Readiness Proposal

with the Food and Agriculture Organization of the United Nations (FAO)

for Republic of North Macedonia

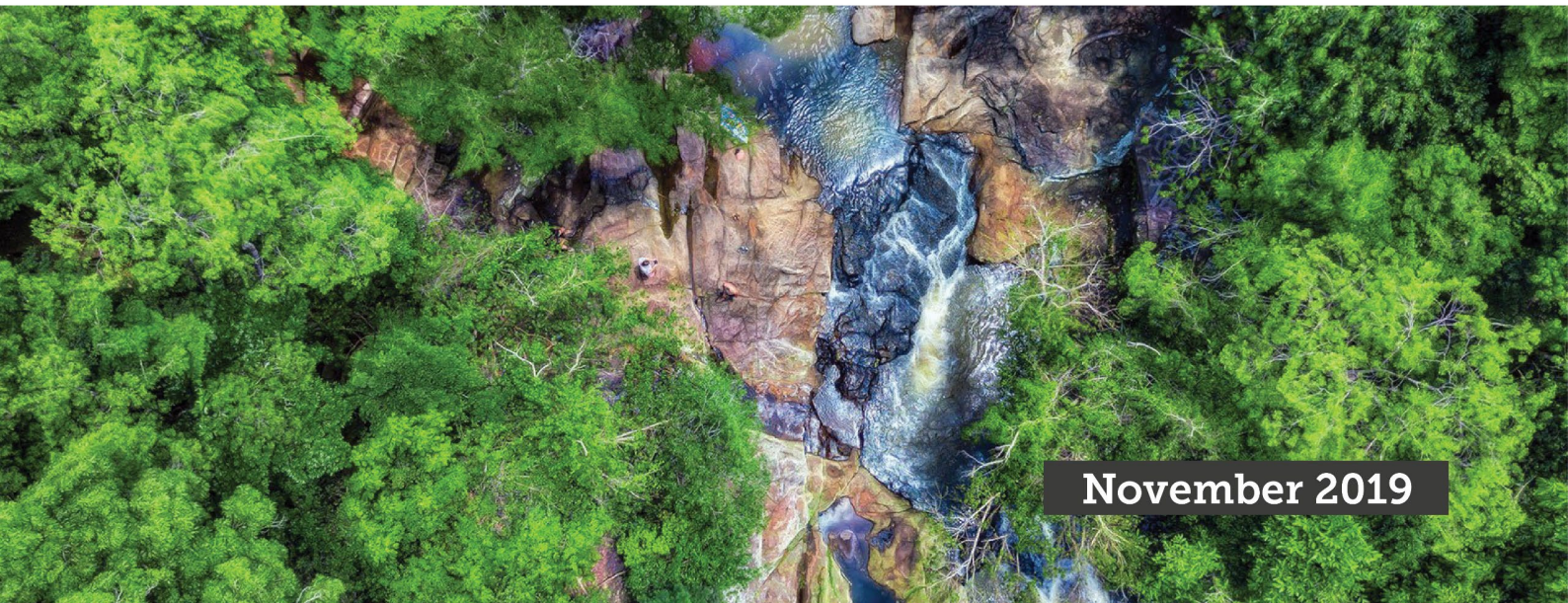
13 September 2023 | Strategic Framework

READINESS & PREPARATORY SUPPORT

PROPOSAL TEMPLATE

GREEN CLIMATE FUND

Proposal title:	Strengthening capacities and developing strategic frameworks for building low carbon and climate resilient society in the Republic of North Macedonia
Country:	Republic of North Macedonia
National designated authority:	Cabinet of the Deputy President of the Government in charge of Economic Affairs, Coordination of the economic sectors and Investments
Implementing Institution:	Food and Agriculture Organization of the United Nations (FAO)
Date of first submission:	21 July 2022
Date of current submission / version number	6 September 2023 V.05



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Note: Environmental and Social Safeguards and Gender

Throughout this document, when answering questions and providing details, please make sure to pay special attention to environmental, social and gender issues, particularly to the situation of vulnerable populations, including women and men. Please be specific about proposed actions to address these issues. Consult Annex IV of the Readiness Guidebook for more information.

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When submitting the proposal, please name the file:
GCF Readiness -[Country]-[yymmdd]

1. SUMMARY

1.1 Country submitting the proposal	Country name:	Republic of North Macedonia
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1.2 Date of initial submission	21 July 2022	
1.3 Last date of resubmission	27 June 2023	**Version number** V.05

1.4 Which institution will implement the Readiness and Preparatory Support project?

☐ National designated authority
☒ Accredited entity
☐ Delivery partner

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1.5 Title of the Readiness support proposal

Strengthening capacities and developing strategic frameworks for building low carbon and climate resilient society in the Republic of North Macedonia

1.6 Type of Readiness support sought

☒ I. Capacity building
☒ II. Strategic frameworks
☐ III. Adaptation planning
☒ IV. Pipeline development
☐ V. Knowledge sharing and learning

1.7 Brief summary of the request

General country CC context

The Republic of North Macedonia is exposed to climate change and its effects. Climate change related disasters have already occurred with human losses, high infrastructural damage, and financial costs. The poor and those dependent on agriculture for their livelihoods are identified as particularly vulnerable to climate change and extreme weather events in the Republic of North Macedonia.

Following the ratification by North Macedonia of the Paris Agreement in November 2017, the country has placed considerable resources in developing its climate change agenda. The Long-term Strategy for Climate Action, for example, was adopted in September 2021, which, along with the revised NDC, defines North Macedonia's contribution to the global effort to address climate change, namely through a pathway towards green, low carbon and climate resilient development based on the best available information and in the context of the country's accession to the EU. The Strategy is in line with proposed mitigation measures in previously adopted strategic documents, given the significant contribution of the energy sector to GHG emissions (75% in 2016) followed by the agriculture sector (11.8% in 2016), excluding AFOLU.

Furthermore, during the time of preparation of this project, there have been new developments in the North Macedonia in the field of climate action - the Fourth National Communication on Climate Change has been adopted, the Draft Law on Climate Change is under inter-institutional compliance review and the EU Explanatory meetings on the Acquis for Chapter 27 (Environment and Climate Change) have been initiated.

Additionally, in recognizing the importance of country ownership, particularly with its engagement with the Green Climate Fund, the Government of the Republic of North Macedonia has identified the Fund for Innovation and Technology Development (FITD) as an appropriate candidate to initiate the GCF accreditation process as Direct Access Entity, as well as a highly suitable entity for engagement with the private sector. In the medium-long term, this could pave the way for increased country-led climate change adaptation and mitigation projects with GCF as well as increased engagement with private sector entities in the country.

Yet despite the strides made and resources mobilized by the Country on its climate change agenda, in order to achieve the mitigation and adaptation goals set out in the NDC and strategy for climate action, additional support to address existing barriers is necessary.

Main Gaps/Challenges/barriers identified and that will be covered by this proposal

Within the scope of this readiness grant, the below key gaps, challenges and barriers will be targeted:

1. Lack of institutional capacities to mainstream climate change into sectoral policies, strategies and budgets;

2. Capacity gaps of the identified potential national DAE, Fund for Innovation and Technology Development (FITD)
3. Gaps connected to the lack of strategic documents facilitating the country engagement with the GCF.
4. Gaps connected to private sector knowledge and awareness of the climate impacts and potential for accelerating climate investments.

Main objective of the proposal and how we will be answering to the challenges mentioned above:

This readiness, aims to address the above main barriers identified during the implementation of the second readiness, as well as additional challenges that have been illuminated with the country's evolving climate change agenda. Indeed the recent developments and advancements in the country imply additional institutional capacity needs for its successful coordination of climate activities.

To this end, this readiness will utilize lessons learned from and ensure complementarity and coherence with the previous grants to implement and institutionalize a set of capacity building activities to address the identified needs for long term **strategic and sustainable NDA strengthening** as well as strengthening of the institutions participating in the country coordination mechanism. More specifically, this grant aims at further supporting:

- the NDA and strategic advisory committee facilitate the development process of funding proposals, including building capacity of FP formulation, and coordinate other GCF activities in the country;
- the process of capacity building of the potential National Direct Access Entity; Specific sectoral institutions and private sector;
- support the process of updating the country work program for the GCF and the project pipeline list;
- the development process of background documents for prioritized climate change interventions in the AFOLU sector.

Main outputs of the proposal

The current readiness proposal is structured around GCF Readiness objectives 1, 2 and 4, with six key outputs that have been identified through the readiness needs assessment conducted during Readiness 2, in close coordination with the NDA. These outputs aim to target the aforementioned barriers and have a special focus on the needs resulting from an increased engagement with GCF and a lack of a mechanism to save, develop and share institutional knowledge and experience with the relevant institutions targeted by the previous readiness projects (1 & 2).

The outputs are:

- Output 1.1.1: Coordination mechanisms operationalized, and capacity of members strengthened to collect, process, analyze and report climate finance data.
- Output 1.2.1: Fund for Innovation and technology development (FITD) capacities/standards improved as a direct access applicant to meet and maintain the GCF accreditation standards
- Output 1.3.1: Capacities of relevant priority sector stakeholders from the agriculture, forestry, waste, transport, biodiversity, water, cultural heritage, and energy sectors built in project development, management and evaluation
- Output 1.3.2: Increased private sector awareness and knowledge on climate finance and investment opportunities.
- Output 2.1.1 : A GCF country programme reflecting Republic of North Macedonia development priorities and consistent with the country's national climate strategies is updated, endorsed by the GCF CIC and Nationally Endorsed by the Government.

- Output 4.1.1: Technical studies supporting prioritized concept note Enhanced Concept note for the prioritized climate change adaptation project "Irrigation development and Climate Adaptation of agriculture in semi-arid regions of Pelagonia and Strumica" are developed

Main beneficiaries of the proposal

The project has been designed to benefit stakeholders identified under the previous implementation of the readiness projects in the country, including the members of the country coordination mechanism - the Cabinet of the Deputy President of the in charge of economic affairs, coordination of economic departments and investments, Ministry of Finance, Ministry of Environment and Physical Planning, Ministry of Agriculture, Forestry and Water Economy, Ministry of Economy, the Secretariat of European Affairs, FITD, the Chambers of Commerce as representatives of its members, the private sector, banking sector, academia as well as civil society.

Gender considerations

Gender considerations have been integrated throughout the project, to ensure that gender issues of climate change are reflected in the knowledge products, as well as to ensure that diverse viewpoints are reflected, and different types of actors' capacity is strengthened.

a1.8 Total requested amount and currency	USD 633,221	**1.9 Implementation period**	24 months

1.10 Is this request a multiple-year strategic Readiness implementation request?

☐ Yes
☒ No

1.11 Complementarity and coherence of existing readiness support

☒ Yes
☐ No

The Republic of North Macedonia has benefited from three approved Readiness and Preparatory Support grants from the GCF. The present readiness grant complements the readiness support projects under implementation and those recently completed. A brief overview of these grants are presented below, with a full project list and their complementarity and coherence to this proposal presented in Section 2, Table 1.

North Macedonia's NDA requested USD 300,000 as part of the country allocation under the Readiness programme in 2017 (FAO as DP). The first readiness project supported the country in developing its capacities to engage with the GCF and in setting up the mechanisms to establish climate change priorities focusing on strengthening the institutional capacities of the NDA/ NFP to effectively fulfil its roles and responsibilities related to the Fund and to start discussions with national stakeholders for the development of the Country Work Program.

The second Readiness project (FAO as DP) supported the country in further developing its capacities by expanding the support to other Government and non-Government stakeholders, particularly focused on the Country

Coordination Mechanism and on developing strong partnerships for private sector participation in climate action. In this context, it is important to highlight that in August 2019, North Macedonia was selected as a pilot beneficiary country to receive technical advisory services for the development of Country Programme; in this sense, the second proposal used the information resulting from the advisory services to finalize North Macedonia's Country Programme.

The third Readiness project (GIZ as DP) began implementation in August 2022 and is expected to be finalized by August 2024. The project focuses on Strengthening the capacity of the NDA and the Strategic Advisory Committee (SAC) to guide and advise on climate finance and project implementation with an integrated dimension of sustainable development of human capital and a focus on mainstreaming climate change aspects in the health, labor and social protection and education sectors.

The draft NAP proposal (UNDP as DP), currently under preparation, includes outputs focused on: adaptation planning; building capacities to adapt to climate change of line ministries, public institutions and civil society stakeholders; M&E systems for adaptation monitoring; Information, methodologies, tools and solutions for design of adaptation solutions; raising general public awareness about climate change; and barriers to private sector engagement.

The present proposal, the fourth readiness, builds on the results of the first and second readiness supported by FAO, the developed draft country work program and the conducted readiness needs assessment and action plan. The main focus of the current readiness proposal aims at further supporting the NDA and the Strategic Advisory Committee in order to be able to facilitate the process of funding proposal development and coordinate the other GCF activities in the country, as well as to further support the process of capacity building of the potential National Direct Access Entity. The proposal also supports the process of development of background document for prioritized climate change interventions in the AFOLU sector, as well as building country capacities for development of good quality funding proposals.

Additionally, this fourth readiness in North Macedonia proposal will coordinate and ensure complementarity and coherence with the planned activities under the NAP readiness proposal and the third readiness proposal currently under implementation. It will also seek alignment and coordination with other initiatives, projects and programs in the country, including GEF, CBIT, and GEF Enabling Activities as well as an Adaptation Fund Project under development focused on building climate resilience of the agricultural system in Radovis region as well as a regional project implemented by UNDP which targets Integrated climate-resilient transboundary flood risk management in the Drin River basin. As such, the current proposal targets the NDA and the institutional members of the Strategic Advisory Committee under the country coordination mechanism, including Ministry of Environment and Physical Planning, Ministry of Finances and the Secretariat for European Affairs.

