

Readiness Proposal

**with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
GmbH**

for Republic of North Macedonia

28 February 2022



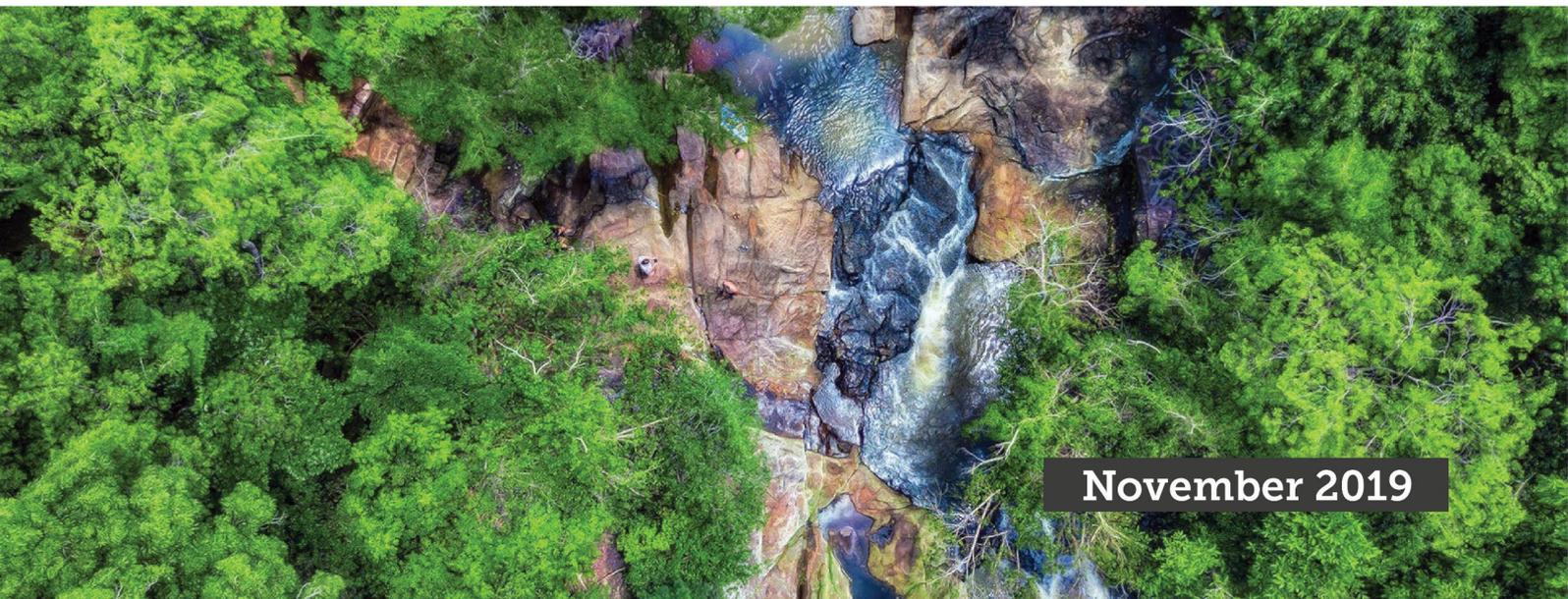
**GREEN
CLIMATE
FUND**

READINESS & PREPARATORY SUPPORT

PROPOSAL TEMPLATE



Proposal title:	Building capacity towards sustainable human capital development in North Macedonia
Country:	North Macedonia
National designated authority:	Cabinet of the Deputy Prime Minister in Charge of Economic Affairs, Coordination of Economic Sectors and Investments
Implementing Institution:	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Date of first submission:	21 August 2020
Date of current submission / version number	17 February 2022 V.6



November 2019

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Download the guidebook:
<https://g.cf/xxxxx>



How to complete this document?

This document should be completed by National Designated Authorities (NDA) or focal points with support from their Delivery Partners where relevant. Once completed, this document should be submitted to the GCF by the NDA or focal point via the **online submission system**, accessible through the Country Portal of the GCF website.

Please be concise. If you need to include any additional information, please attach it to the proposal.

If the Delivery Partner implementing the Readiness support is not a GCF Accredited Entity for project Funding Proposals, please complete the Financial Management Capacity Assessment (FMCA) questionnaire and submit it prior to or with this Readiness proposal. The FMCA is available for download at the [Library](#) page of the GCF website.

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We will get back to you within five (5) working days to acknowledge receipt of your submission and discuss the way forward.

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.

Please visit the Country Portal on the GCF website to submit this proposal via the **online system**.

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

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List of abbreviations

AF	Adaptation Fund
BAU	business as usual
CC	climate change
CSO	civil society organization
ESD	education for sustainable development
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GCF	Green Climate Fund
GEF	Global Environmental Facility
GHG	greenhouse gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
I(C)T	information (and communications) technology
IPA	Instrument for Pre-Accession Assistance
IPH	Institute for Public Health
LULUCF	Land Use, Land Use Change and Forestry
MLSP	Ministry of Labor and Social Policy
MoEPP	Ministry of Environment and Physical Planning
MoES	Ministry of Education and Science
MoH	Ministry of Health
NAP	National Adaptation Plan
NbS	nature-based solutions
NCCC	National Climate Change Council
NCSD	National Council for Sustainable Development
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NGO	non-governmental organization
TNCCC	Third National Communication on Climate Change
SAC	Strategic Advisory Committee
SCCF	Special Climate Change Fund
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SnCF Global	Global Subnational Climate Fund
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
VET	Vocational education and training
VNR	Voluntary National Review
WB	World Bank
WHO	World Health Organization

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

1. SUMMARY

1.1 Country submitting the proposal	Country name: Name of institution representing NDA or Focal Point: Name of contact person: Contact person's position: Telephone number: Email: Full office address: Additional email addresses that need to be copied on correspondences:	The Republic of North Macedonia Cabinet of the Deputy President of the Government in Charge of Economic Affairs, Coordination of Economic Sectors and Investments Mr. Fatmir Bytyqi Deputy President of the Government in charge for Economic Affairs, Coordination of Economic Sectors and Investments +389 2 3220 095 Fatmir.Bytyqi@gs.gov.mk Boulevard Ilinden No.2, Skopje, North Macedonia sandra.andovska@gs.gov.mk Aleksandar.Talimdzioski@gs.gov.mk t.grncarovska@moepp.gov.mk
1.2 Date of initial submission	21 August 2020	
1.3 Last date of resubmission	17 February 2022	Version number V.6
1.4 Which institution will implement the Readiness and Preparatory Support project?	<input type="checkbox"/> National designated authority <input type="checkbox"/> Accredited entity <input checked="" type="checkbox"/> Delivery partner Please provide contact information if the implementing partner is not the NDA/focal point Name of institution: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH ¹ Name of official: Dennis Mutschler-Neumann Position: Head of Partnering for Readiness Telephone number: + 49 228 4460-1463 Email: dennis.mutschler-neumann@giz.de Full office address: Friedrich-Ebert-Allee 40 D - 53113 Bonn Germany Additional email addresses that need to be copied on correspondences: david.oberhuber@giz.de sonja.andonova@giz.de kateryna.stelmakh@giz.de	

¹ Conditional to the approval by the Federal Ministry for Environment, Nature Conservation and Nuclear Safety

1.5 Title of the Readiness support proposal

Building capacity towards sustainable human capital development in North Macedonia

1.6 Type of Readiness support sought

Please select the relevant GCF Readiness objective(s) below (click on the box – please refer to Annex I and II in the Guidebook):

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

1.7 Brief summary of the request

This Readiness request aims to contribute to a shift towards sustainable human capital development in North Macedonia. This change process will be achieved through building capacities and creating an evidence-based and enabling environment in the health, education, and labor & social protection sectors. These sectors are dealing with the socially vulnerable and marginalized groups but are often overlooked in climate finance discussions.

Consultations with key stakeholders have pointed out the importance to complement the ongoing readiness efforts by targeting human capital development through a sectoral approach. In this way, the identified gaps such as the lack of consistent and transparent data, low levels of climate change mainstreaming into the three specified sectors, and lacking climate change knowledge and coordination, can be addressed.

This Readiness request will address the existing needs through:

- 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;
- Enhancing capacities and coordination of the key ministries, relevant public institutions, civil society, academia and private sector with regard to mainstreaming climate change aspects in the health, labor & social protection and education sectors;
- Producing data, knowledge and policy recommendations to mainstream climate change considerations into strategic frameworks for the three sectors.

This request will result in North Macedonia's NDA, Strategic Advisory Committee (SAC) and relevant leading sectoral institutions having the capacity to plan and implement climate-related measures, including GCF-funded activities. Over time, the impacts of these activities will lead to the envisioned shift towards sustainable development of human capital capable to respond to challenges of climate change in North Macedonia, benefiting above all socially vulnerable and marginalized groups.

Moreover, the request will contribute to advancing North Macedonia's national climate efforts, building on previous, ongoing and planned GCF readiness support, and advancing the implementation of strategic documents, including the enhanced NDC, draft Long-term Strategy and Law on Climate Action, the UN Agenda 2030 and the SDGs, GCF national country work programme that is under development as well as sectoral development and climate change plans and efforts.

1.8 Total requested amount and currency

EUR 820.076,00

1.9 Implementation period

24 months

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

- Yes
 No

For more information on how a country may be eligible to access Readiness support through this modality, please refer to **Annex IV of the Readiness Guidebook**.

1.11 Complementarity and coherence of existing readiness support

- Yes
 No

Project	Status	Delivery partner	Budget (USD)
Readiness I. Support for the management of an effective national coordinative mechanism regarding the Green Climate Fund	Completed	FAO	300.000
Readiness II. Strengthening country capacities for climate change adaptation and mitigation and finalization of country work programme	Ongoing	FAO	663.245
National Adaptation Planning. NAP capacity development, spatial planning, adaptation in the National Platform for DRR	Planned	UNDP	<i>tbd</i>

The **First Readiness** project has delivered the following main outcomes:

- The structure and procedures for the operationalization of the National Sustainable Development Council as the Country Coordination Mechanism on GCF have been developed;
- Priority sectors have been identified and a prioritization procedure for proposals has been designed, including consultations with all relevant stakeholders;
- Initial awareness has been raised among stakeholders on the work of the Government on the SDG13 and particularly the expected role and opportunities of the GCF in the implementation of climate change (CC) related activities and NDCs;
- Well-structured knowledge management and sharing tools have been developed;
- An initial definition of a procedure to track and monitor climate finance in the country has been developed.

The **Second Readiness** project includes the following intended outcomes:

- Finalizing monitoring and verification system for climate finance flows in the country;
- Finalizing and strengthening the effective coordination mechanism on GCF matters;
- Developing the Country Work Programme for GCF;
- Identifying and prioritizing appropriate climate technology solutions/approaches for climate adaptation and mitigation;
- Prioritizing and selecting potential direct access entities;
- Developing two concept notes for priority projects selected during the country programming process;
- Enhancing private sector engagement.

