], duly designated pursuant to the letter of [government/ministry/authority] to the Fund dated [date], I hereby nominate the entity below for accreditation by the Green Climate Fund:

[Legal name of the applicant entity]
[Contact person: name]
[Contact details: telephone, address, email address]

[The NDA/focal point may wish to include information on how the entity being nominated can contribute to the country's programming priorities with the GCF]

Yours sincerely,

[Name of the contact point of NDA or focal point]
[Position/Title in Government]
[Division/Office]
[Ministry/Agency]

Please delete this page for signed nomination letter

Note: Please use the table below when you send the scanned copy of the signed nomination letter by e-mail. Please fill out the table, copy and paste the table in your email text.

NDA/focal point given name	
NDA/focal point surname (surname to be addressed in the acknowledgement letter)	
NDA title	
NDA mailing address	
Date of letter sent	
Reference No. of letter (if there is any)	
Name of the entity nominated	
Name of the contact person	
Contact details of the contact person (address, telephone number, e-mail)	

Manual for the operations of the National Designated Authority for engagement with the Green Climate Fund

**Project: “Support for the management of an effective national
coordination mechanism regarding the Green Climate Fund”**

ISBN 978-92-5-132065-5



9 789251 320655

CA7413EN/1/12.19