Moreover, the Strategic Advisory Committee of the National Coordination Mechanism will serve as part of the project's Steering Committee, to and support during, implementation and monitoring of activities related to this and other ongoing readiness projects, ensuring synergies are exploited

List of acronyms

AEs	Accredited Entities
AMA	Accreditation Master Agreement
CSO	Civil Society Organization
DAEs	Direct Access Entities
DP	Delivery Partner
ESS	Environment and Social Safeguards
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FITD	Fund for Innovation and Technology Development
GCF	Green Climate Fund
GFCS	Global Framework for Climate Services
MAFWE	Ministry of Agriculture, Forestry and Water Economy
MoE	Ministry of Economy
MoEPP	Ministry of Environment and Physical Planning
NDA	National Designated Authority
NDCs	National Determined Contributions
NDCs+	Updated NDCs
NHMS	National Hydrometeorological Services
SAC	Strategic Advisory Committee
SDG	Sustainable Development Goal
UNDP	United Nations Development Programme
UNFCCC	United Nations Convention on Climate Change
WMO	World Meteorological Organization

2. SITUATION ANALYSIS

Background and policy context

The Republic of North Macedonia is significantly exposed to climate change and its effects. Climate change and variability already has serious impacts on agriculture, water resources, forestry, human health, tourism and cultural heritage. The key risks of climate change include land degradation, food insecurity, water deficit, droughts floods, mudslide, erosion, forest fires, heatwaves, infrastructure damages, impacts on flora and fauna, including loss of biodiversity, economic and human losses, among others. Climate change related disasters have already occurred with human losses and high infrastructure damages, as well as financial costs. The poor and those dependent on agriculture for their livelihoods are identified as particularly vulnerable to climate change and extreme weather events in Republic of North Macedonia.

In September 2021, the Long-term Strategy for Climate Action was adopted defining North Macedonia's contribution to the global effort, through a pathway towards green, low carbon and climate resilient development, based on the best available information and in the context of the country's accession to the EU. The Strategy is in line with proposed mitigation measures in the all previously adopted strategic documents, given the significant contribution of the energy sector (75% in 2016) to GHG emissions followed by the agriculture sector –excluding FLOU- (11.8% in 2016). North Macedonia has contributed significant amounts of its own resources to fighting climate change including specific budget allocation in the City of Skopje however it is recognized that this is not sufficient to undertake the actions necessary to meet the mitigation and adaptation goals set out in the NDC and strategy for climate action.

As a candidate country for European Union (EU) membership, and a contractual party to the European Energy Community, the country should report all its climate change mitigation activities with the common reporting format, which is usually used by EU. These reporting requirements are more advanced than the requirements for North Macedonia and other countries which are non-Annex 1 countries of the UNFCCC. The National Assembly of the Republic of North Macedonia ratified the Paris Agreement in November 2017 (Official Gazette of the Republic of Macedonia no. 161/17), with which only three months after the establishment of the new Government, it confirmed its commitment to join the global climate change mitigation efforts. The country has also adopted the Agenda 2030 for Sustainable Development and established a multi-stakeholder process, chaired by the Cabinet of the Deputy President of the Government in charge for Economic Affairs, to mainstream the 2030 Agenda at national and local development frameworks.

Furthermore, North Macedonia has been mostly dependent on project-specific activities and donor support in order to fulfil its global commitments and implement a financially taxing adaptation and mitigation scenario. However, maximizing the effects of sector specific policies and programs, as well as national legislation related to climate change mitigation and adaptation[1], is challenging due to the following barriers faced by the country and identified under the CBIT UNDP project as well as the Capacity needs assessment report developed under the second readiness project:

1. Lack of institutional capacities to mainstream climate change into sectoral policies, strategies and budgets
    a. Weak inter-institutional coordination on climate change;
    b. Lack of institutional memory and loss of information and knowledge on GCF and GCF procedures, primarily in the NDA office and other institutions that are part of the country coordination mechanism.
    c. Decreased human capacities of the NDA which in the long term will influence the process of successful facilitation of the implementation of the country work program and climate action.
    d. Lack of capacities and knowledge on GCF procedures of the key public institutions in the field of climate change

[1] 2009 National Strategy for Sustainable Development for the period 2009-2030; 2010 Strategy for Energy Development in the Republic of Macedonia for the period 2008-2020 with a Vision to 2030; 2010 Renewable Energy Sources Strategy of Macedonia till 2020; 2010 National Strategy for Energy; Efficiency in Republic of Macedonia till 2020; 2009 National Environmental Investments Strategy; 2008 National Environmental Approximation Strategy; 2010 National Health Strategy for Adaptation in Health Sector; National CDM Strategy 2008-2012; 2015 National Agricultural and Rural Development Strategy 2014-2020; The national Strategy for Climate Change Adaptation in the Agriculture http://www.greendevelopment.mk/en/documents.aspx

   e. Limited staff capacities as a result of the high staff turnover in the institutions and absence of an institutional knowledge platform or mechanism
      Limited institutional capacities at various levels to leverage, utilize and monitor climate finance, including from the private sector.
2. Capacity gaps of the identified potential national DAE, Fund for Innovation and Technology Development (FITD)
   a. Limited national capacities to develop quality funding proposals and lack of specialized persons/teams in the institution dedicated to proposal writing.
   b. Lack of technical assistance in identifying, designing, developing and writing project ideas, concept notes and project proposal
3. Gaps connected to private sector knowledge and awareness of the climate impacts and potential for accelerating climate investments.
   a. Lack of awareness and knowledge by the private institutions on climate change and climate finance opportunities for North Macedonia
   b. Lack of mechanism for dialogue and partnership between the public and the private sector for potential joint projects and climate action
      Private sector is not engaged in investing in climate action as they lack information about the risk, impacts, options, opportunities and benefits
4. Gaps connected to the lack of strategic documents facilitating the country engagement with the GCF.
   a. Draft country work program has been developed under the second readiness and is under the second GCF review. In the meantime, there have been extensive developments and initiatives in the country including the fourth National Communication on Climate Change adopted, the draft Law on Climate Change under inter-institutional compliance and the start of the EU explanatory meetings on Chapter 27 being initiated requiring the update of the Country work program for the GCF in order to be aligned with the Government priorities
   b. The project pipeline list does not reflect the latest government priorities as well as the vision of the FITD in its role as DAE
5. Gaps connected to the lack of information, supporting documents, pre-feasibility studies for the implementation of the development and prioritized projects under the project pipeline list identified in the Country work program
   a. Lack of technical support in Environmental and Social Assessments as well as and Gender Action Plans during development of project proposals

Considering the above mentioned barriers, it is important to highlight that specific climate-related projects in priority sectors such as AFOLU, energy, transport and other sectors have limited scope and sustainability due to weak coordination mechanisms within and among relevant ministries and stakeholders, and the limited knowledge on climate related issues to provide scientific basis to climate investments in the country. Systematic support is needed to strengthen the knowledge and capacities of relevant stakeholders across different sectors at national level, including of the Government institutions participating in the coordination and decision-making mechanisms, key private sector actors and other relevant stakeholders to advance climate action in the country.

Complementarity with other initiatives

Table 1

Grant Reference	Delivery Partner	Total approved	Status	Potential linkages/complementarity to this readiness proposal
Readiness I. Support for the management of an effective national coordinative mechanism regarding the Green Climate Fund	FAO	USD 300,000	Completed	The current proposal builds upon the results achieved under the first readiness proposal of further strengthening the NDA, the strategic advisory committee and the country coordination mechanism, by building a long-term strategy for strengthening their institutional capacities and building a strong position among the stakeholders. During the first readiness project, the structures of the country coordination mechanism were set in place, building consensus on a national level and adopted by the Government. These

				structures include: the NDA, the Strategic Advisory Committee and sectoral working groups to support the work of the NDA as well as the National Council for Sustainable Development and the Government as the decision-making bodies and validating all activities. This coordination mechanism was put in place and became fully operational as a result of the First readiness project and continued to function as the main coordination system for all GCF activities. Building on these activities, and considering that the GCF activities in the country have increased, the NDA has identified a need for a systematic and long-term approach to further strengthening the capacities of the coordination mechanism. Therefore, a need of a long-term strategy for strengthening their institutional capacities is necessary to respond to increased GCF related activities implemented and planned in the country, and will be addressed in this project. Additionally, during the implementation of the First readiness project, an NDA portal was developed (www.greendevelopment.mk) as a tool for communication on all GCF related activities. This portal includes different modules, including a module for submission of project ideas that will feed the country work program and project pipeline list. Presently, this module includes only sections for announcement of the calls, user interface and project ideas submission module; the assessment of project ideas and prioritization is conducted manually against the criteria identified under the country prioritization procedure and the no-objection procedure developed during the first readiness project. The current readiness proposal builds upon this portal by introducing new modules to the online project application system, including modules for direct automated communication with the users/applicants, another user level for assessors of the applications and a module for online assessment of each received project idea. In order to meet the requirements of the No-objection procedure for a biannual update of the pipeline list, and the increased level of knowledge and information on GCF related activities, an increased interest by the beneficiaries is expected and therefore the automatization of the system will increase the NDA and the Country coordination Mechanism capacity and ability to respond timely to the beneficiaries.
Readiness II. Strengthening country capacities for climate change adaptation and mitigation and finalization of country work programme	FAO	USD 663,245	Completed	Readiness II main activities and achievements, among others included development of the country work program with initial project pipeline list, initiated the work on climate finance tracking, monitoring and streamlining, developed the FITD application as a National direct access entity that will facilitate the private sector engagement in climate action, developed 2 concept notes for the prioritized projects by the Government, as well as conducted indepth assessment of the capacity needs and future readiness needs of institutions that have responsibilities in the field of climate action. The current proposal extends the scope these activities and builds upon the findings identified during the development process of the country work program and the readiness needs assessment report. Indeed, this report, which outlined the need for further support to the NDA and country coordination mechanism, support to the private sector access to finance and continued support to the DAE applicant, serves as the bases for development of the current proposal. The second Readiness also identified a need to further develop the AFOLU sector priorities. The present readiness will support in this initiative by developing a pre-

				feasibility study for the priority concept note developed under Readiness II "Irrigation development and Climate Adaptation of agriculture in semi-arid regions of Pelagonia and Strumica".
Readiness III. Building capacity towards sustainable human capital development in North Macedonia	GIZ	USD 820,076	Ongoing	The third readiness project "Building capacity towards sustainable human capital development in North Macedonia" aims to complement the previous and ongoing readiness efforts by targeting human capital development through a sectoral approach. More specifically, the project will support building the capacities and creating an evidence-based and enabling environment in the health, education, and labor & social protection sectors, which deal with the socially vulnerable and marginalized groups that are often overlooked in climate change agenda and finance, aiming to address lack of consistent and transparent data and low levels of climate change mainstreaming into the three specified sectors. The current proposal is in line and complementary to the activities planned under the third readiness project focusing on the Strengthening the capacity of the NDA and the Strategic Advisory Committee (SAC) under the country coordination mechanism, including Ministry of Environment and physical planning, Ministry of Finances and the Secretariat for European Affairs to guide and advise on climate finance and project implementation with an integrated dimension of sustainable development of human capital. The present proposal also complements the target groups identified, with its focus on the AFOLU sector and specific institutions including the cabinet of the Deputy president of the Government, Ministry of finances, Ministry of Environment and Physical Planning, Ministry of Agriculture, Forestry and Water Economy, Ministry of Economy, the Secretariat of European affairs, FITD, private sector etc. While the third readiness project focuses on the health, labor & social protection and education sectors, and all together, the two projects include a wide variety and wide coverage of different sectors prioritized by the Government.
National Adaptation Planning. NAP capacity development, spatial planning, adaptation in the National Platform for DRR	UNDP	tbd	Planned	The planned NAP project will build upon the capacities already built under the three readiness projects implemented in the country and will use the capacities and procedures already in place. As identified with the NDA, in order for the NDA and the Strategic Advisory Committee to be able to support the implementation of the NAP activities , there is an increased need for strengthening the NDA and SAC capacities, especially the human capacities of the NDA as well as staff capacities and knowledge and establishment of knowledge database as a mitigation measure for the expected future staff turnover. To support the NAP activities on Institutional coordination for adaptation planning, building capacities to adapt to climate change of the line ministries, public institutions and civil society stakeholders in the prioritized sectors, the NDA and the SAC will need to play an important coordination role and be able to engage all necessary institutions in the consultation and implementation process. The activities in this Readiness which are focused on updating the Government's e-Government system including a special module for climate action tracking will support the NAP activities for monitoring and evaluation and tracking the effectiveness of adaptation activities; The strengthened and upgraded portal www.greendevelopment.mk will support the implementation of the NAP activities for sharing Information, methodologies,

				tools and solutions for designing adaptation solutions as well as the activities connected to the general public awareness about climate change risks, vulnerabilities, and adaptation options; The planned activities under this proposal connected to the private sector engagement, including the update of the web portal with a private sector engagement platform as well as the roadmap for private sector engagement will support the NAP activities in supporting private sector engagement in climate-resilient development.
Building climate resilience of the agricultural system in Radovis region through improved irrigation, land and water management.	FAO	TBD	Planned	The current proposal has no specific interconnections with the planned Adaptation Fund (AF) project. While this proposal includes development of a pre-feasibility study for the concept note developed under the second readiness, the planned AF project aims to address barriers to effective adaptation and implement activities that establish a climate-resilient agricultural system in the Radovish Valley to enable rural communities to enhance their agricultural production and ensure food sustainability. This involves removing structural barriers to adaptation, minimizing threats to agricultural production resulting from climate change-induced water demand, and bridging technological, information, and knowledge gaps. The project targets eleven villages in the Radovish municipality, with a specific focus on young and women farmers. The knowledge and evidence generated through the project will be disseminated at regional and national levels to promote scaling up and mainstreaming climate adaptation into policies and plans. Although there are no direct linkages of the two projects, the project will be included in the new updated e-government system planned to be developed under this readiness project.
Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans	UNDP	USD 9,927,750	Ongoing	The current proposal does not have any overlap nor interconnections with the regional project implemented in Kosovo, North Macedonia, Montenegro and Greece. The objective of the project is to assist the riparian countries in the implementation of an integrated climate-resilient river basin flood risk management approach in order to improve their existing capacity to manage flood risk at regional, national and local levels and to enhance resilience of vulnerable communities in the Drini river basen to climate-induced floods. The countries will benefit from a basin-wide transboundary flood risk management (FRM) framework based on: improved climate risk knowledge and information; improved transboundary cooperation arrangements and policy framework for FRM and; concrete FRM interventions.

Problem to be addressed

The Readiness and Preparatory Support programme under the GCF has supported so far three readiness projects in the Republic of North Macedonia. This current proposal builds upon the results achieved with the first two readiness projects and will be aligned with the implementation of the third readiness project. These projects have paved the way for a long term and successful engagement of North Macedonia with the GCF.