The **draft NAP proposal**, under preparation, includes the following outputs:

- Institutional coordination for adaptation planning strengthened;
- Capacities to adapt to climate change of the line ministries, public institutions and civil society stakeholders in the prioritized sectors strengthened;
- Monitoring and evaluation systems in place to track the effectiveness of adaptation activities;
- Information, methodologies, tools and solutions for designing adaptation solutions produced;
- The general public awareness about climate change risks, vulnerabilities, and adaptation options increased;
- Barriers to private sector engagement in climate-resilient development assessed and addressed.

2. SITUATION ANALYSIS

2.1 National climate change response

(1) The Republic of North Macedonia is a “non-Annex 1” country - party to the United Nations Framework Convention on Climate Change (UNFCCC) and party to the Kyoto Protocol without quantified emissions limits and reduction commitment. The country ratified the Paris Agreement and committed in its **enhanced NDC** to a **51% GHG reduction by 2030** compared to 1990 emissions level.²

(2) The enhanced NDC has more **ambitious mitigation targets** built upon both energy and non-energy sectors, and considers crosscutting areas: gender, various co-benefits, private sector engagement and SDGs linkages. The enhanced NDC is focused on mitigation – it covers 63 mitigation policies and measures in the energy (incl. energy supply, residential, and non-specified, industry, transport), agriculture, LULUCF, waste and additional measures-enablers of mitigation action. There is a vision to include adaptation component in the subsequent submissions, once the relevant national strategic and planning documents are prepared and adopted.

² <https://klimatskipromeni.mk/article/30#/index/main>

(3) As a European Union candidate country, the Republic of North Macedonia is committed to adhering and transposing the EU climate acquis. Furthermore, and in line with its climate-related global policy framework commitment, the country is also a signatory of the Agenda 2030 for Sustainable Development with five priority areas, aligned with specific corresponding Sustainable Development Goals (SDGs), which include: **decent jobs and employment, social inclusion, good governance, environmental sustainability and climate change**.³

(4) The most streamlined climate action process currently undertaken is the development of a **Long-term Strategy and Law on Climate Action** (expected to be adopted by the end of 2021), supported under the EU Instrument for Pre-Accession Assistance (IPA).⁴ Additionally, in order to achieve the goals towards low-carbon and climate resilient development, the country has adopted multiple strategic frameworks and mainstreamed climate considerations to various extent into policies in the transport, energy, agriculture, waste, industry, health sectors, as well as climate change and gender nexus.⁵

(5) Several coordination bodies cover various aspects of climate change and sustainable development agenda in North Macedonia:

- **National Climate Change Council (NCCC)**, with the main duty to provide high-level support and guidance for the overall climate change policies. The NCCC is an inter-governmental advisory body and consists of 32 representatives from state bodies⁶, public institutions, NGOs and representatives of the business community. All representatives are officially appointed upon request of the Ministry of Environment and Physical Planning. For successful joint or targeted action, all the key stakeholders are obliged to provide relevant data, institutional assessment and administrative capacity – existing and needed for climate action. The NCCC is not fully functional yet. While there is strong representation on the NCCC, the ministries do not provide sufficient human resources to support its work. The Voluntary National Review (VNR) from 2020 points to the need to strengthen human capacities of the most relevant institutions, especially those participating in the NCCC, by establishing in all participating ministries climate change units or climate focal points with a clear mandate for mainstreaming climate change in the relevant sectors.⁷ Following on this, the draft Climate Action Law (Article 8 and 9) is defining the NCCC mandate, the nature of the body's decisions (advisory or other), the composition, the leadership and basic rules of procedure. The forthcoming law also envisages extension of ministries' mandates of the in terms climate change.
- **National Council for Sustainable Development (NCSD)** is a high-level coordination body, composed of the ministers and senior representatives of many relevant government bodies, business community representatives and academia. While the NCCC focuses on the climate agenda only, the NCSD mandate covers the Agenda 2030, including the SDGs and the EU Agenda. The NCSD is more functional and effective than the NCCC. The NCSD creates a broad platform that provides opportunity to review all aspects of a given investment to be proposed to the GCF, and to make decisions in view of the needs and expectations of all stakeholders. Added value of the NCSD is being an awareness raising platform for climate change and Sustainable development -related topics.
- **Strategic Advisory Committee (SAC)** was established for the purposes of the GCF coordination mechanism. The SAC supports the NDA in implementing its roles and tasks, namely, implementation of the no-objection procedure, ensuring country ownership, coordination and synergies between support activities in the country.⁸ The SAC is comprised of the nominated representatives from the Ministry of Finance, Secretariat of European Affairs and the Ministry of Environment and Physical Planning. The SAC is supported by the technical experts from sectoral working groups, composition of which varies depending on the NDA and SAC requests for support.

(6) Tables 1-4 summarize **international funding to North Macedonia** for climate change adaptation and mitigation. The main sources of international climate finance are the EU via its IPA instrument, the Global

³ Voluntary National Review of North Macedonia, <https://sustainabledevelopment.un.org/memberstates/macedonia>

⁴ <https://climateaction-ipaproject.mk/about-the-project/>

⁵ See the full list here: <https://www.klimatskipromeni.mk/article/248#/index/main>

⁶ including the Ministry of Agriculture, Forests and Water Economy, the Ministry of Culture, the Ministry of Economy, the Ministry of Education and Science, the Ministry of Finance, the Ministry of Foreign Affairs, the Ministry of Health, and the Ministry of Transport and Communications

⁷ Voluntary National Review of North Macedonia, page 83 and 84 - <https://sustainabledevelopment.un.org/memberstates/macedonia>

⁸ www.greendevelopment.mk and <http://www.fao.org/3/ca7300en/CA7300EN.pdf>

Environmental Facility (GEF) as well as multilateral development banks. One regional project has been approved for financing by the Adaptation Fund – Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans.

(7) North Macedonia is one of the nine beneficiary countries of the **GCF project “Green Cities Facility”** (FP086), implemented by the EBRD. The project will focus on cities and help them address climate change challenges while building the market case for private sector investments in sustainable infrastructure. It will provide concessional financial instruments that will allow ambitious investments in climate-resilient urban infrastructure such as district heating/cooling, low-carbon buildings, and solid waste management.

(8) North Macedonia is also one of the 43 beneficiary countries of the **GCF projects “Global Subnational Climate Fund (SnCF Global or the “Fund”) – Technical Assistance (TA) Facility”** (FP151) and “Global Subnational Climate Fund (SnCF Global) – Equity” (FP 152) implemented by International Union for Conservation of Nature and Pegasus Capital Advisors, respectively. The goal of the SnCF Global is to catalyze long-term climate investment at the sub-national level for mitigation and adaptation solutions through a transformative financing model. The SnCF Global’s business model is designed to attract primarily private institutional investment and to deliver certified climate and Sustainable Development impacts and Nature-based Solutions (NbS) at global scale.

Table 1. Financial assistance to North Macedonia under IPA II (EUR million)

North Macedonia	2014	2015	2016	2017	2018	2019	2020	Total 2018-2020	Total 2014-2020*)	Of which climate change relevant (%)
DEMOCRACY AND RULE OF LAW	39.7	15.8	24.4	24.6	37.9	5.8	39.6	83.3	187.8	
Democracy and governance	19.7	15.8	9.8	24.594	36.5	4.4	20.2	61.1	130.9	
Rule of law and fundamental rights	20.0	0.0	14.6	0.0	1.4	1.4	19.5	22.3	56.9	
COMPETITIVENESS AND GROWTH	42.0	51.4	40.2	57.6	69.8	115.6	44.4	229.8	421.0	
Environment, climate action and energy	15.0	18.4	11.0	16.6	27.6	10.4	24.2	62.2	123.3	100%
Transport	4.0	14.7	18.2	11.2	29.4	35.4	2.3	67.1	115.2	60%
Competitiveness, innovation, agriculture and rural development	23.0	18.3	11.0	6.0	11.4	49.4	16.5	77.3	135.6	10%
Education, employment and social policies	0.0	0.0	0.0	23.7	1.4	20.4	1.5	23.3	47.0	
TOTAL	81.7	67.2	64.6	82.2	107.7	121.4	84.0	313.1	608.7	

Source: https://ec.europa.eu/neighbourhood-enlargement/instruments/funding-by-country/north-macedonia_en

Table 2. GEF climate change projects in North Macedonia

Project	Agency	GEF Grant (USD million)	Co-financing (USD million)	Status
Strengthening Institutional and Technical Macedonian Capacities to Enhance Transparency in the Framework of the Paris Agreement	UNDP	1.32	1.41	Approved
Fourth National Communication and Third Biennial Update Report on Climate Change under the UNFCCC	UNDP	0.85	0.35	Approved
Second Biennial Update Report on Climate Change	UNDP	0.35	0.074	Completed
Macedonia's First Biennial Update Report	UNDP	0.32	0.11	Completed
Catalyzing Market Transformation for Industrial Energy Efficiency and Accelerate Investments in Best Available Practices and Technologies in the Former Yugoslav Republic of Macedonia	UNIDO	1.40	5.90	Approved
Sustainable Energy Program	World Bank	5.50	26.70	Completed
Climate Change Enabling Activities (Phase II)	UNDP	0.10	0	Approved
Enabling FYR of Macedonia to Prepare its First National Communication in Response to its Commitments to UNFCCC	UNDP	0.35	0	Completed
Development of Mini-Hydropower Plants	World Bank	1.50	0	Approved

Mini-Hydropower Project	World Bank	0.75	0	Completed
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Source: <https://www.thegef.org/projects>

Table 3. Regional and global climate change projects covering North Macedonia

Fund	Region	Project	Approved year	Agency	Funding approved (USD million)
GEF	Europe and Central Asia	Financing Energy Efficiency and Renewable Energy Investments for Climate Change Mitigation	2006	UNEP	3.00
	Global	Stabilizing GHG Emissions from Road Transport Through Doubling of Global Vehicle Fuel Economy: Regional Implementation of the Global Fuel Efficiency Initiative (GFEI)	2012	UNEP	1.71
	Global	Green Logistics Program (non-grant)	2015	EBRD	15.00
SCCF	Western Balkans	Southeastern Europe and Caucasus Catastrophe Risk Insurance Facility (SEEC CRIF)	2014	World Bank	5.50
GCF	Global	(FP086) Green Cities Facility	2018	EBRD	99.30
	Global	(FP151) Global Subnational Climate Fund (SnCF Global) – Technical Assistance (TA) Facility	2020	IUCN	Expected-28.00
	Global	(FP 152) Global Subnational Climate Fund (SnCF Global) – Equity (FP 152)	2020	Pegasus Capital Advisors	Expected-750.00
	Global	Programme of Energy Efficiency in Buildings (PEEB) Cool (multiple countries covered)	Under preparation	AFD	Expected-EUR 2.17 billion
AF	Western Balkans	Integrated climate-resilient trans-boundary flood risk management in the Drin River basin in the Western Balkans	2019	UNDP	9.93

Source: <https://climatefundsupdate.org/>; <https://www.adaptation-fund.org/> and <https://www.greenclimate.fund/>

(9) Even though the efforts are substantial, the Third National Communication and the most recent assessment for the preparation of the Long-term Strategy and Law on Climate Action, CBIT project and capacities needs assessments under the Readiness II point to the common constraints and needs:⁹

- Lack of data availability, consistency and transparency, shortage of knowledge of qualified sectoral staff in monitoring and implementation of climate change measures;
- Low levels of mainstreaming of climate change measures into sectoral policies and respective implementation;
- Continuing lack of climate change knowledge in certain sectors and capacity to implement sectoral activities, at the level of public administration, and to a large extent, at the level of other stakeholders;
- Need of strengthening the sectoral capacities and the cross-sectoral coordination mechanism and promote sharing of knowledge and experience among public and private stakeholders.