This fourth readiness proposal builds upon the results from the first and second readiness project and is complementary to the third readiness project that has been launched for implementation in August 2022. It is also in line with the revised readiness program strategy, and the Long term Strategy on Climate Action and Action plan from 2021 of the Republic of North Macedonia with vision by 2050. The current proposal has been a result of joint efforts by the FAO and the NDA, and an extensive consultation process during the process of development

of the RNA and the CNA. The needs to be addressed through this grant have been discussed and validated by the NDA. Specifically, the proposal builds upon the following deliverables achieved so far under the readiness and preparatory support program:

- The structure and procedures for the operationalization of the National Sustainable Development Council[2] as the Country Coordination Mechanism on GCF matters has been developed, with clear definition of roles, including the leadership of the NDA on GCF matters and the support to be provided by other institutions.
- -The country coordination mechanism has been developed under the first readiness project and validated by government decision.
- Priority Sectors have been identified and a prioritization procedure for proposals has been designed and will be discussed with stakeholders, validated by the National Sustainable Development Council and finally endorsed by the Government of the Republic of North Macedonia
- Initial awareness has been raised among stakeholders on the work of the Government on SDG13 related to climate action and access to climate finance and particularly the expected role of the GCF in the implementation of NDCs according to identified priority sectors in the Republic of North Macedonia
- Well-structured knowledge management and sharing tools have been developed and will be operationalized shortly to provide updated and relevant information on climate action and opportunities for engagement with the Green Climate Fund to national stakeholders.
- An initial definition of a procedure to track and monitor climate finance in the Republic of North Macedonia has been developed and a first phase for manual gathering of information is taking place as a practical exercise to inform the NDA on the opportunities to identify co-financing for potential project proposals. This exercise is particularly targeting information from relevant budget allocations and contributions from public budget, private sector, CSOs and donor community.
- Stakeholders have been consulted on the proposed coordination mechanisms, prioritization procedure for climate finance proposals and on the structure of the no-objection procedure.
- The Country Work Program has been developed using a participative and sectoral approach taking into consideration all nine priority sectors and the results from the technical advisory activity provided by GCF. The Country Work Programme is currently under the second GCF review and after all the GCF recommendations are incorporated and following the endorsement by GCF CIC, the Country Work Programme will undergo official national endorsement procedure.
- A project pipeline has been developed through a serious process of identification and assessment of project ideas. The process included public call for submission of project ideas, identification of sectoral priorities already identified in the national strategic documents under each of the GCF priority sectors, as well as an open invitation by the GCF for accepting project ideas on a rolling bases trough the NDA portal www.Greendevelopment.mk.
- The Readiness needs assessment process have been conducted and readiness needs have been identified following by a readiness action plan. An extract of the identified needs is presented in the next section below.
- Capacity needs assessment has been conducted and training program have been developed and implemented with the members of the country coordination mechanism and other interested stakeholders,
- Private sector engagement toolkit has been developed identifying applicable climate technologies in all priority sectors,
- A process for identification of direct access entities have been conducted and the process of accreditation has been initiated.

While considerable progress has been made during the previous readiness grants and through the Government of North Macedonia's own initiatives, there are still barriers, identified in the RNA, hindering the achievement of the mitigation and adaptation goals set out in the eNDC and strategy for climate action.

[3] Based on the capacity needs assessment conducted during the second readiness project, and considering the increased GCF activities in the countries as well as the context of decreased NDA human capacities.

Below are the identified barriers to be addressed in this Readiness, which are further elaborated in the Theory of Change on page 32.

Under the objective 1: Capacity Building: GCF recipient countries and relevant stakeholders set up adequate systems – human, technical and institutional – that enables them to fulfil their roles and responsibilities towards the GCF and enhance their ability to achieve their objectives the following gaps will be addressed:

- Decreased human capacities of the NDA, and the Lack of institutional memory and loss of information and knowledge on GCF and GCF procedures, including in the NDA office and other institutions part of the country coordination mechanism on a long term will influence the process of successful facilitation of the implementation of the Country work program. Over the last few years, NDA, as most of the public administration, has been experiencing a decrease in human resources. For example, NDA human capacity decreased from four full-time employees, to one, who is responsible for managing the GCF portfolio, activities with the Agenda 2030 and Sustainable development goals, in addition to the coordination of environmental and climate issues among different national institutions. This country-wide issue is predominantly due to increased market demand for good quality consultants offering better employment conditions. In order to respond to this national-level bottleneck and considering the increased climate-related activities in the country, including for example the process connected to the fourth National Communication on Climate Change being adopted, the draft Law on Climate Change, the upcoming preparation of the Biannual Transparency Report, and the initiation of EU explanatory meetings on Chapter 27 (Environment and climate), a set of activities have been designed in order to ensure sustainability and preserve institutional memory. The Output 1.1.1 will consolidate the envisaged capacity and knowledge building activities to an online platform, where this information, which includes a training programme, will be stored and accessible for new personnel engaged by the NDA in the future. Additionally, through awareness raising and the development of a roadmap – both of which will be included on the platform–- the project will help identify a direction for how the human capacity and institutional memory gap will be mitigated in the long run (activity 1.1.1.1; activity 1.1.1.2; activity 1.1.1.3; activity 1.1.1.4; activity 2.1.1.1)
- The lack of capacities and knowledge on GCF procedures of staff of the key public institutions in the field of climate change and Weak inter-institutional coordination on climate change. This gap has been identified during the survey on capacity needs of the public institutions with a special focus on GCF. The GCF is relatively new in the country and despite the capacity building process implemented during the readiness support projects, as the public administration is facing a process of decreasing and frequent changes in the human capacities, knowledge on GCF procedures remains low. In this line the project envisages design and implementation of a training program and implementation of an online awareness raining campaign that will target the intuitions - members of the country coordination mechanism and will directly transfer knowledge on the key climate related activities as well as the GCF activities in the country. In line with this the online knowledge platform will ensure that the knowledge is stored and available for further use. (Activity 1.1.1.1; Activity 1.1.1.2).
- Limited national capacities to develop quality funding proposals and lack of specialized persons/teams in the institution dedicated to proposal writing. In addition to this there is lack of technical assistance in writing project ideas, concept notes and project proposals and there is no support offered for development of project proposals for the GCF as this is very new to the market in North Macedonia. In order to address this gaps, the project plans development and implementation of a training program targeting directly the FITD – as a National direct access applicant as well as the relevant stakeholders from the agriculture, forestry, waste, transport, biodiversity, water, cultural heritage, and energy sectors (activity 1.2.1.1 and activity 1.3.1.1) to developed their capacity in order to be able to get actively involved in the project pipeline developed and build their own capacities for future full size projects development.
- Lack of awareness and knowledge of the private institutions on climate change and climate finance opportunities for North Macedonia, and so the private sector is not engaged in investing in adaptation and resiliency as they lack information about the risk, impacts, options, opportunities and benefits. This gap is connected to the lack of capacity building programs supporting private sector engagement in adaptation actions, and the unavailability of information. In this line during the second readiness project the first private sector toolkit for climate actions was developed, supported by a handbook on private

sector engagement opportunities. In addition to this, the current project includes a set of activities connected to the private sector - addressing the lack of knowledge gap with a training program specifically designed for the private sector actors, as well as development of a separate webspace under the NDA webpage to promote private sector experience sharing and learning. (activity 1.3.2.1; activity 1.3.2.2).

- Lack of mechanisms for dialogue and partnership between the public and the private sector for potential joint projects. This gap has been identified during the Capacity needs assessment survey. Despite extensive Government efforts to engage and support the private sector, there is still lack of information flow especially to the smaller companies that do not have enough information on the possibilities nor capacities for development of joint projects with the public institutions. As a response to this gap, the project will establish a separate working group within the country coordination mechanism that will serve as a focal point for private sector engagement in climate action, as well as report will be prepared with recommendations for policy measures to be included into the existing policies and regulatory frameworks that are needed in order to promote private climate finance. To this end a roadmap for private sector engagement will be prepared which will provide recommendation hot to enhance the private sector investment in climate action on a national level and in line with the developed NDC (activity 1.3.2.2; activity 1.3.2.3; activity 1.3.2.4).

In the framework of the objective 2 Strategic Frameworks: GCF recipient countries develop robust strategic frameworks to guide GCF investment in complementarity to other climate financiers:

- Beside that, the draft country work program has been developed under the second readiness and is under the second GCF review and has still not been nationally endorsed, the current situation in the field of climate activities has been widely changed in the country. During the time of the project preparation, there have been extensive developments and initiatives in the country including the fourth National Communication on Climate Change adopted, the draft Law on Climate Change under inter-institutional compliance and the start of the EU explanatory meetings on Chapter 27 being initiated, requiring the update of the Country work program for the GCF in order to be aligned with the Government priorities. At the same time the new developments in the country lead to the need of updating the project pipeline list to better reflect the latest government priorities as well as to include the vision of the FITD in its role as DAE facilitating the process of private sector engagement in climate action and climate investments. To this end the project will further engage in updating the country work program, and the project pipeline list as well as will facilitate the process of national endorsement of the country work program. The planned participative process will ensure that the country work program and the project pipeline list reflect the national priorities and is in line with the latest country efforts in the field of climate change (activity 2.1.1.1; activity 2.1.1.2; activity 2.1.1.3).

Under the objective 4 Pipeline Development: Emanating from strategic frameworks and entity work programmes, a transformational pipeline developed of quality concept notes and funding proposals:

- Lack of information, supporting documents, pre-feasibility studies for the implementation of the development and prioritized projects under the project pipeline list identified in the Country Work Program. The process of identification of project ideas for the development of the country work program has shown that there is huge interest among the public and private institutions to initiate serious investments in the field of climate action, but there is not enough supporting documentation for the development of full-sized projects. Most of the project ideas collected have not developed supporting documentation and necessary studies because of the high costs and the long process for project development and obtaining necessary funding (activity 4.1.1.1).
- Lack of technical support in undertaking Environmental and Social Assessments and Gender Action Plans during development of project proposals. Despite that this topic is starting to be addressed in many projects and programs, especially funded by the multilateral development programs, the support that exists in the market is still primarily associated with the specific donor funding programs and is based on the specific donor requirements (activity 4.1.1.1).

Aim of the project

This proposal aims at enhancing the institutional capacity of public and private institutions in the Republic of North Macedonia to ensure the long-term and sustained coordination, design and implementation of projects in support of low-emission and climate resilient development of the country. The readiness project aim will be achieved through introducing tools to support institutional knowledge as well as continuous capacity development of the NDA and the members of the country coordination mechanisms. The project will ensure the strategic involvement of the private sector in climate action, build the capacity of a direct access entity and support the identification and development of good quality project ideas and concepts that are reflected in and in line with the updated Country Work Program.

Following this overall aim, the project is built around three main GCF objectives:

- **Objective 1 Capacity Building**: GCF recipient countries and relevant stakeholders set up adequate systems – human, technical and institutional – that enables them to fulfil their roles and responsibilities towards the GCF and enhance their ability to achieve their objectives
- **Objective 2 Strategic Framework**s: GCF recipient countries develop robust strategic frameworks to guide GCF investment in complementarity other climate financiers
- **Objective 4 Pipeline Development**: Emanating from strategic frameworks and entity work programmes, a transformational pipeline developed of quality concept notes and funding proposals

Intervention logic

Outcome 1.1 Country NDAs or focal points and the network/ systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective

Output 1.1.1 Coordination mechanisms operationalized, and capacity of members strengthened to collect, process, analyze and report climate finance data.

The activities under this output respond directly to the specific gaps and needs identified and, as also outlined in Section 2 above include: weak inter-institutional coordination on climate change, lack of institutional memory, c. decreased human capacities of the NDA and lack of capacities and knowledge on GCF procedures of the key public institutions in the field of climate change. In addition, activities are aimed to respond to the expansion in the number and type of activities performed by the NDA to engage with GCF, and thus expertise necessary to perform them satisfactorily, which is in- line with the ongoing efforts and efforts on strengthening the country capacities for engagement with the GCF. The increased visibility and number of approved projects and projects in pipeline demand greater capacities of the NDA. In addition, with the fourth National Communication on Climate Change adopted, the draft Law on Climate Change under inter-institutional compliance and the start of the EU explanatory meetings on Chapter 27 being initiated requires additional strengthening of institutional capacity of the institutions. Therefore, the activities have been planned under this output following the recommendations from the capacity needs assessment report, considering the country developments, increased GCF engagement and decreased human capacities within the NDA. This output was developed with this context in mind and is closely linked to the activities planned for implementation under the third readiness project implemented by GIZ as DP. As such, the planned activities include:

- Creating a capacity development plan for the members of the established climate change coordination mechanism and establishment of an online knowledge exchange platform, which will host the training toolkit and training modules that will be developed under the third readiness project. (Activity 1.1.1.1;),
- Conducting a capacity building and awareness raising campaign of relevant stakeholders included in the implementation of the updated country work program on climate change and climate finance (Activity 1.1.1.2) and developing a roadmap for institutional strengthening of the NDA including technical and human capacities development plan using the experience gained from the study / exchange visit (Activity 1.1.1.3). In addition, to strengthen the coordination role of the NDA of all climate action activities in the country, an update of the Government's e-Government system will be developed and implemented, including special modules on Climate action tracking for SDG Agenda 2030, NDC revision and the EU

Green Agenda. This new module will include up to date information on all climate related activities and projects implemented under each financing modality or program in the country. This will enable the NDA to conduct real time tracking, monitoring, and coordinating of the climate activities in the country (Activity 1.1.1.4).

The implementation of these activities will strengthen the positions of the NDA and SAC as central players in the field of climate action related to GCF activities, climate finance and climate action in the Republic of North Macedonia. Summarily these activities lead to the strengthened overall inclusive coordination role of the NDA of all climate actions in the country to be achieved through the update of the e-Government system with the Climate action tracking module (Deliverables: 1.1.1.4.a, 1.1.1.4.b, 1.1.1.4.c, 1.1.1.4.d,1.1.1.4.e); And most notably, these deliverables will ensure both improved implementation capacity and a sustainable system of institutional memory mitigating the impact of staff turnover in the future.

In parallel, the capacity development plan (Deliverable 1.1.1.1a) and training program (Deliverables 1.1.1.1b and 1.1.1.1c) will be designed to ensure that knowhow and use of the new tools as well as the capacity gaps of the NDA, SAC and institutions constituting the country coordination are sustainably addressed and resilient to internal structural changes. Furthermore, these activities aim to further strengthen the institutional memory of the institutions and stakeholders participating in the implementation of the GCF Country Work Program (CWP). This would be done by including and promoting all training materials and information through the knowledge exchange module within www.greendevelopment.mk (Deliverable 1.1.1.1.d), which will also host the training toolkit and training modules developed under the third readiness project.

Moreover, to raise awareness of the urgency of climate action and national capacities necessary for the implementation of an ambitious updated Country Work Program, an awareness raising campaign will be prepared together with at least three awareness raising workshops. These will focus on sector-specific target groups – with particular emphasis on institutional actors and financial institutions, which are seen to play an essential role in the implementation of the CWP (Deliverables 1.1.1.2.a, 1.1.1.2.b, and 1.1.1.2.c). This will also facilitate the national adoption and endorsement of the Country Work Program (Deliverable 2.1.1.1.c), ensuring that the NDA and the Government will not only be able to follow climate action through the updated e-Government system, but also prepare and engage the institutional stakeholders from the agriculture, energy, water, finance (and others) to foster climate investment through strategies and programs that are also ready for GCF engagement.

To build a long-term strong position of the NDA, an exchange/study visit will be organized for 3 representatives of the coordination mechanism to an NDA from the CEE / CA region to exchange experiences. The goal of this activity is to exchange experiences with an NDA in a country that has been proven as a success story of NDA coordination as well as a country that has a National DAE and has a full funding national project implemented or under implementation. Based on the experiences gained, a roadmap on strengthening the NDA Capacities will be developed. The roadmap activities will begin during the project implementation, thus allowing for the on the job strengthening of NDA personnel by at least two project staff members (Deliverables: 1.1.1.3.a, 1.1.1.3.b, 1.1.1.3.c, 1.1.1.3.d and 1.1.1.3.e).

Outcome 1.2 Direct access applicants and accredited entities (DAEs) have established capacity to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF-funded activities

Output 1.2.1 Fund for Innovation and technology development (FITD) capacities/standards improved as a direct access applicant to meet and maintain the GCF accreditation standards.

The activities related to Output 1.2.1 build upon the progress made in identifying national direct access entities during the second readiness project. In that project, the FITD (Financial Institution for Technological Development) began the accreditation process and became a National DAE applicant. The second readiness project also supported the FITD by conducting a gap assessment analysis of its capacities and identifying the main gaps to meet GCF accreditation requirements. A Gap Assessment Report and a roadmap were developed to assist in addressing these gaps.

In the current readiness proposal, as in line with the gap assessment report and roadmap, further support will be provided to enhance FITD's human and technical capacities. This includes preparing a pipeline of projects for integration into the updated country work program for the GCF and developing a long-term strategy with capacity strengthening recommendations for FITD as a national direct access entity (Activity 1.2.1.1). Additionally, the identified gaps related to guidelines/procedures for appraisal and preparation of project proposals, and in updating of the internal policies on environmental and social management and gender policy on procedures and practices will be addressed (Activity 1.2.1.2).

These activities will result in a detailed action plan for long-term capacity strengthening of FITD, a prepared FITD strategy to support implementation of the specific parts of the country work program and cooperation with the GCF, and mentoring support for at least two FITD staff members in project proposal development for the GCF as well as the development of a pipeline of projects for inclusion in the updated country work program (Deliverables 1.2.1.1.a, 1.2.1.1.b, 1.2.1.1.c, and 1.2.1.2.a). Special attention will be given to addressing the gaps identified in the Gap Assessment for FITD accreditation process, leading to strengthened FITD procedures that meet GCF accreditation standards (Deliverables 1.2.1.2.b, 1.2.1.2.c, 1.2.1.2.d).

Outcome 1.3 Relevant country stakeholders (which may include executing entities, civil society organizations and private sector) have established adequate capacity, systems and networks to support the planning, programming and implementation of GCF-funded activities. The activities related to Outcome 1.3 aim to address recommendations from the capacity needs assessment survey conducted during Readiness II, as well as the survey on private sector engagement in climate action. The mentioned needs assessment survey identified that "Education, information exchange and trainings are needed for the private sector on the following topics: Climate finance; Strategies for adaptation to climate change and mitigation of their effects; SDG and Agenda 2030; SDGs and climate action; Innovation, R&D and climate investments; Climate technologies…"

Output 1.3.1 Capacities of relevant stakeholders, including private sector from the agriculture, forestry, waste, transport, biodiversity, water, cultural heritage, and energy sectors built in project identification, prioritization, development, implementation and management and evaluation.

A specialized training program on the formulation of high quality project proposals in all stages of development for the beneficiary institutions from the identified priority sectors which are not targeted by Readiness III, including the agriculture, forestry, waste, transport, biodiversity, water, cultural heritage, and energy sectors will also be conducted (Activity 1.3.1.1, Deliverables 1.3.1.1.a and 1.3.1.1.b).

Output 1.3.2 Increased private sector awareness and knowledge on climate finance and investment opportunities.

It has been observed that the private sector has the least knowledge and awareness on engaging in climate action investments. Under Readiness II, several online tools have been developed in order to support the private sector engagement in climate action including an online toolkit for private sector engagement and a draft online catalogue of climate technologies that could be used for further strengthening the private sector actions in climate change innovation and technology development.

The activities identified under the abovementioned capacity needs assessment survey under the second readiness and include a consultation process with the chambers of commerce, targeting their private sector members, in order to confirm the identified training needs and provide tailored support. This support could include the development of training modules targeting specific private sector needs: private sector and climate finance; investment planning, linkage of innovation, research and development and climate investment; SDGs and Agenda 2030, NDC revised and European Green Deal (Activity 1.3.2.1; Deliverables 1.3.2.1.a and 1.3.2.2.b).

Additionally, based on the recommendations from the Private Sector engagement survey, clear needs have been identified: 1.Dialogue and PPP development; 2. Establishment of a mechanism for dialogue and cooperation among the public and private sector in climate action investment; 3. Analysis of the legislation enabling private sector investment in climate action". This readiness will establish a platform for dialogue to improve public-private partnerships for implementation of climate change interventions as well as prepare an analysis of international best practices which will be used as a bases to develop a separate private sector engagement platform on the

existing NDA website www.greendeevelopment.mk. Importantly, a separate working group on private sector engagement will be established within the country coordination mechanism to support proactive engagement of the private sector in climate action as part of the national GCF and climate finance framework, (Activity 1.3.2.2) (Deliverables 1.3.2.2.a, 1.3.2.2.b and 1.3.2.2.c) making the GCF process more accessible to the private sector.

In addition, the project will promote mechanisms to increase private sector involvement in climate change investments including institutional capacity building and policies and regulatory frameworks that are needed in order to promote private climate finance, as well as a roadmap how to overcome the barriers for private sector financing in climate actions will be developed (Activities 1.3.2.3, and 1.3.2.4, and Deliverables 1.3.2.3.a, 1.3.2.4.a, 1.3.2.4.b)

To ensure the sustainability of this outcome, key, actors from the private sector will be included in the trainings for GCF engagement together with the direct access entity (Outcome 1.2, thereby establishing functional linkages for the working group, knowledge database and immediate stakeholder cooperation.

Outcome 2.1 GCF recipient countries have developed Country Programmes to guide GCF investment and programming of readiness support resources

Output 2.1.1 A GCF country programme reflecting Republic of North Macedonia development priorities and being consistent with the country's national climate strategies is updated, endorsed by the GCF CIC and Nationally Endorsed by the Government.

Based on the growing climate change agenda and evolving needs in the country, there is a need for updating the country work program in order to reflect the current priorities of the Government. In this line the proposed activities under this outcome are built around the updating of the country work program and the project pipeline list, while also going one step further and building upon the communication tools developed under the first and second readiness projects. The NDA website www.greendevelopment.mk that has been established and become a recognizable domain for climate related information in the country will be updated adding automatization of the web solution on project idea development, communication, and project ideas assessment tool in order to facilitate the process of project pipeline development in the long run. This will result in a new and updated project idea submission web tool for project ideas development, including modules for matchmaking and communication among the applicants and potential DAE, and an automated online project assessment module that will include a separate part for the project idea assessors. This new tool will streamline the process of and decrease the time needed for the NDA to review and assess the project ideas. It will also include an automated tool to allow for communication with the applicants and a match making tool with potential accredited entities. The aim of this updated system is to facilitate and streamline the process of project review and project pipeline development, (Activity 2.1.1.1 and Activity 2.1.1.2) (Deliverables 2.1.1.1.a, 2.1.1.2.a, and 2.1.1.2.b).

The activities also include a desk research and consultation meetings with relevant government officials to update the country work program in a way that best reflects the government priorities, submission of the document to GCF CIC, addressing the recommendations, national presentation, and endorsement of the country work program by the NDA. (Activity 2.1.1.3; Deliverables 2.1.1.3.a; 2.1.1.3.b; and 2.1.1.3c)

Outcome 4.1 An increase in the number of quality project concept notes developed and submitted

Output 4.1.1 Enhanced concept note for the prioritized climate change adaptation project "Irrigation development and Climate Adaptation of agriculture in semi-arid regions of Pelagonia and Strumica"

The Government and NDA specifically requested that this new readiness proposal supports further the development of relevant documentation (pre-feasibility study and background analysis) for subsequent submission to the GCF Secretariat of the prioritized CN "Irrigation development and Climate Adaptation of agriculture in semi-arid regions of Pelagonia and Strumica" within the framework of the readiness project. This intervention (development of the CN and respective supporting documentation - pre-feasibility studies/background technical documents, as well as stakeholder consultations) was originally planned under the second readiness project, but due to delayed prioritization process by the Government, only the concept note was able to be developed during the project duration.

Activities foreseen in this project include improvements, rehabilitation, and extensions of the existing irrigation systems Prilepsko pole (Pelagonija region), Vodocha and Turija (Strumica Region), improvements in the auxiliary agricultural infrastructure (roads, drainage systems) and flood protection measures. In addition, in support of enhanced resilience and adaptive capacity of the agricultural production, the project proposes improving the agricultural land structure, introduction of climate smart production techniques, crop diversification and the identification and introduction of climate resilient crops. The intervention is designed to target a total 21.000 beneficiaries and 20.000 hectares of agricultural land. The NDA and government have requested FAO to act as Accredited Entity for this project.

To further enhance the quality of the CN in terms of justification, feasibility, initial design of the planned infrastructure interventions and to ensure the endorsement of the planned activities by the communities, the readiness project will support the development of a pre-feasibility study and background analysis. (Activity 4.1.1.1 / Deliverable 4.1.1.1.a).

Moreover, a process of wide stakeholder engagement will be carried out with all identified stakeholder groups for the specific topics of the AFOLU sector. The process will include stakeholder consultations in the field with the communities in the target areas with special focus on smallholder farmers, young farmers and landowners that will contribute to the development of a pre-feasibility study. In addition, two consultations with relevant institutions and stakeholders in the AFOLU sector will be held, to ensure institutional and public commitment to (Deliverables 4.1.1.1 b and 4.1.1.1.c) and validation of the proposed interventions related to improvement of the agricultural land structure and irrigation infrastructure. During the project implementation period a submission of the CN to the GCF Secretariat is envisaged.

Gender Considerations

The proposal ensures that all activities, including those related to the private sector, take into consideration the particular needs and contributions of women, youth and vulnerable groups. The proposal will target equal participation of women and men in all the events organized within the proposal and ensure that the deliverables are gender-sensitive and that the interests of both men and women are considered and represented throughout the proposal implementation. The planned capacity-building activities will be designed in the gender-balanced manner. A gender specialist will be hired by the project to ensure gender considerations will be infused throughout the implementation process.

3. LOGICAL FRAMEWORK

Outcomes	Baseline	Targets	Outputs	Activities (brief description)	Deliverables
Outcome 1.1: Country NDAs or focal points and the network/ systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective	The NDA and the country coordination mechanism are established and functional. The increased GCF activity in the country and the decreased human capacities and resources make it difficult to respond to all requirements and to coordinate all GCF initiatives as well as to fully facilitate the process for country work program implementation	NDA is fully equipped and has developed a stable human and technical capacity to be able to facilitate the process of development of funding project proposals, to implement the CP and to coordinate all the GCF activities in the country.	**Output 1.1.1** Coordination mechanisms operationalized and capacity of members strengthened to collect, process, analyze and report climate finance data.	**Activity 1.1.1.1** Produce capacity development plan for the members of the established climate change coordination mechanism and establish an online knowledge exchange platform which will host the training toolkit and training modules to be developed as part of this readiness project This activity also includes 3 training workshops (at least 25 participants per workshop / at least 50% of women from the total number of participants, from the institutions participating in the country coordination mechanism) on specific climate change related topics. This workshops and facilitated knowledge exchange will contribute to the establishment of an online platform for knowledge exchange on climate change. This online knowledge exchange platform will also ensure sustainability of the training results and long-term capacity building of personnel within the NDA and the country coordination mechanism institutions.	**Deliverable 1.1.1.1.a** Capacity development plan produced and validated by the NDA **Deliverable 1.1.1.1.b** Training program for all institutions under the coordination mechanism developed and validated by the NDA. **Deliverable 1.1.1.1.c** 3 training workshops delivered, and workshop reports prepared with participants lists and workshop evaluation. **Deliverable 1.1.1.1.d** Online platform for knowledge exchange prepared, validated by the NDA and shared among the institutions' members of the country coordination mechanism
				Activity 1.1.1.2 Conduct Capacity building and awareness raising of relevant stakeholders on climate change and climate finance. This includes: The stakeholder mapping will cover all relevant stakeholders that will have a specific role in the implementation of the country work programme and specific sectors therewithin. Implementing an online awareness raising campaign on climate change and its effects specifically targeting the identified stakeholders. Conduct 3 online awareness raising workshops (at least 40 persons per workshops from the identified beneficiary groups from the priority sectors / at least 50% of women from the total number of participants)	**Deliverable 1.1.1.2.a** Prepared list of relevant stakeholders that will have a specific role in the implementation of the country work program's specific priorities. **Deliverable 1.1.1.2.b** Prepared one online awareness raising campaign on climate change and its effects targeting the identified stakeholders **Deliverable 1.1.1.2.c** 3 online awareness raising workshops and workshop reports.
				Activity 1.1.1.3 Develop and implement a roadmap for institutional strengthening of the NDA including technical and human capacities development plan, training materials development and implementation of a training program[3]. The activity will also include an exchange/ study visit for 3 representatives of the coordination mechanism to an NDA, possibly from the Central and Eastern Europe or Central Asia region to exchange on experiences, best practices and lessons learned. The goal of this activity is to exchange experiences with an NDA in a country that has been proven as a success story of NDA coordination as well as a country that has a National DAE and has a full funding national project under development or under implementation. Before the planning of the exchange / study tour is initiated, the NDA and the DP will consult with and engage the GCF Secretariat for the selection of the best suited target country to visit in order to maximize learning, exchange and benefit for both countries. The study visit will transfer experiences and feedback from national implementing entities, beneficiaries, and an NDA that have	**Deliverable 1.1.1.3.a** A roadmap for long-term strengthening the NDA's technical and human capacities validated by the NDA, including recommendation for institutional strengthening **Deliverable 1.1.1.3.b** Training Manual **Deliverable 1.1.1.3.c** Training report including pre and post evaluation **Deliverable 1.1.1.3.d** Terms of reference and MOU of exchange visit **Deliverable 1.1.1.3e** Exchange visit report and evaluation

[3] Based on the capacity needs assessment conducted during the second readiness project, and considering the increased GCF activities in the countries as well as the context of decreased NDA human capacities.