(10) The Readiness activities already implemented in the country have made remarkable progress in establishing an appropriate institutional coordination on climate change. Building upon completed and ongoing readiness activities, effective and efficient climate action requires further cross-sectoral engagement and integrative approaches, as well as incorporation of climate rationale in every level of sectoral strategic development and implementation. Implementation of North Macedonia's commitments on climate change action under the SDGs and the EU Agenda will require strong national capacity and a substantial amount of finance from multiple sources.

(11) The country has a long way ahead in shaping its policies through the lens of climate change. An evident gap is grasping and addressing the link between climate change and human capital development as a precondition for an effective climate action in the country. Various of the above-mentioned documents often treat socio-

⁹ Third National Communication and Report on country's vulnerability to climate change with policy-relevant conclusions for Long-term Strategy and Law on Climate action (11/2019), [CBIT project](#).

economically vulnerable groups, gender and climate risks as a horizontal issue. Yet, there is a lack of investment in human capital development as a precondition to act upon the climate risks, and a lack of attention to the interdependencies of the two.

2.2 Third Readiness Request

(1) This request aims to support sustainable human capital development and its potential **to elevate climate action in a systematic way**, by focusing on **healthcare, education and social sectors as direct venues of potential impact**. Without addressing this dimension, it will be hard to systematically proceed with fruitful climate action in the country. Consultations with key stakeholders on climate change agenda highlighted the importance of focusing the Third Readiness Request on human capital development as a unique and sustainable path towards low-carbon and climate-resilient vision and action.

(2) While there are multiple ongoing mitigation and adaptation efforts in the buildings, infrastructure, agriculture, energy, and industry sectors, this request is addressing the soft measures related to community values, people's knowledge, behaviour and habits, people's wellbeing, as well as a long term sustainable shift for everyday living, aiming to "Leave no one behind". That's why the main focus of the request is related with the health, education and social protection of the human capital, including the socially vulnerable and marginalised groups. This request strives to strengthen the key bonds in the society for providing services to human capital at the national and local level.

(3) The health, education and labour & social protection sectors are often **overlooked in the climate change agenda and finance**. For example, bilateral and multilateral climate-related external development finance for the North Macedonian health, social protection and education sectors in 2014 – 2018 was negligible compared to other sectors. During these five years, funding commitments of around USD 63.5 thousand are reported for the education sector for activities with climate as the primary or significant objective. Similarly, social protection is reported to have funding committed of only USD 10.6 thousand for the same period, and no funding commitment is reported for the health sector.¹⁰ For comparison, the agriculture, forestry and fishery sector is reported to have USD 30.7 million committed, transport USD 33.8 million and energy USD 64.7 million committed in 2014-2018.¹¹ Tackling climate change in the three sectors was not covered by the GEF, AF or EU-funded IPA projects (see tables 1-3).

(4) While some activities might have been unreported or included in the multisectoral cross-cutting projects, the numbers still show that health, social protection and education are largely not on the radar of climate finance donors. One of the major reasons for that may be the difficulty to prove climate rationale for investing in these sectors and delineate them from development efforts.

(5) Capacity gaps and support needs in the three sectors outlined in the Third National Communication (NC)¹² and Third Biennial Update Report (BUR) on Climate Change¹³ were used for scoping this readiness request. The consultations between the NDA, the Ministry of Environment and Physical Planning and the beneficiary ministries in each sector, namely, the Ministry of Health, the Ministry of Education and Science and the Ministry of Labour and Social Policy, as well as civil society representatives, further prioritized which support needs should be included in the request, while taking into consideration the scope and rationale for the GCF readiness support. The Ministry of Environment and Physical Planning (MoEPP) is the main focal and coordination point on all climate change activities in the country. Close involvement of the MoEPP in drafting of this request and its implementation in the future will ensure alignment with other climate action in the country such as the NC and BUR process, NDC process, and implementation of the Long-term Strategy and Law on Climate Action.

(6) Conducted consultations also ensured that this request builds on the capacities established through previous support and there are no overlaps with the ongoing or planned activities in the sectors. Additional consultations

¹⁰ The numbers refer to climate-related development finance commitments for activities where climate objective (applies to Rio-marked data only) or climate component is marked as principal or significant, as reported under the OECD DAC External Development Finance Statistics, recipient perspective (<http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm>)

¹¹ Same as above. Includes both grants and debt

¹² The Fourth National Communication currently is being prepared. It is expected to be finalized and adopted by the Government by the end of 2021.

¹³ Approved by the Government in April 2021.

were held to coordinate and check for potential complementarities and overlaps with the ongoing NAP process as well as ongoing sectoral projects (figure 1, see also Annex 1).

Figure 1. Consultation process for the request development



(7) This request **contributes to the implementation of the enhanced NDC** and its proposed policy measures. Namely, the outputs produced for the health sector will generate data and strategic recommendations to support implementation of measures targeting emissions reduction from buildings, transport and waste in this sector. The outputs produced for the education and labour and social policy will directly contribute to implementation of measures-enablers of mitigation action related to education and smart communities, and lay the ground for enabling the country to cultivate skilled labour to meet the demand for green jobs and related shifts in the economy.

2.3 Continued strengthening of NDA and members of the coordination mechanism

(1) Building on the previous Readiness support I, this Readiness request will further strengthen capacities of NDA and the Strategic Advisory Committee (SAC) members and representatives of national institutions. The proposed activities will equip the NDA with methodology on how to account for human capital co-benefits in any climate finance projects as well as further build the capacity of NDA and SAC members on climate finance fundamentals:

- Output 1.1.1: Capacities of the NDA and Strategic Advisory Committee (SAC) representatives to enhance integration of gender-sensitive human capital considerations in climate finance and project implementation are strengthened. Proposed trainings are based on the capacity needs assessments in the national institutions and all relevant stakeholders dealing with climate action done under Readiness II (in draft version), CBIT project and for development of the Long-term Climate Strategy and Law. Several trainings are foreseen but the focuses of all of them differ from one other and the trainings are targeting audience in a complementary way.
 - Activity 1.1.1.1: Enroll the NDA staff and the SAC members (Ministry of Finance, Secretariat of European Affairs and the Ministry of Environment and Physical Planning) – 4 participants in total – in a certified training course on climate finance and climate change project implementation, with gender-balanced representation. This activity is an important element of a broader NDA-SAC capacity building on climate finance fundamentals. It will help NDA-SAC to have a better grasp of climate finance beyond GCF and equip them with better understanding of financial sector, which will ultimately improve the NDA's capacity to take decisions and drive climate finance and GCF agenda in the country.
 - Activity 1.1.1.2. Develop a self-assessment tool for newly designated representatives in the coordination mechanism for the GCF and a corresponding training toolkit. Due to a regular staff turnover in public institutions, there is a need to ensure that the newly designated representatives in the coordination mechanism do not start from scratch. The self-assessment tool will help to identify knowledge gaps for newly designated (at any point of time in the future) representatives in the coordination mechanism and what information / training they need to fulfill their mandate under the coordination mechanism. The training toolkit will provide a procedure and materials for the new SAC representatives to make sure and receive all needed background information to fulfill their roles, i.e. North Macedonia's climate change policy context, GCF process, country programming, no-objection procedure as well as human capital dimension in climate finance agenda. The self-assessment tool does not, however, serve as a diagnostic for the trainings planned under this request – as mentioned, they are scoped based on

the needs assessment already done under Readiness II (in draft version) and for development of the Long-term Climate Strategy and Law.

- Activity 1.1.1.3 Enhance climate finance project appraisal and origination tools from the perspective of better considerations of gender-sensitive human capital dimensions. This activity will produce a guideline on integrating human capital dimension / criteria in appraisal and design of climate projects.
- Activity 1.1.1.4: Organize training for the NDA staff, members of the coordination mechanisms and the SAC members on the intersection of climate finance and human capital. This training will take place closer to the end of the project for the NDA staff and members of the coordination mechanism (senior representatives of all line ministries and government bodies, as well as CSOs and private sectors representatives) to present the tools and their application, which were developed in this readiness project.
- Activity 1.1.1.5. Develop training modules on climate change, sustainable development and human capital intersection, including gender considerations, to be integrated into the platform 'Micro Learning'¹⁴ and the existing mandatory onboarding and training programmes for the public administration staff. This will strengthen understanding of the cross-cutting nature of climate change and human capital development, taking into consideration gender mainstreaming and balanced gender participation, within the technical staff of the Government and therefore facilitate overall implementation of climate agenda in the country. It should be noted that this activity does not include conducting an actual training but only development of training modules for already existing (self-paced, mandatory and voluntary) training programmes for public administration staff (different seniority levels).

2.4 Health sector

(1) **Strategic rationale.** This request aims to support initial steps to **greening the health sector infrastructure** – a challenge dealt with by the Ministry of Health which has received little support until now. In 2015, health care emissions were estimated to account for 4.1% (0.75MMt CO₂e) of the national total emissions.¹⁵ Climate change, e.g. increasing number of heat waves, and aging infrastructure will increase energy demand and emissions from the health sector. Under a business as usual scenario without climate action, health care emissions are estimated to more than double by 2050.¹⁶ Investing in decarbonisation of health infrastructure will contribute to curbing North Macedonia's emissions and preparing its healthcare system to effectively address climate change risks for human health.

(2) **Existing capacity.** The Ministry of Health (MoH), and the Institute for Public Health (IPH), are in charge of all aspects related to the impacts of climate change on human health. However, MoH and the IPH currently do not have staff dedicated specifically to climate issues, especially mitigation. Some of the existing job positions have certain responsibilities related to climate change aspects.¹⁷

(3) The MoH and the IPH prepare annual Public Health Programs with one chapter dedicated to climate change and health, financed by the Government. The institutions cooperate with the national and international partners on climate change-related activities. The MoH has an active role in the project "Energy Efficiency in the Public Sector" financed by the World Bank (WB) and implemented by the Ministry of Finance. The MoH also cooperates with the Department for Energy in the Ministry of Economy on the implementation of the recommendations of Energy Efficiency Law, related to energy efficiency upgrades of public buildings. The MoH and IPH also work with the Red Cross, WHO, and European Union projects.