Outcomes	Baseline	Targets	Outputs	Activities (brief description)	Deliverables
				experienced a full GCF process/cycle. This will result in the transfer of know-how on managing bottlenecks and seizing opportunities for success as well as further accentuating country ownership on behalf of both parties. To share and disseminate the knowledge gained, the NDA will organize 2 knowledge sharing workshops with the other institutions of the National Country coordination mechanism and involving the FITD as a DAE applicant as well as the private sector. In cooperation with FITD, the NDA will incorporate the knowledge from this experience into outcome 1.3 to ensure sustainable engagement of the private sector and other stakeholders' as well as continuous joint capacity development.	
				Activity 1.1.1.4 Update the Government's e-government system including special modules (climate action tracking) to cover SDG Agenda 2030, NDC revision and the EU Green Agenda for real time tracking and monitoring of the climate activities in the country. An assessment report on the needed functionalities of the system will be prepared and five stakeholder consultation meetings will be organized with relevant institutions and the Government's secretariat to gather necessary feedback and input. After the update of the system with climate action tracking module based on the technical solutions and stakeholder consultations, at least one technical training will be conducted to train the technical staff of the Government to use and maintain the system.	**Deliverable 1.1.1.4.a** Assessment report prepared on the needed functionalities of the climate action tracking system. **Deliverable 1.1.1.4.b** Minutes of five stakeholder consultation meetings organized with relevant institutions and the Government secretariat (at least 10 participants per meeting) **Deliverable 1.1.1.4.c** Prepared technical solution report on the system requirements and procedure for implementation. **Deliverable 1.1.1.4.d** The existing e-Government system updated with a new Climate action tracking module. **Deliverable 1.1.1.4.e** Training on the functionalities and maintenance of the Climate Action tracking module conducted to the technical staff of the Government including training evaluation.
Outcome 1.2: Direct access applicants and accredited entities (DAEs) have established capacity to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF-funded activities	There are no National Direct Access Entities that have fully finalized the accreditation process with the GCF. There is only one DAE applicant in the country.	FITD is fully equipped and able to support the implementation of the Country Work Program for the GCF	**Output 1.2.1** Fund for Innovation and technology development (FITD) capacities/standards improved as a direct access applicant to meet and maintain the GCF accreditation standards	**Activity 1.2.1.1** Assess the human and technical capacities of the FITD. Based on this, develop a long-term strategy to support the implementation of climate change adaptation and mitigation actions in the country and facilitate cooperation with the GCF, with recommendations for capacity strengthening of FITD in its role of a national direct access entity[4]. The activity will also include the development of FITD project pipeline to be included in the updated country work program for the GCF.	**Deliverable 1.2.1.1.a** Detailed action plan for capacity strengthening of the FITD in its role as a national direct access entity, prepared and validated by the FITD and the NDA. **Deliverable 1.2.1.1.b** FITD strategy developed and validated by the FITD and NDA. **Deliverable 1.2.1.1.c** Project pipeline for FITD projects developed and included in the CWP.
				Activity 1.2.1.2 Support the implementation of the institutional strengthening recommendations (result from activity 1.2.1.1). The activity will include: - Training of at least two FITD staff to develop Concept notes and funding proposals, - Preparation of guidelines/procedures for appraisal and preparation of project proposals, - Updating of the internal policies, procedures and practices on environmental and social management and gender policy.	**Deliverable 1.2.1.2.a** At least two FITD staff prepared and trained for development of concept notes and full-size project proposals to the GCF. Training reports prepared. **Deliverable 1.2.1.2.b** Project preparation framework guidelines/ procedure document **Deliverable 1.2.1.2.c** Updated Environmental Management Framework to Environmental and Social Management Framework applicable to all projects funded by FITD **Deliverable 1.2.1.2.d** Gender Policy and procedures and practices document prepared and validate by the FITD board.

[4] This activity is based on the gaps assessment of the FITD as a potential National DAE, conducted under the second readiness project implementation, and focuses on targeting the identified gaps and needs to successfully meet the GCF accreditation requirements.

Outcomes	Baseline	Targets	Outputs	Activities (brief description)	Deliverables
Outcome 1.3 Relevant country stakeholders (which may include executing entities, civil society organizations and private sector) have established adequate capacity, systems and networks to support the planning, programming and implementation of GCF-funded activities	No specific training programs for private and public sector on GCF project cycle exist in the country	Relevant national sectoral institutions, including private sector understand the GCF project cycle development process and are able identify and support the development of project ideas, concept notes and full funding proposals including on private sector climate finance and investment opportunities	**Output 1.3.1** Capacities of relevant stakeholders, including private sector from the agriculture, forestry, waste, transport, biodiversity, water, cultural heritage, and energy sectors built in project identification, prioritization, development, implementation and management and evaluation	**Activity 1.3.1.1** Conduct 3 trainings with 25 participants per training (at least 50% of women from the total number of participants) to support development of quality concept notes and funding proposals and the implementation of climate resilient and low-emission measures in priority sectors for climate action as also reflected in country NDC, including agriculture, forestry, waste, transport, biodiversity, water, cultural heritage, and energy. This will support also transfer of knowledge to key stakeholders on how to focus climate investments including in line with GCF criteria. A specific training curriculum will be developed and will include sections on project planning, development of concept notes and funding proposals, project management and implementation, and monitoring and evaluation of projects[5].	**Deliverable 1.3.1.1.a** Training curriculum developed **Deliverable 1.3.1.1.b** 3 trainings delivered and training reports prepared with lists of participants and training evaluation prepared.
			Output 1.3.2 Increased private sector awareness and knowledge on climate finance and investment opportunities	**Activity 1.3.2.1** Conduct capacity building and training to private sector entities on climate change mitigation and adaptation strategies. The activity will include a consultation process consisting of a series of meetings with the Chambers of commerce and representatives of the member companies in order to confirm the training needs already identified under the Capacity needs assessment process conducted under the second readiness project, as well as to identify possible additional needs. Based on the consultation process, a training curriculum will be developed including modules targeting specific private sector needs, including: private sector and climate finance; linkages between innovation, research and development and climate investment; SDGs and Agenda 2030; revised NDC and European Green Deal. Three online trainings will be conducted with at least 20 participants from the private sector, chambers of commerce and other private sector associations.	Deliverable 1.3.2.1.a Training curriculum developed. Deliverable 1.3.2.1.b 3 online trainings, targeting at least 20 participants, conducted, and training reports prepared including participants lists and evaluation of the trainings.
				Activity 1.3.2.2 An analysis of international best practices will be carried out which will be used as a basis to develop a separate private sector engagement platform on the existing NDA website www.greendeevelopment.mk. Establishment of a platform for dialogue to improve public-private partnerships for implementation of climate change interventions. Establishment of working group within the country coordination mechanism to support proactive engagement of the private sector in climate action.	**Deliverable: 1.3.2.2.a** Report on international best practices on Public-private initiatives on implementation of climate change interventions prepared and validated by the NDA. The report will be made available online on the NDA website www.greendevelopment.mk **Deliverable: 1.3.2.2.b** Developed and promoted online space/webpage for sharing best practices of private sector activities within the NDA website www.greendevelopment.mk **Deliverable: 1.3.2.2.c** Established working group within the country coordination mechanism with corresponding terms of reference outlining function, principles and approach for engagement, frequency of sessions, that will serve as a focal point for private sector engagement in climate action. The ToRs for the working group, minutes of the meetings of the established working group will be prepared by the NDA and made available online on the NDA website.
				Activity 1.3.2.3 Identification of recommendations and approaches to increase private sector involvement in climate change investments including institutional capacity building and policies and regulatory frameworks	**Deliverable 1.3.2.3.a** Report with recommendations for policy measures to be included into the existing policies and regulatory frameworks that are needed in order to promote and facilitate private climate finance.

[5] The activity is based on the capacity needs assessment of the specific GCF priority sectors conducted during the second readiness project implementation.

Outcomes	Baseline	Targets	Outputs	Activities (brief description)	Deliverables
				that are needed in order to increase private sector climate finance.	
				Activity 1.3.2.4 Conduct an analysis of the barriers and bottlenecks for private sector investment into climate action and develop a roadmap for private sector engagement. This activity will include 3 online stakeholder consultations for 30 persons each with the member companies of the chambers of commerce.	**Deliverable 1.3.2.4.a** Analysis report of barriers and bottlenecks and corresponding roadmap **Deliverable 1.3.2.4.b** Stakeholder consultation reports with list of participants
Outcome 2.1 **GCF recipient countries have developed Country Programmes to guide GCF investment and programming of readiness support resources**	Country work program for GCF has been drafted including readiness needs assessment and project pipeline list	Updated Country work program for GCF and project pipeline list to reflect the Government priorities. GCF CIC approved and Nationally endorsed Country Work program for the GCF.	**Output 2.1.1** A GCF country programme reflecting Republic of North Macedonia development priorities and consistent with the country's national climate strategies is updated, endorsed by the GCF CIC and Nationally Endorsed by the Government.	**Activity 2.1.1.1** Update and automatization of the web solution module on project idea development, communication and project ideas assessment tool. The activity includes updating the project idea development tool on the NDA website developed under the readiness I, with an automatization of the web solution on project idea development, communication and project ideas assessment tool. This module introduces new functionalities, including: online submission of project ideas, direct web communication with the applicants, online assessment of the project ideas of the technical working group against the Project prioritization mechanism and project idea status monitoring by the applicants. The web tool will provide a full overview of the project idea status to the NDA and the Strategic advisory committee.	**Deliverable 2.1.1.1.a** Updated project idea submission web tool with automated communication and project idea assessment modules.
				Activity 2.1.1.2 Review and update of the project pipeline list as defined in the country's no-objection procedure. This will include an invitation for submission of project ideas to the relevant interested entities including the FITD as DAE applicant. It will include assessment of the project ideas based on the criteria defined within the country prioritization mechanism. Based on the results of the project idea assessment, an update of the project pipeline section within the country work program will be proposed to the NDA.	**Deliverable 2.1.1.2.a** Project assessment report developed and validated by the NDA **Deliverable 2.1.1.2.b** Proposed update for the project pipeline validated by the NDA
				Activity 2.1.1.3 Update and National presentation of the GCF Country work program. The activity includes review of the draft country work program, desk review on the newest policy developments in the field of climate action in the Republic of North Macedonia, consultation meeting with the NDA and the strategic advisory committee, and submission of the updated country work program to GCF for CIC review and eventual endorsement[6]. The activity also includes technical support to the NDA in addressing the GCF comments as well as facilitation of the process for national endorsement after GCF approval[7].	**Deliverable 2.1.1.3.a** Updated Country work program for GCF approved by the NDA **Deliverable 2.1.1.3.b** GCF CIC endorsement of the GCF Country work program **Deliverable 2.1.1.3.c** Country work program endorsed by the NDA and the Government of the Republic of North Macedonia
Outcome 4.1: An increase in the number of quality project concept notes developed and submitted	Currently there are no national level funding projects developed for GCF	Supporting technical documents for development of one concept note developed and validated by the NDA and the CN subsequently	**Output 4.1.1** Technical studies supporting prioritized concept note "Irrigation development and Climate Adaptation of agriculture in semi-arid	**Activity 4.1.1.1** Conduct pre-feasibility study for land structure improvements including proposal for the improvement of the auxiliary agricultural infrastructure (drainage and access road networks) and background analysis with proposals for the improvement of the respective irrigation systems as a basis for enhancing the concept note[8] "Irrigation development and Climate Adaptation of agriculture in	**Deliverable 4.1.1.1.a** 1. Pre-feasibility Study assessing the viability for land structure improvement and enlargement of the family farms (land consolidation), the preferred approach, and the needs for improvement of the auxiliary infrastructure prepared and validated by NDA.

[6] This is contingent upon timely review by GCF Secretariat in line with the time constraints of the readiness implementation duration.

[7] Assuming alignment with duration of Readiness.

Outcomes	Baseline	Targets	Outputs	Activities (brief description)	Deliverables
		submitted for CIC2 endorsement.	regions of Pelagonia and Strumica" are developed	semi-arid regions of Pelagonia and Strumica",developed under the second readiness project, and to be used in the further development of CN and consequently full funding proposal. The process of development of the above referenced will also include two stakeholder consultation meetings with the communities in the target areas with special focus on smallholder farmers, young farmers and landowners with a total number of 100 participants (at least 50% of women from the total number of participants), to ensure active involvement of the stakeholders at community level. In addition, two consultation meetings (at least 20 participants in total) with the most relevant public institutions and other relevant organizations and institutional stakeholders in the AFOLU sector will be conducted for validation of the proposed interventions related to land consolidation and agricultural infrastructure improvements, that will include relevant national institutions and municipalities. By the end of the project and based on the outcome of the pre-feasibility study and stakeholder consultation with the AFOLU sector, FAO as Accredited Entity will formally submit the Concept Note and background documents to the GCF Secretariat for review and consideration of CIC2 endorsement. FAO as AE will be responsible for taking the Concept Note through CIC2 endorsement and the preparation of the full funding proposal.	2. Background analysis with proposals for the improvements, rehabilitation and extension of the existing irrigation systems, prepared and validated by NDA. **Deliverable 4.1.1.1.b** Two stakeholder consultation meetings organized with the communities in the target areas with special focus on smallholder farmers, young farmers and landowners with a total number of 100 participants (at least 50% of women from the total number of participants)and meeting reports, with lists of participants taking place during the pre- feasibility study and background analysis preparation. **Deliverable 4.1.1.1.c** Two sectoral consultation meetings with 10 persons in each from relevant national institutions and municipalities conducted and meeting reports with lists of participants. **Deliverable 4.1.1.1.d** Submission of the concept note "Irrigation development and Climate Adaptation of agriculture in semi-arid regions of Pelagonia and Strumica" to GCF Secretariat.