Strategic and legal frameworks in the health sector:

- National Health 2020 Strategy and National Health Strategy 2021 – 2030 (draft)
- Law on Energy Efficiency

¹⁴ <https://www.mioa.gov.mk/?q=en/print/2474>

¹⁵ [Global Road Map for Health Care Decarbonization. North Macedonia Health Sector Emissions Fact Sheet](#)

¹⁶ [Global Road Map for Health Care Decarbonization. North Macedonia Health Sector Emissions Fact Sheet](#)

¹⁷ Institutional assessment for preparation of the Law on Climate Action (2020)

<ul style="list-style-type: none"> National Climate Change Health Adaptation Strategy and Action Plan 2011-2015
<ul style="list-style-type: none"> Public Health Programme (2018,2019,2020)
<ul style="list-style-type: none"> Heat wave Action plan
<ul style="list-style-type: none"> Cold weather Action plan

(4) **Gaps and support needs.** Some of the main capacity gaps and respective needs in the health sector related to climate change in general, and greening the health sector infrastructure specifically are:

- Technical capacity - the MoH and IPH do not have enough human and technical capacity to plan and implement policy measures and activities that address climate change considerations in the health sector. There is a need for optimization of staff / new unit, including related training, and technical solutions to integrate data from the public health providers.
- Data collection tools and assessments – the MoH and IPH lack online tools / system for collection and analysis of the data related to climate change, especially for data related to energy consumption and GHG emissions from the healthcare facilities. There is lack of assessments on contribution of the health sector to the national GHG emissions as well as mapping reduction potentials for energy consumption and GHG emissions. There is also lack of public financial resources to conduct such studies, even though the MoH and IPH are required to report energy consumption and emissions data.
- Strategic frameworks and policies – there are no action plan or list of priority mitigation measures for reduction of energy consumption and emissions from the health sector.
- Financial constraints and need in technical support - there are limited budgets devoted to and institutional interest in understanding climate change implications and options for decarbonization of the health sector. There is also little understanding how to engage the private sector in greening health infrastructure.

(5) **Proposed outputs and activities.** To contribute to filling the existing gaps and challenges, this request includes the following output and activities:

- **Output 1.3.1:** Ministry of Health (MoH), Institute of Public Health (IPH) have enhanced institutional mandates and technical capacities for integrating climate change mitigation issues within sectoral activities and policies:
 - Activity 1.3.1.1: Review and analyze institutional policies and organizational gaps for enhancing visibility of climate change issues within health sector planning. This activity envisages supporting the MoH in the formation and strengthening the capacity and visibility of the focal point / team in charge of climate change topic in order to further improve coordination, planning and implementation of measures on climate change.
 - Activity 1.3.1.2: Organize and implement a training on the tools, approaches and opportunities for decarbonizing health sector, with gender-balanced participation. The training will focus on the health sector's potential to reduce GHG emissions, including circular economy approaches, for the key stakeholders on central and local levels, including CSOs, mainly focusing on people responsible for developing and monitoring institutional investment plans and implementation of infrastructure projects to enable them to consider GHG emission reduction when deciding on investments in the health sector.
 - Activity 1.3.1.3: Enhance evidence base and methodologies for measuring, tracking, and reporting on the sector's emission and mitigation potential. This activity includes a stocktaking exercise of existing ICT solutions in other countries that collect data on GHG emissions and energy consumption from different types of facilities. Based on the results, an ICT-based solution for the MoH will be developed and integrated in the existing ICT system of the Ministry (if possible, using a data interface with the energy provider) to enable automated data collection on GHG emissions and energy consumption of health care facilities on the central and local level. A corresponding guideline for health care facilities on climate footprint measurement,

including on data collection related to GHG emissions and energy consumption, will be developed in English and local languages.

- **Output 2.2.3:** An Action plan for decarbonization of health sector, including long-term and short-term priorities, respective financing mechanisms, and recommendations for the private sector, by following gender-mainstreaming principles, is developed in close cooperation with the relevant stakeholders and is validated for implementation:
 - Activity 2.2.3.1: Collect evidence and develop strategic recommendations for decarbonizing health sector, including inter alia:
 - Assess contribution of the health sector to the national GHG emissions, by producing a mapping of public healthcare facilities and private hospitals (collecting data on their fleet, equipment, waste, water and food consumption, on their reduction potentials for energy consumption and GHG emissions).
 - Review applicable international and national best-practices on decarbonization of the health sector and assure these are in line with the provisions of the Energy Efficiency Law and Energy Strategy 2040.
 - Develop policy recommendations in consultations with all relevant expert- and stakeholder groups, following the gender-mainstreaming principle .
 - Activity 2.2.3.2: Develop an Action plan for decarbonation of health sector, including long-term and short-term priorities for decarbonization of the health sector, respective financing mechanisms (aligned with sector priorities for the GCF country programme), and specific recommendations for the private sector (including dedicated part of the yearly healthcare facilities budget, in line with Energy Efficiency Law). In the development of the Action plan, the gender-mainstreaming principles will be followed in a consultative process with the Ministry of Health, Institute of Public Health (IPH), and the CSOs. The unit responsible for budget process at the Ministry of Health will be included in the Action Plan review process to ensure alignment and the integration of the Action Plan in the budgeting process, and thus assuring its sustainability. Two workshops with gender-balanced participation shall be held in order to review and finalize the Action Plan and thus validating its further implementation.

2.5 Education sector

(1) **Strategic rationale.** The concept of education for climate change and sustainable development is important and relatively new for North Macedonia. The country is devoting huge efforts to meeting the SDG targets 4.7, 12.8 and 13.3 which are directly linked to education:

- Target 4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
- Target 12.8: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.
- Target 13.3: By 2030, improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

(2) As part of the commitment to “Leave no one behind”, the Government will focus on “introducing **climate change and media literacy at all educational levels**”¹⁸ and recommends on the target 13.3 “to ensure that climate-change-related issues are integrated into primary, secondary and tertiary curricula”.¹⁹

¹⁸ The first Voluntary National Review (VNR) Report for implementation of the SDGs, page 36 - <https://sustainabledevelopment.un.org/memberstates/macedonia>

¹⁹ The first Voluntary National Review (VNR) Report for implementation of the SDGs, page 84 - <https://sustainabledevelopment.un.org/memberstates/macedonia>

(3) **Existing capacity.** The Ministry of Education and Science (MoES) has shown commitment to the climate change agenda by leading or contributing to the ongoing projects and discussions on climate change and environmental education. The Ministry is involved in the CBIT Project towards building the institutional and technical capacities to enhance transparency in the framework of the Paris Agreement.²⁰ The Ministry is also involved in development of the new Strategy for Energy Development until 2040 which has EU Energy Union pillars, including fully integrated energy market, energy efficiency, climate action and decarbonizing the economy.²¹ The Ministry of Education and Science is represented in the National Council on Sustainable Development.

Strategic and legal frameworks in the education sector:
• Education Strategy for 2018-2025
• Adult Education Strategy for 2019-2023;
• Strategic plan of the Ministry for Education and Science 2019-2021
• Concept for establishing Regional VET Centers (on-going)
• New Concept for Primary Education (on-going)

(4) Progress has been made in promoting environmental / climate change education and engaging relevant national and municipal institutions and schools, including private education institutions. However, **access to climate-related educational content remains limited, scattered and unstructured**, particularly in the official educational system of the country. Third and Fourth Climate change is part of the environmental protection and education for sustainable development (ESD) topic and is incorporated to a varying extent on different levels of the educational system:²²

- Environmental education is promoted in the education system mainly based on the Programme on Integration of Environmental Education into the Education System. This Programme was implemented within the Memorandum of Cooperation with the Swiss Agency for Development and Cooperation (SDC), as a measure outside the Government's programme, and operationalized through the project "We do not have a spare planet", in cooperation with the civil society sector, in kindergartens, primary and secondary schools, student dormitories and private secondary schools.²³
- In primary and secondary education, environmental protection is included in the subjects on natural sciences, elective courses and extra-curricular activities. There were projects that aimed at raising awareness on climate and environmental responsibility practices, such as the Globe program, Green Pack and Green Pack junior, and Eko schools. The Globe program is incorporated in the science curriculum in primary schools as a tool for improving ESD. The Green Pack and Green Pack Junior are multimedia environmental education kits for teaching children aged between 6 and 15 about environmental protection and sustainable development. Civil sector organizations (CSOs) play a strong role in environmental education and are regularly involved in the process.
- A new Concept for primary education is under preparation which foresees establishing environmental clubs in schools to encourage the interest and motivation of the students to explore the environment, to learn about seasonal variations in climate and how they affect the environment, and to build habits for environmental protection.
- In higher education, currently, there are three faculties in the state university that have graduate, post-graduate and / or PhD programs connected to climate change and sustainable development. In programmes that are not directly related to environmental studies, environmental considerations are included only to a limited extent, mostly as elective courses.
- There are some informal adult education programmes on sustainable development, for example, a training programme preparing sustainable development analysts is provided by the NGO Eco-Logic through

²⁰ <https://www.cbitplatform.org/projects/strengthening-institutional-and-technical-macedonian-capacities-enhance-transparency>

²¹ [http://economy.gov.mk/Upload/Documents/Energy%20Development%20Strategy_FINAL%20DRAFT%20-%20For%20public%20consultations_ENG_29.10.2019\(3\).pdf](http://economy.gov.mk/Upload/Documents/Energy%20Development%20Strategy_FINAL%20DRAFT%20-%20For%20public%20consultations_ENG_29.10.2019(3).pdf)

²² North Macedonia Environmental Performance Reviews. Third Review (2019)

²³ North Macedonia Environmental Performance Reviews. Third Review (2019)

the Centre for Adult Education, as well as activities and events organized by the Ministry of Environment and Physical Planning and civil society organizations.

- North Macedonia introduced new laws in 2019 – the Law on teachers and professional associates in primary and secondary schools linking teacher professional development and career management and the Law on Primary Education. The new Law on secondary education and the Law for vocational education and training (VET) are under preparation. The Law for Academy for Teachers is currently being postponed.

(5) Recently, the MoES in cooperation with UNICEF and SIDA support started with implementation of the Project “Advancing Environmental Education – A comprehensive and purposeful environment and climate change education for all children”.²⁴ The overall objective of the project is to establish the foundations for cohesive and comprehensive environment and climate change education that aims to reduce community vulnerability to climate change. The implementation period is 36 months, until the end of 2023. This project targets pre-school (kindergartens), primary and secondary school education. It consists of two components:

- 1) Establish foundations for relevant and consistent environment and climate change education. This component includes policy analysis and development of curricula for selected school grades, and fostering professional development and peer learning within professional learning communities;
- 2) Provide children with contemporary knowledge and skills and empower them to actively contribute and enhance the community’s response to environmental impact and climate change. This component includes developing play-based activities and games, creating venues and programmes for experiential learning, e.g. science hubs and labs, and opportunities for social innovation and entrepreneurship to young people.

(6) **Gaps and support needs.** Strategic documents²⁵ and feedback from the Ministry of Education and Science and the civil sector representatives provided for scoping this request underline the following gaps and support needs in the institutional capacities and strategic frameworks in the education sector related to climate change:

- Institutional and technical capacity:
 - Climate change or ESD are not explicitly mentioned in the mission and vision of the Ministry. There are no dedicated staff or focal points dealing with environmental education and ESD. There is also a need to improve coordination of the Ministry of Education and Science with other institutions (Bureau for the Development of Education, local branches of the Ministry, Centre for Vocational Education and Training, Adult Education Center, education institutions, other line ministries etc.) in implementation, monitoring and evaluation of the activities for ESD / climate change. Limited capacity of the Ministry might be the root to many gaps and barriers listed below.
 - Similarly, other key stakeholders such as the Bureau for the Development of Education, municipalities, schools and CSOs, lack capacities to properly mainstream climate change and ESD in the education system. Most of the activities that take place in the municipalities are sporadic, unplanned and short-lived, with no lasting results.
- Strategic frameworks and policies:
 - There is no specific law or strategic document on environmental or climate change education. The 2005 Law on Environment provides a legal basis for educational and other institutions within their activities to promote and ensure awareness-raising on the environment and active participation in its protection. However, there is no secondary legislation or institutional mechanism to ensure the implementation of the Law’s provisions. With a few exceptions, climate change is either not mainstreamed in the existing strategic documents on education or included without specific action plans for implementation.
 - There is a need in developing of a National Strategy for Education for Sustainable Development and Action Plan for introducing ESD into pre-school, primary, secondary (including VET) and

²⁴ <https://www.unicef.org/northmacedonia/press-releases/new-environmental-education-programme-puts-youth-forefront-climate-action>

²⁵ Third National Communication (2016), Rapid assessment of the climate change integration in the education. Prepared within the project “Macedonia’s Fourth National Communication and Third Biennial Update Report on Climate Change under the UNFCCC” (2021), North Macedonia Environmental Performance Reviews. Third Review (2019), SDG Voluntary National Review (2020)

tertiary education, including the indicators to measure its implementation, harmonized with the Strategy for Education 2018-2025. This would lay the ground for mainstreaming climate change and ESD into the existing policies on primary, secondary and VET, adult and higher education.

- Education curricula:
 - Currently, there is no mandatory programme on environmental / climate change for future teachers in the country. In the last PISA results in North Macedonia, one of the major factors for students' weak performance is the lack of knowledge and motivation of teachers.²⁶ There is a need to introduce climate change-related content at the faculties that educate future teachers. This will improve "green" competences and climate literacy of teachers and educators, including training within their subjects, interdisciplinary planning and application of interactive teaching methods.
 - There is climate change-related content in every educational segment but a review of their quality and volume hasn't been made.²⁷ There is a need to review the existing curricula in terms of integrating topics like climate change and sustainable development. Concerted efforts to develop and implement ESD / climate change in formal education at all levels, as well as in non-formal and informal education, are lacking. This results in a lack of standards and harmonization of content. A national standard for climate change education with learning outcomes for each cycle of primary education and general secondary education is missing as well.
 - There is a mismatch between the anticipated demand for green jobs in energy efficiency and renewable energy and education / technical training offered. This demand for green jobs cannot be adequately met by the university programmes, technical and vocational education and training, and technology transfer institutions.

(7) **Proposed outputs and activities.** This readiness request includes the following outputs and activities to contribute to addressing mentioned gaps and support needs:

- **Output 1.3.2:** Ministry of Education and Science, the Bureau for the Development of Education, and of local branches of the Ministry have capacities to lead, plan, implement, monitor and report on the implementation of climate change related policies and activities in the education sector:
 - Activity 1.3.2.1: Review and analyze institutional policies and organizational gaps for enhancing visibility of climate change issues with education sector. Similar to support for the Ministry of Health, the Ministry of Education and Science will be guided in forming and strengthening the capacity and visibility of the focal point / team in charge of climate change and ESD.
 - Activity 1.3.2.2: Implement a training on ESD and climate change education for the relevant Ministry staff, including its branches on the municipal level, the Bureau for Development of Education, CSOs, and public and private education facilities, with gender-balanced participation.
 - Activity 1.3.2.3: Assess capacity needs of educational sub-sectors, e.g. primary, secondary and higher education, formal and non-formal education, on the integration of climate change issues, including gender considerations:
 - Identify areas for competence development of teachers and school managerial teams in formal and non-formal education in ESD and climate change, including gender considerations, in close cooperation with the Bureau for Development of Education.
 - Define recommendations for additional ESD / climate change curricula to be integrated in the programmes of the pedagogical and teaching faculties from the universities, including gender considerations, in close coordination with the Bureau for the Development of Education.

²⁶ https://www.financethink.mk/wp-content/uploads/2017/04/Studija_Kvalitet_na_Obrazovanie_Online.pdf

²⁷ Rapid assessment of the climate change integration in the education. Prepared within the project "Macedonia's Fourth National Communication and Third Biennial Update Report on Climate Change under the UNFCCC"

- Activity 1.3.2.4: Develop a training package on sustainable development and climate change for teaching staff and relevant CSOs, and conduct 2 pilot trainings, one in Skopje and one in a rural area, with gender-balanced participation.
- **Output 2.2.1:** An Action Plan for integration of the education for sustainable development (ESD) and climate change mainstreaming into the primary and secondary education, and higher education, is developed in close cooperation with the relevant stakeholders and is validated for implementation:
 - Activity 2.2.1.1: Assess best practices, policy gaps and develop recommendations for the integration of climate change topics (and their intersection with SDGs) in primary and secondary education (including VET), and higher education, including the following sub-activities:
 - Review the current status and develop strategic recommendations for integration of sustainable development and climate change education in primary and secondary education (including VET), university and adult education (legislation, curricula, school capacities, equipment and ICT infrastructure) in a dialogue with all relevant stakeholders, and in line with the Strategy for Education 2018-2025.
 - Identify options for integration of climate change and sustainable development into vocational education (VET) in the Programmes in selected regions in North Macedonia (I) North-Eastern Regional Centre in Kumanovo (agriculture, chemistry and technology); (II) the Polog Regional Centre (electro-technical, mechanical field education), (III) the South West Regional Center in Ohrid (tourism), including options for strengthening collaboration with the private sector and NGOs.
 - Develop policy recommendations in consultations with all relevant expert- and stakeholder groups, following the gender-mainstreaming principle.
 - Activity 2.2.1.2: Develop an Action Plan for ESD and climate change mainstreaming into primary and secondary education (including VET), university and adult education in a close coordination with the relevant stakeholders, such as the Ministry of Education and Science, the Bureau for Education, VET Center, academia representatives, CSOs and teachers. The unit responsible for annual budgeting at the Ministry will be included in the feedback rounds to ensure alignment and integration of the Action Plan in the budgeting process, and, in this way, its sustainability. Gender mainstreaming shall be considered while developing the Action Plan for ESD and in the consultation process. Two workshops with gender-balanced participation shall be held in order to review and finalize the Action Plan and thus validating its further implementation: one workshop will be held in the capital city of Skopje, and the second workshop will be held in one of the regions.
 - Activity 2.2.1.3: Implement pilots on integration of sustainable development and climate change into 6 public schools (from rural and urban areas):
 - Pilot “Small steps towards sustainable society” – support 6 schools with mentorship and basic equipment for separate waste collection in schools and establishment of eco-friendly groups in the schools;
 - Pilot “Grown your own food” – support 6 schools (one from a rural, one from an urban area for each category) with mentorship and basic equipment for a pilot phase for monitoring the impact of climate change on plants and food production.

2.6 Labor & social protection

(1) **Strategic rationale.** North Macedonia committed to the SDG 8 and, namely, the Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

(2) This request focuses on developing strategic elements for climate-smart and inclusive employment. The Third Biennial Update Report on Climate Change indicates that proposed mitigation measures can create **between 5,309 and 7,848 green jobs in 2030** under different assessment scenarios.²⁸ Measures that contribute the highest share in the number of new domestic green jobs are: retrofitting of existing residential buildings (42%), construction of passive houses (21%), solar thermal collectors (8%) and (renewable energy sources) RES without incentives (6%) in 2035. At least 27% of the maximum number of jobs would be for women.²⁹ Meeting this demand for skilled labor and its dynamics over time requires adjustments in the existing and development of new education and labor market policies.

(3) Yet, there is a mismatch between the anticipated demand for green jobs and available education / training and labor policies. **Low investment in human capital translates into inequalities and a lack of opportunities** for citizens to achieve their full potential. North Macedonia has a very low HDI score³⁰ and low productivity scores. In 2019, the total unemployment rate was 17.3% of the total labour force, with unemployment among women being higher – 18.4% of the total female labour force.³¹ The unemployment rate for young people aged 15-24 was 34.9% in Q2 2019.

(4) The **large informal sector** - around 18% in total employment in 2017 - is a persistent challenge, which has – adverse consequences for overall economic performance due loss of tax revenues, limited access of workers to social protection and high vulnerability of persons when they lose their jobs. There is significant participation of the informal (green) sector (individuals and families mainly from the Roma community) in the waste collection sector in the country. It is estimated that about 80 per cent of the recycled packaging waste in the country is collected and selected by the informal waste collection sector.³²

(5) **Existing capacity.** The potential role of social and labor policies in addressing climate change challenges and supporting a transition to sustainable development is gaining increasing recognition. There is a growing understanding by the Ministry of Labor and Social Policy (MLSP) that climate change will have an increasing impact on demand for social protection and will require adjustment of existing labor policies. The MLSP is a member of the National Climate Change Council and National Sustainable Development Council.

(6) Currently, climate change aspects are not integrated in the formulation of existing social support or active labor market programmes. The Government has established a working group aiming to connect the "green" jobs with youth unemployment. Moreover, the promotion of green jobs is included in the Strategic Plan of the MoEPP for the period 2020-2022.³³ Civil society organizations also play an important role in raising awareness and promoting green jobs in the policy discussions.³⁴ There are numerous, short term / ad hoc initiatives implemented by the civil sector and non-governmental organizations.

Strategic and legal frameworks in the labor and social policy sector:
• Annual Work Plan for the Ministry of Labour and Social Policy (2020)
• Strategic Plan of the Ministry of Labour and Social Policy (2020-2022)
• Report for the implementation of the Annual Work Plan for the Ministry of Labour and Social Policy (1-12.2019)
• National Strategy for poverty and social exclusion reduction (2010-2020)
• Programme for subsidies for energy consumption (2018)

(7) **Gaps and support needs.** Climate-smart and inclusive employment are underrepresented in the national climate change agenda. As the nexus of social and labor policy and climate change is relatively new for the country, there are multiple capacity gaps and support needs on different levels:

- Institutional, technical capacity and coordination:

²⁸ <https://www.klimatskipromeni.mk/article/28#/index/main>, adopted in April 2021

²⁹ <https://www.klimatskipromeni.mk/article/28#/index/main>, adopted in April 2021.

³⁰ http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/MKD.pdf

³¹ <https://databank.worldbank.org/source/world-development-indicators>

³² North Macedonia Environmental Performance Reviews. Third Review (2019)

³³ <https://www.klimatskipromeni.mk/article/28#/index/main>, accessed 04 December 2020

³⁴ <https://www.bidizelen.org/en/green-skills-for-young-people/>

- The current structure and capacity of the MLSP and the Employment Service Agency to integrate climate change into their work are limited. There is no dedicated focal point or unit in the Ministry responsible for climate-related issues, green jobs and active labor market programmes. The MLSP will need support in building the understanding of linkages between climate change, sustainable development, social protection and employment, and how they can be integrated in the Ministry's structure and policy making.
- Data collection tools and assessments:
 - A comprehensive or even partial statistical survey of the current number of green jobs in North Macedonia does not exist.³⁵ The National Classification of Occupations issued by the Employment Service Agency includes some green occupations, mainly related to energy efficiency retrofit works in the buildings sector.³⁶
 - There is an assessment of potential new green jobs created by proposed energy efficiency and renewable energy measures.³⁷ Similar assessments are missing for potential new green jobs in other sectors and how education and labor market policies can support meeting this new demand for labor.
- Strategic frameworks and policies:
 - There are no strategic frameworks addressing climate change implications for social protection and employment policy, neither is climate change mainstreamed into existing policies and support programmes, or the budgeting process.
 - There is a need to support climate change mainstreaming into social protection and labor policies and support programmes, especially through supporting "green" employment opportunities, for example by designing and piloting viable options for 'green' self-employment for rural youth, groups living near or below the poverty line, or other marginalized groups.