4. THEORY OF CHANGE

The theory of change represents the logic behind the deliverables, activities, outputs and outcomes described above to support the project GOAL of enhanced institutional capacity of public and private institutions in the Republic of North Macedonia to ensure the long-term, sustained and coordinated design, and implementation of projects in support of low-emission and climate resilient development of the country. It also reflects how identified barriers and gaps which include lack of institutional capacities for mainstreaming climate change, capacity gaps of the identified potential national DAE, the lack of strategic documents for country engagement with the GCF as well as limited knowledge and awareness of opportunities for private sector engagement on climate action. The Theory of Change further identifies the context of the project as related to the current climate change needs and priorities of the Republic of North Macedonia.

The outcomes 1.1 and 1.2 of the project aim to tackle the following identified barriers: decreased human resources and their capacities in institutions, lack of knowledge by key players including the private sector, and FITD as DAE nominee on GCF procedures, insufficient capacity in project development and limited awareness and knowledge on climate finance opportunities.

By creating a technical and human capacity development plan for the NDA and the members of the established climate change coordination mechanism, conducting capacity building and awareness raising on climate change and climate finance of institutions , developing a roadmap for institutional strengthening, and updating the E-government system with a climate action tracking module (Activities: 1.1.1.1, 1.1.1.2, 1.1.1.3 and 1.1.1.4), the project aims to help tackle the impacts of loss of institutional memory, information, and knowledge on GCF and GCF procedures, as well as help to address the national level bottlenecks. The activities are focused on upgrading and preserving the institutional memory in a sustainable manner through consolidating the envisaged capacity building activities to an online platform, where all capacity building materials will be stored and accessible for new personnel engaged by the NDA in the future. Additionally, through awareness raising and the development of a roadmap for institutional strengthening of the NDA, the project will help identify a direction for how the human capacity gap will be mitigated in the long run. This combination of activities will strengthen the role of the NDA, enabling them to fulfil their evolving roles and responsibilities and will ensure that policy requirements are operational and effective in the long run. (Outcome 1.1). Additionally, the upgrade of the e-Government IT system including a climate action tracking module (Activity 1.1.1.4) will support real time overview of the country's efforts on climate change, including the SDG Agenda 2030 and the EU Green Agenda. This will further support strengthening the position of the NDA and the country coordination mechanism in fulfilling their mandate in national coordination, monitoring and streamlining of climate action. (Outcome 1.1)

North Macedonia has nominated the Fund for Innovation and Technology Development (FITD) to be the first national direct access entity for the GCF. This project continues the efforts of past readiness projects in supporting enhanced capacities and enabling the county's direct access to GCF. If the FITD's human and technical capacities are strengthened and a long-term strategy is prepared, including development of a project pipeline that will be integrated into the updated country work program for the GCF and the identified gaps for the accreditation process (Activities 1.2.1.1. and 1.2.1.2.) are overcome, then the fund will be able to more easily and efficiently finalize the accreditation process for the GCF and will develop capacities to identify and implement GCF projects. This will enable the country to access directly GCF resources and work towards building a sustainable, low carbon and climate resilient society (Outcome 1.2).

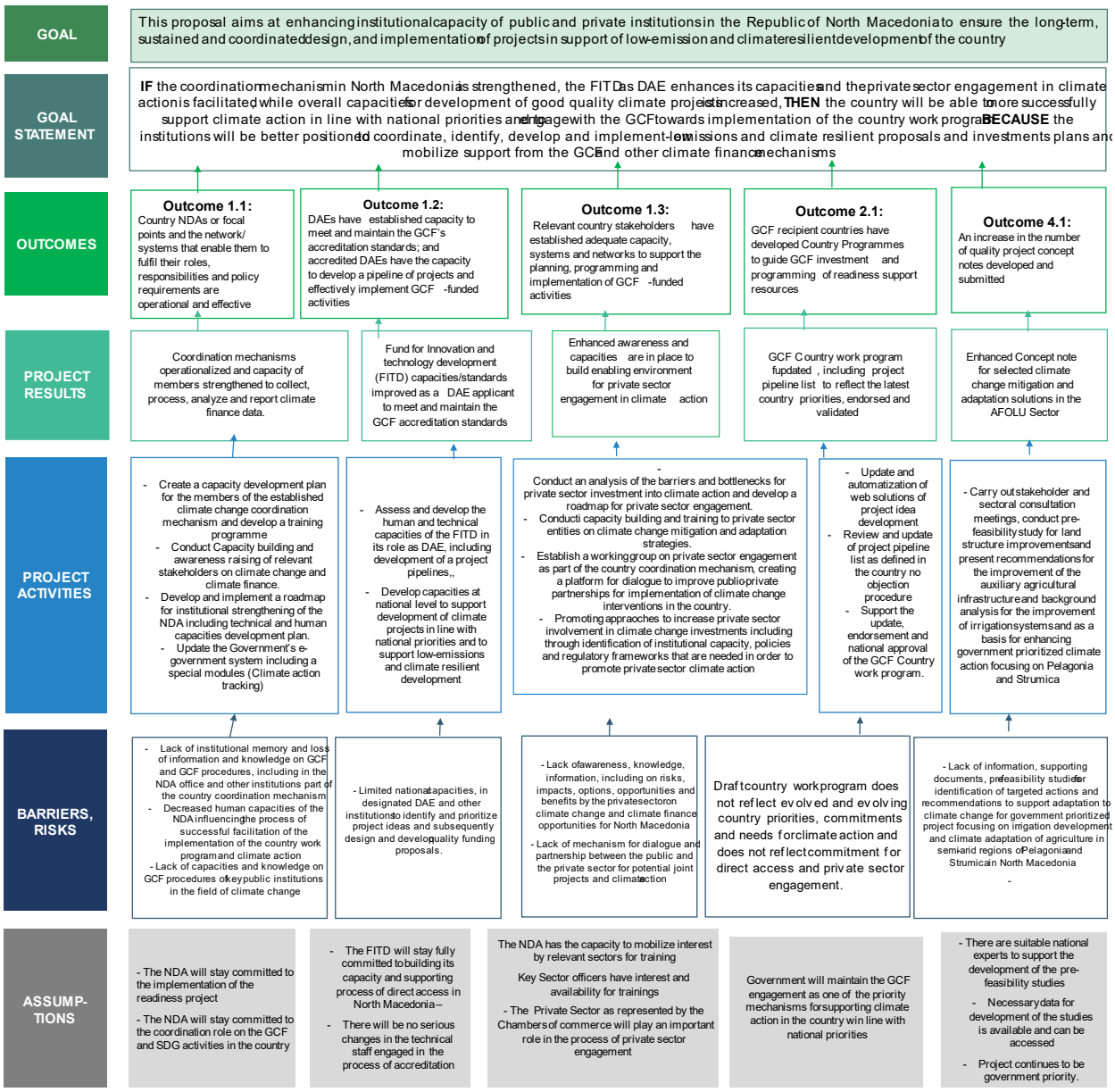
During the development of the Readiness Needs Assessment, as part of Readiness II, several gaps were identified connected to the capacities of the private sector, particularly related to the lack of awareness and knowledge by private and public institutions on climate change and climate finance opportunities in the country. This has been identified as the main barrier preventing engagement of the private sector in climate financing. Therefore, the activities under outcome 1.3 include an extensive training program for the private sector entities aimed at increasing their knowledge and awareness on climate change mitigation and adaptation strategies (Activity 1.3.2.1).

The activities under outcome 1.3 are in line with the Government priorities on extending support to the private sector on climate action through FITD as potential accredited entity. The main goal of FITD is to support the private sector and act as intermediary in private sector engagement on climate action as well as private sector engagement with GCF. The goal of the FITD activities in line with GCF engagement is to ensure private sector engagement in the development and implementation of future GCF programs in the country. At the same time, capacity building of the relevant sectorial institutions is envisaged to support development of high quality concept notes, funding proposals, and the implementation of climate resilient and low-emission measures in priority sectors such as agriculture, forestry, waste, transport, biodiversity, water, cultural heritage, and energy. The efforts aim to transfer knowledge to key stakeholders on how to directly engage private and public sector climate investments with the GCF process (Activity 1.3.1.1).

Attracting private sector investment in climate action has been identified as a crucial milestone in addressing climate change, yet it remains a challenge at county level. Two main groups of barriers limiting private sector efforts have been identified: gaps associated with the lack of a mechanism for dialogue and partnership between the public and private sector on potential joint projects, and the obstacles faced by the private sector in investing in adaptation and resilience due to limited information about risks, impacts, options, opportunities and benefits. To this end, the project includes an approach that enables the private sector to coordinate efforts with national institutions and build strong partnerships. This includes establishing a dedicated working group on private sector engagement within the country coordination mechanism, developing an online private sector engagement platform on the NDA website www.greendevelopment.mk and creating a roadmap for private sector investment in climate action (Activities 1.3.2.2, 1.3.2.3 and 1.3.2.4). These initiative enable future long term climate investments and will pave the road to long term private sector investment for low emissions and resilience developed (Outcome 1.3).

Under the second readiness project, a Country Work Program (CWP) for the GCF has been developed and submitted to the GCF for review. However, the CWP has not been nationally endorsed due to the rapidly changing climate action landscape in the country, including but not limited to the adoption of the fourth National Communication on Climate Change, the preparation of the draft Law on Climate Change (under inter-institutional compliance) and the initiation of the EU explanatory meetings on Chapter 27 (Environment and Climate). Additionally, the CWP does not currently reflect the vision of and for FITD in its role as Direct Access Entity in North Macedonia. This project aims to sustainably reflect the Government's priorities in the CWP. The logic behind Outcome 2.1 is that the automatization of the web solution for project ideas will contribute to the update of the prioritized project pipeline, including the projects identified by and for FITD as DAE. This updated project pipeline list can then also incorporated in the CWP and subsequently endorsed by the GCF and nationally (Activities 2.1.1.1; 2.1.1.2 and 2.1.1.3). This will ensure that the CWP will then fully reflect Government priorities and will effectively guide the future country engagement with the GCF (Outcome 2.1)

As part of the Readiness needs assessment report developed during the second readiness project, barriers were identified that directly influence the national project pipeline development and the process of development of quality concept notes and project proposals. These include but are not limited to: lack of information, supporting documents, prefeasibility and feasibility assessments, as well as the lack of technical support in Environmental and Social Assessments and Gender Action Plans. This project specifically helps bridge the prefeasibility study gap, thereby strengthening the concept note "Irrigation development and Climate Adaptation of agriculture in semi-arid regions of Pelagonia and Strumica" by developing of a pre-feasibility study and package of technical background documentation (Output 4.1.1.), developed under the second readiness project (Activity 4.1.1.1). The successful implementation of the activities under output 4.1.1 will enhance the quality of this priority concept note, which in the long run will increase the number of quality funding projects developed and submitted to the GCF (Outcome 4.1).


GOAL
This proposal aims at enhancing institutional capacity of public and private institutions in the Republic of North Macedonia to ensure the long-term, sustained and coordinated design, and implementation of projects in support of low-emission and climate resilient development of the country
GOAL STATEMENT
IF the coordination mechanism in North Macedonia is strengthened, the FITD as DAE enhances its capacities and the private sector engagement in climate action is facilitated while overall capacities for development of good quality climate projects is increased, THEN the country will be able to more successfully support climate action in line with national priorities and engage with the GCF towards implementation of the country work program BECAUSE the institutions will be better positioned to coordinate, identify, develop and implement low-emissions and climate resilient proposals and investments plans and mobilize support from the GCF and other climate finance mechanisms
OUTCOMES
Outcome 1.1:
Country NDAs or focal points and the network/ systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective
Outcome 1.2:
DAEs have established capacity to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF -funded activities
Outcome 1.3:
Relevant country stakeholders have established adequate capacity, systems and networks to support the planning, programming and implementation of GCF -funded activities
Outcome 2.1:
GCF recipient countries have developed Country Programmes to guide GCF investment and programming of readiness support resources
Outcome 4.1:
An increase in the number of quality project concept notes developed and submitted
PROJECT RESULTS
Coordination mechanisms operationalized and capacity of members strengthened to collect, process, analyze and report climate finance data.
Fund for Innovation and technology development (FITD) capacities/standards improved as a DAE applicant to meet and maintain the GCF accreditation standards
Enhanced awareness and capacities are in place to build enabling environment for private sector engagement in climate action
GCF Country work program fupdated , including project pipeline list to reflect the latest country priorities, endorsed and validated
Enhanced Concept note for selected climate change mitigation and adaptation solutions in the AFOLU Sector
PROJECT ACTIVITIES
- Create a capacity development plan for the members of the established climate change coordination mechanism and develop a training programme
- Conduct Capacity building and awareness raising of relevant stakeholders on climate change and climate finance.
- Develop and implement a roadmap for institutional strengthening of the NDA including technical and human capacities development plan.
- Update the Government's e-government system including a special modules (Climate action tracking)
- Assess and develop the human and technical capacities of the FITD in its role as DAE, including development of a project pipelines,,
- Develop capacities at national level to support development of climate projects in line with national priorities and to support low-emissions and climate resilient development
-
Conduct an analysis of the barriers and bottlenecks for private sector investment into climate action and develop a roadmap for private sector engagement.
- Conducti capacity building and training to private sector entities on climate change mitigation and adaptation strategies.
- Establish a working group on private sector engagement as part of the country coordination mechanism, creating a platform for dialogue to improve public-private partnerships for implementation of climate change interventions in the country.
- Promoting appraoches to increase private sector involvement in climate change investments including through identification of institutional capacity, policies and regulatory frameworks that are needed in order to promote private sector climate action
- Update and automatization of web solutions of project idea development
- Review and update of project pipeline list as defined in the country no objection procedure
- Support the update, endorsement and national approval of the GCF Country work program.
- Carry out stakeholder and sectoral consultation meetings, conduct pre-feasibility study for land structure improvements and present recommendations for the improvement of the auxiliary agricultural infrastructure and background analysis for the improvement of irrigation systems and as a basis for enhancing government prioritized climate action focusing on Pelagonia and Strumica
BARRIERS, RISKS
- Lack of institutional memory and loss of information and knowledge on GCF and GCF procedures, including in the NDA office and other institutions part of the country coordination mechanism
- Decreased human capacities of the NDA influencing the process of successful facilitation of the implementation of the country work program and climate action
- Lack of capacities and knowledge on GCF procedures of key public institutions in the field of climate change
- Limited national capacities, in designated DAE and other institutions to identify and prioritize project ideas and subsequently design and develop quality funding proposals.
- Lack of awareness, knowledge, information, including on risks, impacts, options, opportunities and benefits by the private sector on climate change and climate finance opportunities for North Macedonia
- Lack of mechanism for dialogue and partnership between the public and the private sector for potential joint projects and climate action
Draft country work program does not reflect evolved and evolving country priorities, commitments and needs for climate action and does not reflect commitment for direct access and private sector engagement.
- Lack of information, supporting documents, pre-feasibility studies for identification of targeted actions and recommendations to support adaptation to climate change for government prioritized project focusing on irrigation development and climate adaptation of agriculture in semi-arid regions of Pelagonia and Strumica in North Macedonia
-
ASSUMP-TIONS
- The NDA will stay committed to the implementation of the readiness project
- The NDA will stay committed to the coordination role on the GCF and SDG activities in the country
- The FITD will stay fully committed to building its capacity and supporting process of direct access in North Macedonia –
- There will be no serious changes in the technical staff engaged in the process of accreditation
The NDA has the capacity to mobilize interest by relevant sectors for training
Key Sector officers have interest and availability for trainings
- The Private Sector as represented by the Chambers of commerce will play an important role in the process of private sector engagement
Government will maintain the GCF engagement as one of the priority mechanisms for supporting climate action in the country win line with national priorities
- There are suitable national experts to support the development of the pre-feasibility studies
- Necessary data for development of the studies is available and can be accessed
- Project continues to be government priority.

5. BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT PLAN

5.1 Budget plan

Budget Plan in attached.

5.2 Procurement plan

Procurement Plan in Excel attached.

5.3 Implementation Plan

Implementation Plan in Excel attached.

5.4 Disbursement schedule

☒ **Readiness Proposal that falls within a Framework Agreement with the GCF**

Disbursements will be made in accordance to Clause 4 “Disbursement of Grants” and Clause 5 “Use of Grant Proceeds by the Delivery Partner” of the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and FAO on 25 August 2020 (the “Framework Agreement”)” The Delivery Partner is entitled to submit 2 requests for disbursement each year and an Interim Request for Disbursement within 30 days of approval by the GCF of a proposal, which must be in accordance with the Framework Agreement.

6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

6.1 Implementation arrangements

The Readiness project will be implemented during a period of 24 months by FAO under the guidance and leadership of the NDA. FAO, as the Delivery Partner, will be responsible for implementation of the readiness support and will carry out all fiduciary and financial management, procurement of goods and services, monitoring and reporting activities under this proposal in compliance with FAO's policies and procedures and with the Framework Agreement. However, the project will be implemented in a way to stress the ownership and coordination role of the Cabinet of the Deputy President of the Government in charge of Economic Affairs, Coordination of the economic sectors and Investments in its role of the NDA for the GCF. No transfer of funding/obligations will occur between FAO as Delivery Partner and the Project Board or other Government institutions.

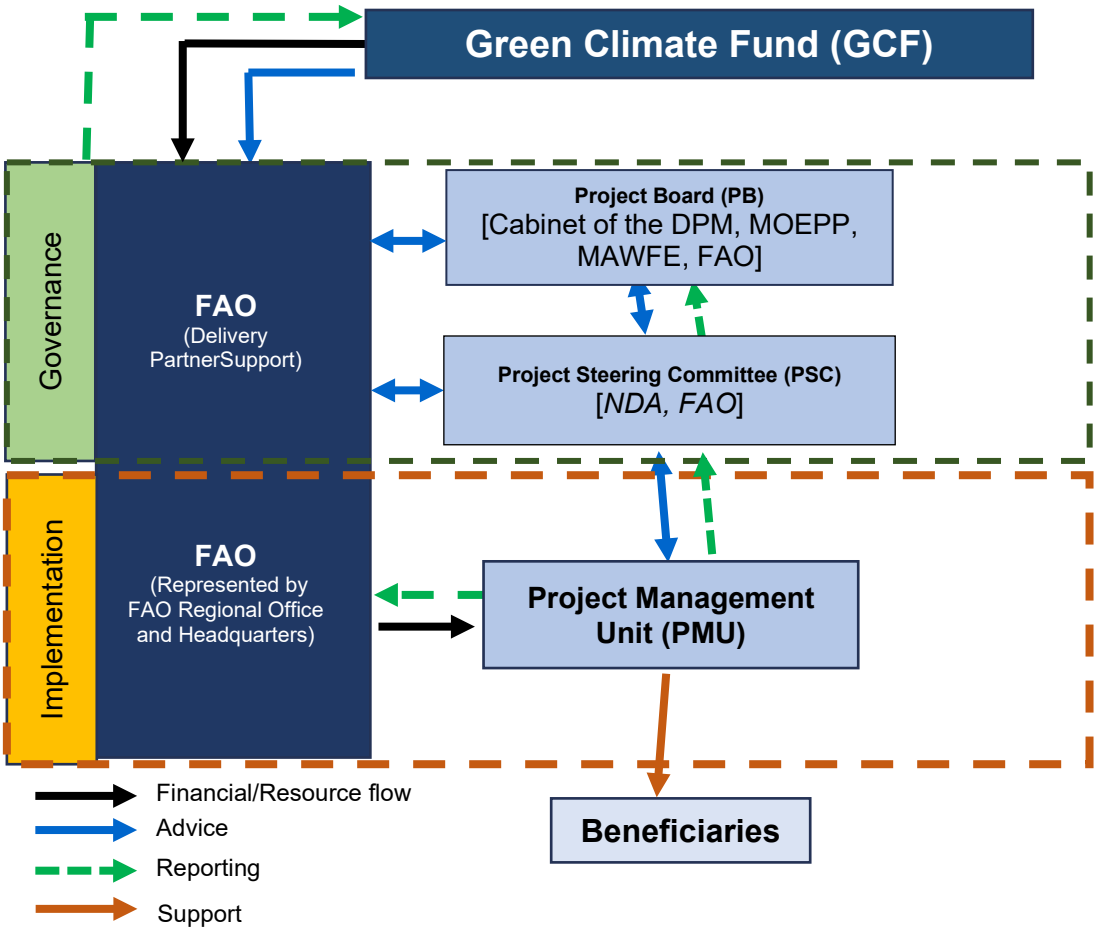
For the governance and strategic decisions of the RP, a **Project Board (PB)** will be established conformed by the Cabinet of the Deputy President of the Government in charge of Economic Affairs, Coordination of the economic sectors and Investments, The Ministry of Environment and Physical planning, the Ministry of Agriculture, Forestry and water economy and FAO. The main function of the PB will be exclusively to coordinate, guide and provide political and strategic orientation for the implementation of the project, as well as to guarantee a solid inter-institutional coordination.

The PB will establish a **Project Steering Committee (PSC)** to ensure organizational effectiveness, responsible to supervise, discuss and deliberate on technical products, and provide technical oversight and advice, particularly ensuring the activities of this project do not overlap or duplicate the work carried out by projects currently working in the Republic of North Macedonia General responsibilities will include brainstorming and support the processes necessary for the efficient implementation of the readiness proposal. To ensure FAO's ultimate accountability, the PSC decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.

For the implementation of the RP, a **Project Management Unit (PMU)** will be managed and procured by FAO and will be responsible to provide overall guidance and overseeing the progress and performance of the project as well as optimizing its coordination. Technical and operational functioning of the PMU is under overall responsibility of FAO Regional Office for Europe and Central Asia (Budget Holder, Lead Technical officer) supported by the National Project Manager.

The **National Project Manager (NPM)** is responsible for day-to-day project management and regular monitoring of project results and risks, including social and environmental risks. The NTL will ensure that all project personnel maintain a high level of transparency, responsibility and accountability in M&E and in reporting of project results, will report to the PSC and PB, of any delays or difficulties encountered during implementation to ensure that appropriate support and corrective measures can be adopted. NPM will develop annual work plans to support the efficient implementation of the project, will ensure that the standard FAO and GCF M&E requirements are fulfilled to the highest quality and will ensure fluid communication between all stakeholders of the project. During PSC meetings, NPM will serve as secretary to ensure that all the decisions made are duly executed to ensure a smooth implementation of the project.

Implementation flow map



As per established procedures for FAO cooperation programme implementation in the Republic of North Macedonia, the Government and FAO will sign a project agreement document that will serve as the legal basis for the project implementation, monitoring and reporting.

To avoid any possible conflicts of interest deriving from the Delivery Partner's role as an Accredited Entity, the prioritization of investments and projects, including the development of any concept notes, in the context of this readiness grant, will be made through a broad consultation process with relevant stakeholders, including other potential implementing entities for the Republic of North Macedonia. The final validation of these priorities will be carried out through the countries' own relevant coordination mechanism and institutional arrangements, with the participation of other Government agencies, as well as representatives from civil society and private sector as the NDA deems relevant, to ensure chosen priorities are fully aligned with national plans and strategies and adequately includes inputs from consulted stakeholders.

Government obligations

- With a view to ensuring rapid and efficient execution of the Project, the Government shall grant to FAO, its staff, all other persons performing services on behalf of FAO and the necessary facilities.
- The Government will apply to FAO, its property, funds and assets, its officials and all the persons performing services on its behalf in connection with the Project: (i) the provisions of the Convention on Privileges and Immunities of the Specialized Agencies; and (ii) the United Nations currency exchange rate. The persons performing services on behalf of FAO will include any organization, firm or other entity, which FAO may designate to take part in the execution of the Project.
- The Government will be responsible for dealing with any claims which may be brought by third parties against FAO, its personnel or other persons performing services on its behalf, in connection with the Project, and will hold them harmless in respect to any claim or liability arising in connection with the Project, except when it is agreed by the Government and FAO that such claims arise from gross negligence or wilful misconduct of such persons.
- The Government will be responsible for the recruitment, salaries, emoluments and social security measures of its own national staff assigned to the Project. The Government will also provide, as and when required for the Project, the facilities and supplies indicated in the Project Document. The Government will grant FAO staff, the Resource Partner and persons acting on their behalf, access to the project offices and sites and to any material or documentation relating to the Project, and will provide any relevant information to such staff or persons.

FAO obligations

- FAO will be responsible for the provision, with due diligence and efficiency, of assistance as provided in the Project Document. The Government and FAO will consult closely with respect to all aspects of the Project.
- Assistance under the Project will be made available to the Government, or to such entity as provided in the Project, and will be furnished and received: (i) in accordance with relevant decisions of the Governing Bodies of FAO, and with its constitutional and budgetary provisions; and (ii) subject to the receipt by FAO of the necessary contribution from the Resource Partner. FAO will disburse the funds received from the Resource Partner in accordance with its regulations, rules and policies. All financial accounts and statements will be expressed in United States Dollars and will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and directives of FAO.
- FAO's responsibilities regarding financial management and execution of the Project will be as stipulated in the Framework Agreement and this project document.
- Assistance under the Project provided directly by FAO in accordance with the framework agreement, including technical assistance services and/or oversight and monitoring services, will be carried out in accordance with FAO regulations, rules and policies, including on recruitment, travel, salaries, and emoluments of national and international personnel recruited by FAO, procurement of services, and supplies and equipment. The candidacies of senior international technical staff for recruitment by FAO will be submitted to the Government for clearance following FAO procedures.
- Equipment procured by FAO will remain the property of FAO for the duration of the Project. The Government will provide safe custody of such equipment, which is entrusted to it prior to the end of the Project. The ultimate destination of equipment procured under this Project will be decided by FAO in consultation with the Government and the Resource Partner.

Gender equality

Gender dimensions have been integrated throughout the project, to ensure that gender issues of climate change are reflected in the knowledge products, as well as to ensure that diverse viewpoints are reflected and different types of actors' capacity is strengthened. In particular, by using a human rights-based approach, both duty-bearers and right-holders will be identified, and their capacities developed. Within this approach, duty-bearers will be ready to mainstream gender and to support all, and right-holders will be ready to practice their rights. By taking gender issues into account in all activities, the project is more likely to meet its objectives and reach its full potential, as the knowledge products and related planning processes will more accurately reflect the existing socio-economic dynamics that shape women´s and men´s adaptive capacity. In addition, the project will avoid reinforcing existing inequalities vis a vis access to knowledge and training by encouraging the participation and engagement of diverse stakeholders. The project will target 50-50 equal participation of women in all the events organized within the project and ensure that the deliverables are gender-sensitive and that the interests of both men and women are considered and represented throughout the project implementation.

FAO will ensure effective gender and social inclusion mainstreaming in line with the FAO Policy on gender equality, the FAO Environmental and Social Management Guidelines, and the GCF standards on gender equality and social inclusion. To achieve this goal, the NDA and FAO will closely work with the Coordinators on Equal Opportunities within the Ministry of Labour and Social Policy to consult on the engagement of women, women organizations and relevant ministries with gender mandates that should be engaged throughout the project implementation.

Starting date
The start date for implementation will be as outlined in the Framework Agreement.

6.2 Implementation and execution roles and responsibilities

Roles of Counterpart Agencies and Stakeholder

Agency/Key Stakeholder	Type	Role in the project
Cabinet of the Deputy President of the Government in charge of Economic Affairs, Coordination of the economic sectors and Investments - NDA	Government institution	Providing general guidance to the project implementation; Participate in the project board Participate in the project steering committee Validate all the project deliverables Provide political and technical support to the project implementation where applicable.
Ministry of Environment and Physical planning	Government institutions	Participate in the project board Provide political and technical support to the project implementation where applicable.
Ministry of Agriculture, Forestry and water economy	Government institutions	Participate in the project board Provide political and technical support to the project implementation where applicable.
FAO	Delivery Partner	FAO as the Delivery Partner will be responsible for implementation of the readiness support and will carry out all fiduciary and financial management, procurement of goods and services, monitoring and reporting activities under this proposal in compliance with FAO's policies and procedures and with the Framework Agreement.