(8) Proposed outputs and activities:

- **Output 1.3.3:** The Ministry of Labor and Social Policy, its local branches, and the Employment Agency have capacities to lead, plan, implement, monitor and report on the implementation of climate change related policies and activities.
 - Activity 1.3.3.1: Review and analyze institutional policies and organizational gaps for enhancing visibility of climate change issues with labor and social policy sector. This activity envisages support to the Ministry of Labor and Social Policy in forming and strengthening the capacity and visibility of the focal point / team in charge of climate change issues, consisting of staff from the relevant divisions of the Ministry, in order to further improve coordination, planning and implementation of measures on climate change.
 - Activity 1.3.3.2: Develop a guideline for enhancing climate rationale of social development projects, including gender-sensitive approaches. The guidelines will be based on the existing GCF guidelines and international good practices and methodologies. This activity will equip the Ministry of Labor and Social Policy with a guideline on how to integrate climate rationale of social development projects, including gender-sensitive approaches.
- **Output 2.2.2:** An Action plan to support the development of green, climate-smart and inclusive employment across the key economy sectors, with the consideration of NDC's ambitions and taking into account the gender-mainstreaming principles, is developed and validated for implementation:
 - Activity 2.2.2.1: Develop strategic recommendations for social and labor policies for stimulating climate-smart and inclusive employment, with consideration of women's vulnerability to climate change. The sub-activities include:

³⁵ North Macedonia Environmental Performance Reviews. Third Review (2019)

³⁶ <https://av.gov.mk/nacionalna-klasifikacija-na-zanimanja.nspx> (in Macedonian)

³⁷ <https://www.klimatskipromeni.mk/article/28#/index/main>, accessed 04 December 2020

- Analyze good practices from the Regional Hub for Social Innovation, Social Enterprise Networks, traditional and start-up businesses that integrate a climate rationale in their production and /or service delivery processes, with a focus on social inclusion and gender mainstreaming principles.
 - Analyze developments in demands for skills / jobs in green sectors, identify the subsequent needs in new training programmes or upgrading skills and technical qualifications in existing occupations, with options for youth, women and socially marginalized groups, aligned with the requirements of the EU Green Deal, building on existing analysis under the Biennial Update Report on green jobs³⁸.
 - Analyze existing social and labor policies and related instruments in North Macedonia and their capacity for stimulating more climate-smart and inclusive employment, covering the MLSP, Employment Agency, Fund for Innovation and Technology Development and their employment programs, startup / social enterprise funds, subsidies, incl. for private sector.
 - Develop policy recommendations in consultations with all relevant expert- and stakeholder groups, following the gender-mainstreaming principle.
- Activity 2.2.2.2: Develop an Action Plan to support the development of green, climate-smart, gender-sensitive and inclusive employment across the key economy sectors in line with the NDC priorities and in consultations with all relevant stakeholders. The Action plan shall be drafted on the basis of the analysis conducted in 2.2.2.1 and in consultation with all relevant stakeholders, like the Ministry of Labour and Social Policy, the Employment Agency, CSOs, private sector representatives and 'good practice' businesses on ways to incentivize climate-smart and inclusive employment, taking into account the gender mainstreaming principles. The unit responsible for annual budgeting at the Ministry of Labor and Social Policy will be included in the consultation process to ensure alignment and integration of the Action Plan, i.e. the cost for its implementation, into the budgeting process. Two consultation workshops, with gender-balanced participation, will be held in order to review and finalize the Action Plan, thus validating its further implementation.

2.7 Complementarity to previous and ongoing projects

Project	Fund / Agency	Amount (million)	Status
Preparation of Long-term Strategy and Law on Climate Action	European Union	EUR 1.15	Long-term Strategy and Law on Climate Action pending approval

Linkage to this readiness request:

Scoping of this readiness request was based on the 2050 vision of the draft Long-term Strategy and its primary set of measures to be implemented by the Government and relevant Ministries. The proposed activities will contribute to the implementation of the priorities set by the [Law and The Long-Term Climate Change Strategy](#). It is foreseen by these documents that there will be capacity building in the institutions to address climate change issues. Namely, the Long-Term Climate Change Strategy foresees the following "primary set of measures to be implemented by the Government and relevant Ministries" applicable to health, education and social protection sectors:

- Mainstream climate change related aspects into the forthcoming National Strategy for Education.
- Mainstream climate change related aspects into the forthcoming National Innovation Strategy.
- Mainstream climate change related aspects into the forthcoming National Strategy for Gender Equality.
- Implement the capacity building activities foreseen under the draft Action Plan for Administrative Capacity Strengthening for Climate Action.
- Develop an action plan for the introduction of climate related education into the curricula of all education levels and in lifelong learning, teacher education and in-service training.
- Develop a national programme for climate awareness raising.

³⁸ [Draft Third Biennial Update Report on Climate Change under the UNFCCC](#)

- Establish a coordination mechanism on climate change education among all relevant stakeholders.
- Allocate resources for the implementation of climate change education activities on all educational levels.
- Allocate resources for the implementation of climate change awareness raising activities in which a number of behavioral measures will be promoted, such as sustainable food production, vegan diet and lifestyle, environment and climate friendly consumer practices, primary waste selection, local waste composting, promotion of local and low carbon products, etc.
- Assure regular financial allocations for climate change projects through the Fund for Innovations and Technology Development.

Furthermore, this readiness request is aligned with and will contribute to implementation of actions planned for the first phase of implementation of the strategy and the law (2021-2030), through close coordination with relevant stakeholders / implementers of the Long-term Strategy and related Action Plan. This refers (but not limited) to the following actions:

- A-M-15: Retrofitting of existing central government buildings. This action points to the absence of recent information about the public building stock and covers health sector. Activities under this readiness request will provide a tool for collecting data on emissions and energy consumption from the health sector and in this way contribute to the implementation of action A-M-15.
- A-M-61: Increased level of education of sustainable energy needs. This measure aims to adjust energy related curricula at all educational levels to make them responsive to energy transition trends. Output 2.2.1 of this readiness request, which will be implemented in close cooperation with the Ministry of Education and Science will directly contribute to implementation of this action.
- A-C-1: Mainstream climate change related aspects into the future national strategic planning documents related to education, research, and development, innovation, social inclusion and equal opportunities on women and men. The outputs 2.2.1, 2.2.2 and 2.2.3 of this readiness request will serve as an input for the implementation of this action.
- A-C-2: To promote the green transition through capacity building, training for new skills and awareness rising. The outputs 1.3.1, 1.3.2, 1.3.3. as well as 1.1.1 of this readiness request will serve as an input for the implementation of this action.
- A-L-5: Establishment of a system of monitoring and reporting of GHG emissions. Outputs 1.3.1 and 2.2.3 will provide input to the implementation of this action with regard to data collection tools and data for the health sector.
- A-L-13: Establishment of organizational capacity in institutions relevant for climate action. This action aims to enabling competent governmental institutions to establish the organizational capacity necessary to implement climate action. The outputs 1.3.1, 1.3.2, 1.3.3. as well as 1.1.1 of this readiness request will serve as an input for the implementation of this action.
- A-L-14: Establishment of necessary staff capacity in institutions for climate action. This action aims to provide of adequate staff resources in the institutions with tasks in climate action. This action will ensure sustainability of the outputs 1.3.1, 1.3.2, 1.3.3 of this readiness request.
- A-L-15: Strengthening Capacities for Implementation of Environmental and Climate Change Legislation. Similar to the actions above, activities under outputs 1.3.1, 1.3.2, 1.3.3. as well as 1.1.1 are synergetic with this action and will be implemented in close coordination with the lead institutions to ensure alignment, synergies, and sustainability of results.

Project	Fund / Agency	Amount (million)	Status
Strengthening Institutional and Technical Macedonian Capacities to Enhance Transparency in the Framework of the Paris Agreement	UNDP	USD 2.73	Ongoing

Linkage to this readiness request

The immediate objective of the project is to meet enhanced transparency requirements as defined in Article 13 of the Paris Agreement by strengthening institutional and technical capacity for measuring and reporting on emissions, mitigation and adaptation activities, and support received. It will use three means of strengthening capacity in this area: 1) Strengthening national institutions for MRV and aligning transparency activities with country priorities; 2) Ensuring that organizations and individuals have the necessary training and tools to conduct MRV activities; and 3) Transitioning arrangements for data collection, analysis, and reporting from a project-based cycle to a continuous process.

Findings of the capacity and training needs assessment for transparency in climate change MRV, conducted under this project was considered for scoping of this readiness request. Further alignment with other components of this project will be ensure by the delivery partner and the NDA in the implementation phase.

Project	Fund / Agency	Amount (million)	Status
North Macedonia Public Sector Energy Efficiency Project	World Bank	USD 27.4	Approved

Linkage to this readiness request

The development objective of Public Sector Energy Efficiency (EE) Project for North Macedonia are to: (i) reduce energy consumption in the public sector; and (ii) support the development and implementation of a sustainable financing mechanism for energy efficiency in the public sector.

This project correlates and offers synergies with the planned activities in the health sector under this readiness request. The delivery partner will coordinate closely with the Ministry of Health to ensure possible complementarities and synergies between the two projects, with consideration of their implementation timelines, namely, in terms of methodologies and tools to be developed, assessments and capacity building activities of relevant stakeholders.

Project	Fund / Agency	Amount (million)	Status
Programme on Integration of Environmental Education into the Education System	Swiss Agency for Development and Cooperation	n/a	Closed

Linkage to this readiness request

This programme has been completed and its results and outcomes, such as existing voluntary educational programmes and curricula, CSOs engagement, were considered as input for scoping of this readiness request. Furthermore, this readiness request will build on these results in implementation of the planned activities and further engagement of CSOs in education sector.

Project	Fund / Agency	Amount (million)	Status
Advancing Environmental and Climate Education	UNICEF	n/a	Ongoing

Linkage to this readiness request

This readiness request and the UNICEF project are in strong correlation and will be implemented in synergetic surrounding with the Ministry of Education and Science. A consultation meeting was held between the NDA, UNICEF and GIZ to ensure a coordinated and complementary approach of the two projects. Depending on the implementation timeline, this Readiness request, namely, its output 1.3.2 and output 2.2.1, will build on the findings and recommendations of the UNICEF project component 1 and exchange on the lessons learnt from the activities under the component 2.

3. LOGICAL FRAMEWORK

Outcomes	Baseline ³⁹	Targets	Outputs	Activities (brief description)	Deliverables ⁴⁰
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 existing coordination and considerations on human capital dimension in climate finance planning is limited	The climate finance decision-making is strengthened through better integration of human capital issues within existing advisory and coordination structures; and increased capacities of NDA and members of the coordination mechanism	Output 1.1.1: Capacities of the NDA and Strategic Advisory Committee (SAC) representatives to enhance integration of human capital considerations in climate finance and project implementation are strengthened.	Activity 1.1.1.1: Enroll the NDA staff and the SAC members in a certified face-to-face / offline training course on climate finance and climate change project implementation. Gender balanced participation is maintained.	Deliverable 1.1.1.1: NDA staff and the SAC members completed the certified training course (training certificates, pre and post training-survey to show the improvement)
				Activity 1.1.1.2: Develop a self-assessment tool for newly designated representatives in the coordination mechanism for the GCF and training toolkit	Deliverable 1.1.1.2: Online tool for self-assessment and training toolkit developed and included in the Rules of Procedure of NDA-SAC, validated by the NDA
				Activity 1.1.1.3: Enhance climate finance project appraisal and origination tools from the perspective of better considerations of gender and human capital dimensions	Deliverable 1.1.1.3: Guidelines for integrating gender and human capital dimensions in project appraisal and design, validated by the NDA
				Activity 1.1.1.4: Organize training for NDA staff, members of the coordination mechanisms and the SAC members on the intersection of climate finance and human capital.	Deliverable 1.1.1.4: 1 training for up to 30 participants organized, with gender-balanced participation (training report and materials, pre and post training-survey to show the improvement)
				Activity 1.1.1.5: Develop training modules on climate change, sustainable development with consideration of women's vulnerability to climate change, and human capital intersection.	Deliverable 1.1.1.5: Training module developed in English and local languages and integrated in the platform 'Micro Learning' and the existing mandatory training programme for the public administration staff

³⁹ Please briefly elaborate on current baselines on which the proposed activities can be built on, processes that are in place that the current Readiness proposal can strengthen, or any gaps that the proposed activities would fill in. If more space is needed, please elaborate this in Section 4.

⁴⁰ Please include tangible and specific deliverables for each activity proposed, Please note that during implementation all deliverables should be included within the implementation reports for GCF consideration.

Outcomes	Baseline ³⁹	Targets	Outputs	Activities (brief description)	Deliverables ⁴⁰
				These modules shall be integrated into the platform 'Micro Learning' and the existing mandatory training programme for the public administration staff	
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	Institutional and technical capacities are missing within health, education and social development sectors for integrating climate change considerations in their policies and activities.	Key stakeholders in health, education and social development sectors have developed the capacities and tools to analyze and integrate climate change information in sectoral policies and activities	Output 1.3.1: Ministry of Health (MoH), Institute of Public Health (IPH) have enhanced institutional mandates and technical capacities for integrating climate change mitigation issues within sectoral activities and policies	Activity 1.3.1.1: Develop recommendations on extended mandate related to climate change and corresponding ToRs for the focal point / team responsible for climate change related activities, based on the existing assessments and in consultation with the Ministry	Deliverable 1.3.1.1: ToR for the focal point / team in charge of climate change topic, validated by the Ministry of Health
				Activity 1.3.1.2: Organize and implement a training for stakeholder representatives from local and central level institutions, incl. private sector and CSOs on the tools, approaches and opportunities for decarbonizing health sector	Deliverable 1.3.1.2: 1 training delivered for up to 30 participants, with gender-balanced participation (training report and materials, pre and post training-survey to show the improvement)
				Activity 1.3.1.3: Enhance evidence base, tools and methodologies for measuring, tracking, and reporting on the sector's emission and mitigation potential	Deliverable 1.3.1.3a: ICT-based solution for data collection developed and integrated in the existing ICT system of the MoH. Deliverable 1.3.1.3b: Guideline for health care facilities on climate footprint measurement, incl. on data collection related to GHG emissions and energy consumption, in English and local languages
			Output 1.3.2: Ministry of Education and Science, the Bureau for the Development of Education, and of local branches of the Ministry have capacities to lead, plan, implement, monitor and report on the implementation of	Activity 1.3.2.1: Develop recommendations on extended mandate related to climate change and corresponding ToRs for the focal point / team responsible for climate change related activities, based on the existing assessments and in consultation with the Ministry	Deliverable 1.3.2.1: ToR for the focal point / team in charge of climate change topic, validated by the Ministry of Education and Science

Outcomes	Baseline ³⁹	Targets	Outputs	Activities (brief description)	Deliverables ⁴⁰
			climate change related policies and activities in the education sector	Activity 1.3.2.2: Organize a training for the Ministry of Education and Science, including its branches on the municipal level, the Bureau for Development of Education, CSOs as well as public and private education facilities, with gender balanced participation	Deliverable 1.3.2.2: 1 training delivered for up to 30 participants, with gender-balanced participation (training report and materials, pre and post training-survey to show the improvement)
				Activity 1.3.2.3: Assess capacity needs of educational sub-sectors, e.g. primary, secondary and higher education, formal and non-formal education, on the integration of climate change issues	Deliverable 1.3.2.3: Report on capacity needs assessment including: <ul style="list-style-type: none"> - Technical and skills needs assessment and recommendations on the scope and areas of needed competence development, incl gender considerations - Recommendations on the additional curricula on ESD / climate change for teachers
				Activity 1.3.2.4: Develop a training package on sustainable development and climate change for teaching staff, and conduct 2 pilot trainings for teachers and CSOs, one in Skopje and one in a rural area	Deliverable 1.3.2.4: Training package and training reports from 2 trainings delivered for at least 30 participants each, with gender-balanced participation (training reports and materials, pre and post training-survey to show the improvement)
			Output 1.3.3: The Ministry of Labor and Social Policy , its local branches, and the Employment Agency have capacities to lead, plan, implement, monitor and report on the implementation of climate change related policies and activities	Activity 1.3.3.1: Develop recommendations on extended mandate related to climate change and corresponding ToRs for the focal point / team responsible for climate change related activities, based on the existing assessments and in consultation with the Ministry	Deliverable 1.3.3.1: ToR for the focal point / team in charge of climate change topic, validated by the Ministry of Labor and Social Policy
				Activity 1.3.3.2: Develop a guideline for enhancing climate rationale of social development projects, incl. gender-sensitive approaches and have a	Deliverable 1.3.3.2: <ul style="list-style-type: none"> - Guideline for enhancing climate rationale of social development projects, validated by the Ministry of Labor and Social Policy

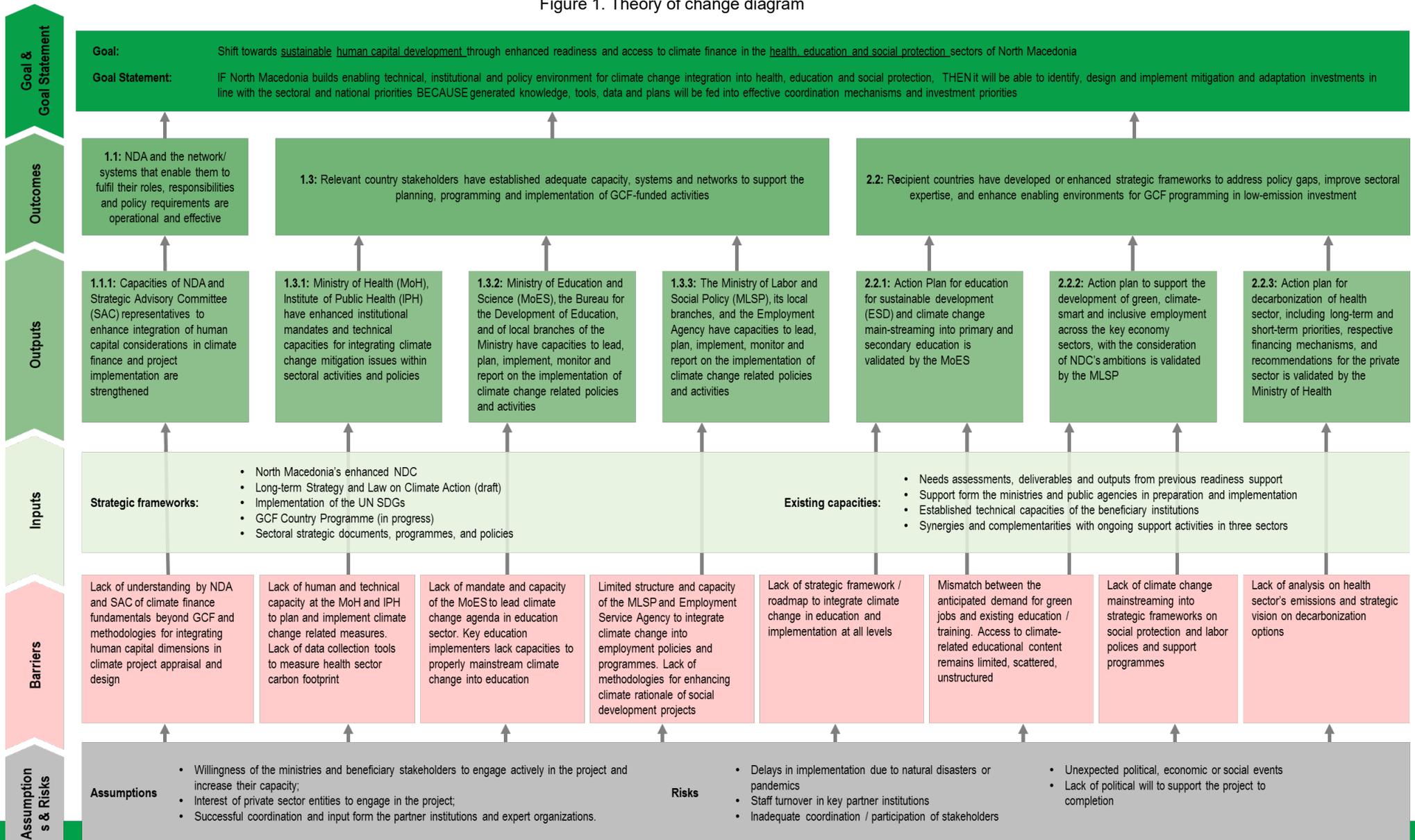
Outcomes	Baseline ³⁹	Targets	Outputs	Activities (brief description)	Deliverables ⁴⁰
				sensitization and validation sessions with the Ministry of Labor and Social Policy	- Report on the outcomes of the sensitization and validation sessions
Outcome 2.2 GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment	The existing policy frameworks in health sector are not considered of mitigation potential; Educational policies and programs have limited recognition of climate change topics. Labor market policies and practices do not consider climate change potential of various economy sectors and lack the alignment with NDCs.	Policy frameworks are enhanced to support decarbonization of health sector; enhancing the integration of climate change at different levels of the education systems; and promotion and integration of climate / green jobs into state employment programmes and incentives.	Output 2.2.1: An Action Plan for integration of the education for sustainable development (ESD) and climate change mainstreaming into the primary and secondary education, and higher education, is developed in close cooperation with the relevant stakeholders and is validated for implementation	Activity 2.2.1.1: Analyze good practices, policy gaps and options for the integration of climate change topics (and their intersection with SDGs) in primary and secondary education (including VET), and higher education and develop policy recommendations	Deliverable 2.2.1.1: Assessment report and recommendations for integration of sustainable development and climate change education in primary and secondary education, university and adult education
				Activity 2.2.1.2: Develop an Action plan for the integration of climate change topics (and their intersection with SDGs) in primary and secondary education (including VET), and higher education, based on the conducted analysis in 2.2.1.1 incl. gender considerations and in a consultation process and validate with the Ministry of Education and Science	Deliverable 2.2.1.2: <ul style="list-style-type: none"> Action Plan for education for sustainable development (ESD) and climate change mainstreaming into primary and secondary education (including VET), university and adult education, validated by the Ministry of Education and Science Report on the consultation process, incl. 2 workshops for up to 30 participants each, with gender-balanced participation
				Activity 2.2.1.3: Implement 2 pilots on integration of sustainable development and climate change into school curricula in 2 primary, 2 secondary and 2 VET schools from rural and urban areas	Deliverable 2.2.1.3: Report on implementation and lessons learned from rural and urban schools
			Output 2.2.2: : An Action plan to support the development of green, climate-smart and inclusive employment across the key economy sectors, with the consideration of NDC's ambitions and taking into account the	Activity 2.2.2.1: Develop strategic recommendations for social and labor policies for stimulating climate-smart and inclusive employment. The sub-activities include: <ul style="list-style-type: none"> Analyze good and replicable examples on green / climate-related 	Deliverable 2.2.2.1 Assessment report and recommendations for development of green, climate-smart and inclusive employment across the key economy sectors, with the consideration of NDC's ambitions