Project Management Unit human resources

Consultant	Brief TOR	Duration
National Project Manager	National Project Manager should have a background in project management and have experience in managing projects in the field of climate change in the country. the consultant will support project implementation	24 months
National Administrative and finance assistant	National Administrative and finance assistant should have experience in supporting project implementation and is aware of FAO rules and procedures in administrative and financial management. i will support project implementation	7 months

Project team

Consultant	Brief TOR	Duration
International Capacity development specialist	The International Capacity development specialist should have an extensive background and experience in capacity building activities, assessment of capacity needs and implementation of direct capacity development activities.	125 days

	The consultant should have more than 10 years of experience in mentoring and delivery of trainings to public and private sector. The consultants should lead the implementation of the activities 1.1.1.1; 1.1.1.3; 1.2.1.1; 1.2.1.2; 1.3.1.1; 1.3.2.1	
National Climate Finance Expert	National Climate Finance expert to support the Capacity development activities for the NDA and the country coordination mechanism and ensure quality delivery of the project activities and results, providing the overall management of the project. The consultant should lead the implementation of the activities 1.1.1.1; 1.1.1.2; 1.1.1.3; 1.1.1.4; 1.1.1.5, 1.1.1.6, 1.3.1.1; 1.3.2.1; 2.1.1.1; 2.1.1.2; 2.1.1.3; 4.1.1.1;	24 months
National IT and web platform specialist	National IT and web platform specialist should have a proven background of design and development of software solutions for different project management and coordination tools as well as experience in development of web pages and tailor-made web tools. The consultant should lead the implementation of the activities 1.1.1.1; 1.1.1.4; 1.1.1.5; 1.2.1.2; 1.3.2.2; 2.1.1.1	210 days
National Climate Change specialist	The National Climate Change specialist should have experience in climate change activities and have knowledge on CC related initiatives in the country. The consultants should support the implementation of the activities 1.1.1.1; 1.1.1.2; 1.1.1.3; 1.1.1.4; 2.1.1.2; 2.1.1.3	22 months
National Communications Specialist	The National Communications Specialist should be knowledgeable and experienced in the field of communication and public outreach and be aware of FAO communication channels. The consultant should support the implementation of the activities 1.1.1.1; 1.1.1.2; 1.1.1.3; 1.1.1.4; 1.3.1.1; 1.3.2.1; 1.3.2.2; 1.3.2.3; 1.3.2.4; 2.4.1.1; 2.4.1.2; 2.1.1.1; 2.1.1.2; 2.1.1.3; 4.1.1.1	18 months
National Private Sector specialist	The National Private Sector specialist should have experience in private sector legal regulations as well as private sector activities in the field of climate change mitigation and adaptation. The consultant should support the implementation of the activities 1.1.1.1; 1.1.1.3; 1.3.1.1; 1.3.2.1; 1.3.2.2; 1.3.2.3; 1.3.2.4	20 months
National institutional development specialist	National institutional development specialist should have background and knowledge the process of accreditation and accreditation requirements of the GCF as well as being experienced to support the institutional strengthening activities. The consultant should support the implementation of the activities 1.1.1.1; 1.1.1.2; 1.1.1.3; 1.1.1.4; 1.2.1.1; 1.2.1.2	24 months

National legal specialist	The National legal specialist should have knowledge on the institutional legal framework. The consultant should support the implementation of the activity 1.2.1.1	30 days
National Gender and ESS specialist	National Gender and ESS specialist should have a background on social sciences or similar fields and have experience in gender and ESS mechanisms applicable in the country. The consultant should support the implementation of the activity 1.2.1.1	60 days
National Participatory approach and community development specialist	Participatory approach and community development expert to support the process of community consultation for the development of pre-feasibility study for land structure improvements including proposal for the improvement of the auxiliary agricultural infrastructure and background analysis and proposals for the improvement of the respective irrigation systems. The consultant should support the implementation of the activity 1.2.1.1	60 days
National civil engineer	The National insurance specialist civil engineer should have experience in the field of development, review and monitoring of technical design projects on irrigation systems of insurance products and insurance systems as well as knowledge on the legal regulation in the field of insurance in the country. The consultant should support the implementation of the activity 4.1.1.1	40 days
National land administration consultant	The national land administration consultant should have relevant experience as well as knowledge on the legal regulation in the field The consultant should support the implementation of the activity 4.1.1.1	80 days
National agriculture specialist	National agriculture specialist should have a background in agricultural production and know the state of agriculture in the country. The consultant should support the implementation of the activity 4.1.1.1	100 days

M&E aspects are covered by FAO Regional Office.

6.3 Risks and mitigation measures

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
Political risk	Change of authorities during the implementation of the readiness project.	High	Medium	The project team will have a proactive role to introduce the project to the new authorities. The direct project implementation during the process of changes of authorities will be conducted on a technical level, in order not to cause delays in the delivery.	National Team Leader NDA
Involvement risk	Poor stakeholder engagement at national level	Low	Low	A wider awareness raising campaign targeting the direct project beneficiaries and stakeholders will be conducted. A direct communication channels will be developed. Additional engagement by the NDA might be needed.	National team leader NDA
Information availability risk	Lack of access to institutional information	Low	Low	The project team will use the already developed mechanisms for information exchange, including the monthly newsletter, the NDA website www.greendevelopment.mk	National Team Leader
Coordination risk	Activities are not complementarity to other readiness activities	Low	Low	A mitigation measure has already been conducted during the process of identification of the readiness needs. If this kind of risk happens during the project implementation, the project board will make a final decision how to mitigate this risk	Project board Project steering committee NDA National Team Leader
Operational risk	Large number of consultants delay procurement of consultants	Medium	Medium	The National Team leader with a support of the LTO and the FAO operation unit will coordinate the timely delivery of all national and	National Team Leader

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
	and/or timely delivery of deliverables			international consultants. Regular coordination meetings will be held in order to avoid this risk. In addition, FAO will use its consultant rosters for easier and faster identification of consultants. In addition, if national consultant would still be a challenge to identify, consultants form the region will be taken into consideration.	
COVID 19	Increase new variants and contagions COVID19.	Medium	High	Coordination and articulation of actions based on what was issued by the Emergency operations committee. Follow the security protocols implemented by the National Government. Give priority to digital platforms and online workshops.	FAO
Compliance risk	Anti-money Laundering and Counter-Financing Terrorism	Low	High	FAO will be in charge of developing ToRs and related work plans with clear roles and responsibilities. The project will use national/international consultants and firms contained in its database and roster. Missions in the field will be escorted, when needed, as per FAO's procedures. As per clause 11.01 (f) of the Framework Agreement, FAO will apply its own fiduciary principles and standards relating to any "know your customer' checks, AML/CFT, and financial sanctions imposed by the United Nations Security Council, which should enable it to comply with the objectives of the Policy on Prohibited Practices and the principles of the AML/CFT Policy. The project will also ensure that the FAO Whistleblower protection policy, revised in	FAO

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
				June 2021, is properly followed.	

6.4 Monitoring

Monitoring Plan

Monitoring will be led by FAO as DP but jointly carried out with the NDA to ensure that country ownership is guaranteed throughout all of the project phases. All reports to the GCF will be put to the consideration of the Project's Steering Committee to make sure that the information is clear and transparent before submission (by FAO) to the GCF.

Interim Progress Reports (IPR)

IPR will be prepared by FAO every six-month period, in coordination with the FAO local and regional staff, and will be validated and signed by the NDA. The IPR will inform and monitor progress made since project effectiveness date and activities planned for the next reporting period. FAO will send the Progress Report to the GCF. The GCF IPR template will be used for reporting the project implementation.

Completion Report

At the end of the Implementation Period, FAO will prepare a completion report and will be submitted to the GCF no later than six months after the end of the Implementation Period of the approved grant. This comprehensive report will be made available to the public through the NDA. It will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

The reports (IPRs, completion and financial) to be submitted to the GCF, will be as per included in the Framework Agreement, and will include reporting against the logical framework included in section 3

6.5 Other Relevant Information

Exit strategy

One of the main goals of the proposed action is to enable the institutions in the Republic of North Macedonia to directly engage with the GCF. Therefore, the project intends to build a strong bases for the NDA to strengthen their role in the implementation of their roles and responsibilities as well as to work directly with the FITD as the first National Direct access entity. The country has already set the stage and the bases for climate action, by producing the main necessary documents that lay down the path towards a successful engagement with the GCF as well as long term coordination of the climate activities.

The FITD will finalize the accreditation process and will have strong capacities to support the NDA as a National direct access entity. The mechanisms developed will enable that FITD on a long term support the implementation of the Country work program, and takeover the ownership of the GCF related activities connected to the private sector engagement in climate action. The developed software for project monitoring and risk management will

increase the absorption capacity of the FITD as well as will increase the successfulness rate of project implementation.

The developed webpage, as well as the automated modules for project ideas development and project assessment will directly enable the NDA to be more efficient in the process of identification and assessment of the project ideas and will continue to maintain the website and its tools.

By upgrading the e-governance system of the Government of the Republic of North Macedonia, a real time information on ongoing climate related activities will be available. This will enable the Government as well as the NDA to successfully monitor and coordinate all climate related initiatives and will increase the level of cooperation and coordination in the field of climate change in the country.

Having this in mind, FAO will work directly with the NDA, the FITD and all other relevant intuitions and will support them in future GCF activities. FAO will also support the institutions in the process of development of full funding proposals, using its expertise and experience.

FAO comparative advantage

FAO has been supporting the Republic of North Macedonia in the process of engagement with the GCF since 2017 when the first project idea for a readiness support has been initiated. FAO has been working in close cooperation during the implementation of the first two readiness projects in the country and has built an image of a professional and competent organization among the stakeholders and beneficiaries of the FAO activities.

Within the first readiness project, FAO has supported the NDA in laying down the elementary procedures required by the GCF for a successful engagement with the fund, including the Country coordination mechanism, country prioritization mechanism, the No-objection procedure, guidelines for NDA operations, as well as many communication and learning tools. During the second readiness project, FAO has supported the country in development of its first Country work program, through a long a fully participative process taking into consideration the opinions and positions of vide group of project stakeholders and beneficiaries. FAO has also supported the county in the process of establishment good relations with the private and financial sector, as well as initiated the process of accreditation of the first National direct access entity in the Republic of North Macedonia.

Grievance Mechanism

Within the framework of this project, the NDA shall facilitate the resolution and/or clarification of any concern directly linked to implementation of the project that beneficiaries and involved stakeholders may have, following the Republic of North Macedonia conflict resolution mechanisms. In case the conflict refers to FAO, the NDA will present the complaints and claims to the FAO Regional Office. If a notice of receipt of the claim is not received within 7 days, the complaint or concern must be sent to the FAO's regional office in for Europe and Asia FAO-reu@fao.org for action. The project beneficiaries may send a complaint to the FAO Office of the Inspector General, who shall carry out an independent investigation. The procedure for the claims is detailed at http://www.fao.org/aud/. Email: Investigations-hotline@fao.org.

FAO is committed to ensuring that its resources are used solely for their intended purposes, that all operations are free from fraud and other corrupt practices, and to being held accountable to donors and beneficiaries for the implementation of its programs. To this end, the Organization has adopted a zero-tolerance policy in respect of fraud and other corrupt practices in all their manifestations. This policy applies, regardless of their location, to all activities and operations of the Organization, whether funded by Regular Programme or Extra-Budgetary Funds; administrative, technical or operational in nature; or implemented by the Organization and/or an implementing partner, including any Government agency. This policy applies to all FAO personnel and all contractual arrangements between the Organization and implementing partners, suppliers or other third parties for administrative, technical or operational purposes. The FAO Whistle blower Protection Policy follows the guidelines to report allegations of possible wrongdoing in the activities of the project stated in the Administrative Circular 2019/06.

Anti-money Laundering and Counter-Financing Terrorism

As per clause 11.01 (f) of the Framework Readiness and Preparatory Support Grant Agreement between the GCF and FAO, FAO will apply its own fiduciary principles and standards relating to any "know your customer'

checks, AML/CFT, and financial sanctions imposed by the United Nations Security Council, which should enable it to comply with the objectives of the Policy on Prohibited Practices and the principles of the AML/CFT Policy.

Low risks of money laundering, terrorist financing, corruption or prohibited practices are foreseen during project implementation. The project team will use structures, national and international consultants contained in its database and roster, to ensure they have been working with UN agencies before. New consultants as well as new structures will be assessed before being recruited. Missions in the field will be escorted, when needed, as per FAO's procedures.

United Nations Security Council sanctions regimes

In accordance with FAO rules and regulations, the FAO regional office for Europe and Asia and FAO HQ will perform all necessary actions to ensure that the project be implemented in full compliance with any UN sanctions list that may be of relevance. There are no entities or individuals who are the subject to or affected by United Nations Security Council sanctions regimes will be involved in such projects/activities, either as counterparties or as beneficiaries.

Annex 1

Terms of reference – Project Manager (GCF Readiness Proposal)

Background

The Government of the Republic of North Macedonia is implementing a Green Climate Fund (GCF) readiness project focused on strengthening capacities and developing strategic frameworks for building low carbon and climate resilient society in the Republic of North Macedonia.

The project will support the work of the NDA by activities directly targeting the process of strengthening the capacities of the NDA as well as supporting the DAE accreditation process in the Republic of North Macedonia. The project will further support the private sector engagement activities and strengthen the position of the country for development of concept notes and full funding proposals to be submitted to the GCF.

Location: Republic of North Macedonia
Duration: 24 months

Reporting Lines
The project coordinator will work under the overall supervision of the Assistant Director General / Regional Representative, technical supervision of the Lead Technical Officer (LTO) of the project and operational supervision of the Budget Holder, as well as in close consultation with the National Designated Authority (NDA) - Cabinet of the Deputy Prime Minister of the Government of the Republic of North Macedonia in Charge of Economic Affairs and in close liaison with FAO Skopje personnel.

Duties and responsibilities

- Coordinate timely and quality implementation of overall project components providing technical support and ensuring appropriate linkages among the components and among consultants and concerned actors.
- Develop a full project work plan and associated expenditure plan.
- Prepare project reports of progress (every 6 months in accordance with GCF reporting requirements) and briefs as required.
- Prepare bid documents including TORs for project experts/consultants working on the various aspects of the project and to the selection process.
- Coordinate and oversee the implementation of activities by project consultants and make sure timelines and implementation plans are complied with.
- Coordinate the organizing and conducting of assessments, consultations and workshops, including arranging logistics.
- Coordinate logistical arrangements with national stakeholders for the various consultancies under the project.
- Coordinate with relevant national stakeholders, in particular the NDA, to ensure maximum delivery and participation in project activities
- Coordinate the development and dissemination of awareness raising materials at the various levels
- Ensure interventions are well coordinated with other FAO and non-FAO projects in the country and build on FAO comparative advantage, successful practices, lessons learnt.

Minimum requirements

- University degree in natural resources management, business administration, climate change or a related area.
- Master’s degree in climate change, project management, business administration or a related area.
- At least 5-years’ experience in project management and implementation.

- Demonstrated knowledge of climate change MRV practices and criteria, climate change mitigation and adaptation, climate finance, involvement in the development of BURs, National GHG Inventories or National Communications. Knowledge of the Green Climate Fund architecture, the NDC and the transparency framework of the Paris Agreement and the UNFCCC.
- Experience in organizing, facilitating and generating reports for workshops and interinstitutional dialogues.

Core competencies

- Excellent written and oral communication skills
- Facilitation and coordination skills
- Team management and interpersonal skills
- Strategic advice
- Excellent management of written and oral English language