Outcomes	Baseline ³⁹	Targets	Outputs	Activities (brief description)	Deliverables ⁴⁰
			gender-mainstreaming principles, is developed and validated for implementation	<p>startup businesses or traditional businesses that consider climate change issues</p> <ul style="list-style-type: none"> - Analyze existing and anticipated demand for skills / jobs in green sectors and needed training and education - Analyze the existing social and labor policies, employment programs, social enterprise funds, and incentives for private sector - Develop policy recommendations in consultations with all relevant expert- and stakeholder groups, following the gender-mainstreaming principle 	
				Activity 2.2.2.2: Develop an Action Plan for the Ministry of Labor and Social Policy to support the development of green, climate-smart and inclusive employment across the key economy sectors, with the consideration of NDC's ambitions, based on the conducted analysis in 2.2.2.1, incl. gender considerations and in a consultation process, and validate with the Ministry of Labor and Social Policy	<p>Deliverable 2.2.2.2:</p> <ul style="list-style-type: none"> • Action plan to support the development of green, climate-smart and inclusive employment across the key economy sectors, with the consideration of NDC's ambitions, validated by the Ministry of Labor and Social Policy • Report on the consultation process, incl. 2 workshops for up to 30 participants each, with gender-balanced participation
			Output 2.2.3: An Action plan for decarbonization of health sector, including long-term and short-term priorities, respective financing mechanisms and recommendations for the private sector, by following gender-mainstreaming	<p>Activity 2.2.3.1: Collect evidence and develop strategic recommendations for decarbonizing health sector, including inter alia:</p> <ul style="list-style-type: none"> - Assess the contribution of the health sector to the national GHG emissions 	<p>Deliverable 2.2.3.1:</p> <ul style="list-style-type: none"> • Assessment report on the contribution of the health sector into the national GHG emissions

Outcomes	Baseline ³⁹	Targets	Outputs	Activities (brief description)	Deliverables ⁴⁰
			principles, is developed in close cooperation with the relevant stakeholders and is validated for implementation	<ul style="list-style-type: none"> - Review applicable international and national best-practices on decarbonizing health sector - Develop policy recommendations in consultations with all relevant expert- and stakeholder groups, following the gender-mainstreaming principle 	
				Activity 2.2.3.2: Develop an Action plan for decarbonization of health sector, including long-term and short-term priorities, respective financing mechanisms, and recommendations for the private sector, based on assessment results from 2.2.3.1, incl. gender considerations and in consultation process, and validate with the Ministry of Health	Deliverable 2.2.3.2: <ul style="list-style-type: none"> • Action plan for decarbonization of health sector validated by the Ministry of Health • Report on the consultation process, incl. 2 workshops for up to 30 participants each, with gender-balanced participation

4. THEORY OF CHANGE

Figure 1. Theory of change diagram



This Readiness request aims to build capacities and create an enabling environment for sustainable human capital development and its potential to elevate climate action in a systematic way, through focusing on healthcare, education and social sectors as direct venues of potential impact. Without addressing this dimension, it will be hard to systematically proceed with a fruitful climate action in the country.

It is considered that if North Macedonia builds an enhanced technical, institutional and policy environment for climate change integration into health, education and social protection, it will be able to identify, design and implement mitigation and adaptation investments in line with the sectoral and national priorities because the generated knowledge, tools, data and plans will enable effective coordination, policies and investment decisions.

The country has a long way ahead in shaping its policies through the lens of climate change. An evident gap is grasping and addressing the interlinkage of climate change and sustainable human capital development as a precondition for an effective climate action in the country.

North Macedonia is at the early stage of integrating climate change considerations into the health, social protection and education sectors. Despite existing capacities and preparatory work, which are necessary conditions to implement this request, there are still many gaps and support needs in the three sectors. This request will build on the existing national climate and sectoral priorities and capacities, such as the country programming process for the GCF, the NAP process, sectoral planning and priorities. The outcomes of this request will lay the ground for establishing capacities for developing priority climate projects and creating an enabling environment for accessing climate finance and climate investment in these three sectors.

As outlined in the Logical Framework in Section 3, the request will address GCF Readiness Objective 1 'Capacity Building' and Objective 2 'Strategic frameworks for low-emission investment' in order to contribute to the achievement of this goal:

- Outcome 1.1: North Macedonia's NDA and the network/systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective;
- 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 2.2: GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment.

The Readiness request intends to achieve 7 outputs by implementing a series of activities and deliverables in order to reach the stated long-term outcomes and to contribute to the overall Readiness goal in an efficient and sustainable way. The planned outputs will target the prioritized readiness needs in the health, education and social protection sectors described in Section 2. Capacities and knowledge produced will provide the evidence base to design solutions which will ultimately translate into effective investment decisions for the three sectors. This request will also engage the private sector actors in the healthcare, education and social sectors.

The request is strongly aligned with the country context referring to North Macedonia's strategic documents such as the enhanced NDC, the draft Long-term Strategy and Law on Climate Action, the UN Agenda 2030 and the SDGs, the national GCF country programming process as well as sectoral development and climate change plans and efforts as described in Section 2. In this way, the planned activities and outputs will contribute to advancing North Macedonia's national climate priorities, building on completed and complementing ongoing and planned readiness activities in the country.

Health sector

Proposed outputs and activities for the health sector will address the following key identified barriers:

- Lack of human and technical capacity at the MoH and IPH to plan and implement climate change related measures. Lack of data collection tools to measure health sector carbon footprint

- Lack of analysis on health sector's emissions and strategic vision on decarbonization options.

This request will help develop technical and institutional capacities with regard to greening health infrastructure, and facilitate cooperation between various stakeholders, including from the private sector (output 1.3.1). The planned readiness will support the Ministry of Health with better reflecting climate change related tasks within the Ministry's structure and mandate (activity 1.3.1.1). The MoH staff will be provided with relevant trainings (activity 1.3.2.1) and ICT-tool for data collection and analysis of energy consumption and GHG emission on a healthcare facility level (activity 1.3.1.3).

The request will support assessment of the sector's contribution to the country's GHG emission and identify decarbonization solutions and financing options for greening the health sector's infrastructure (output 2.2.3). Activity 2.2.3.1 will collect evidence and develop strategic recommendations for decarbonizing health sector, which will create a basis for developing an Action plan for decarbonization of health sector, including long-term and short-term priorities, respective financing mechanisms, and recommendations for the private sector, based on consultation process (activity 2.2.3.1).

In the medium and long term, these activities will help guide sustainable investment and policy decisions in the health sector which are line with the NDC targets and measures, and contribute to the overall preparedness of the healthcare system for future climate risks.

Social policy and employment

This sector is the least prepared to address the demands that will arise from the consequences of climate change, in this case – for social services and jobs. Proposed outputs and activities for the social policy and employment sector will address the following key identified barriers:

- Limited structure and capacity of the MLSP and the Employment Service Agency to integrate climate change into employment policies and programmes. Lack of methodologies for enhancing climate rationale of social development projects.
- Mismatch between the anticipated demand for green jobs and existing education / training.
- Lack of climate change mainstreaming into strategic frameworks on social protection and labor polices and support programmes.

By working together with the Ministry of Labour and Social Policy (MLSP) and developing recommendations on extended ministry's mandate related to climate change and corresponding ToRs for the focal point / team responsible for climate change related activities (activity 1.3.3.1) as well as developing a guideline for the MLSP on enhancing climate rationale of social development projects (activity 1.3.3.2), the request will support the MLSP in integrating climate change into its structure and, therefore, facilitating more effective coordination and decision-making (output 1.3.3).

Furthermore, the activity 2.2.2.1 will identify options for stimulating more climate-smart and inclusive employment through existing subsidy and support programmes and engaging in a dialogue with the private sector. Based on these findings, an Action Plan to support the development of green, climate-smart and inclusive employment with the consideration of NDC's ambitions will be developed (activity 2.2.2.2). It will be the first strategic document for the MLSP aiming at climate change mainstreaming into social protection and labor polices and support programmes (output 2.2.2).

In the medium to long term, these activities and outputs will contribute to creating an enabling environment for the socially inclusive green job market and a social protection and employment support system that is aligned with the country's demand for green jobs and climate change investments.

Education sector

The proposed output and activities target the need for improved institutional capacities and strategic frameworks in the education sector for mainstreaming climate change education into North Macedonia's educational system, and enhancing cooperation and synergies between academia, civil society and private sector. Proposed outputs and activities for the education sector will address the following key identified barriers:

- Lack of mandate and capacity of the MoES to lead climate change agenda in education sector. Key education implementers lack capacities to properly mainstream climate change into education.
- Lack of strategic framework / roadmap to integrate climate change in education and implementation at all levels.
- Mismatch between the anticipated demand for green jobs and existing education / training. Access to climate-related educational content remains limited, scattered, unstructured.

Output 1.3.2 will focus on strengthening capacities of key policymakers and implementers of ESD and climate change education, namely, the Ministry of Education and Science and its municipal branches, the Bureau for Development of Education, CSOs, public and private education facilities. Similar to other two sectors, this request will support the Ministry of Education and Science in identifying options for better integration of climate change and education nexus within the ministry's mandate and structure (activity 1.3.2.1). Institutions and stakeholders mentioned above will receive a training on ESD and climate change education (activity 1.3.2.2). Furthermore, activity 1.3.2.3 includes capacity needs assessment focusing on existing and future teaching staff and propose additional ESD / climate change curricula to be integrated in the programmes of the pedagogical and teaching faculties from the universities. This will be accompanied by the development of a training package on sustainable development and climate change and implementation of 2 pilot trainings for teaching staff and relevant CSOs (activity 1.3.2.4).

Output 2.2.1 will support the Ministry of Education and Science in developing concrete steps for implementation of the ESD and climate change education. Based on the assessments of policy gaps and options for the integration of climate change topics in primary and secondary education and higher education (activity 2.2.1.1), an Action plan for the integration of climate change topics (and their intersection with SDGs) in primary and secondary education (including VET), and higher education will be developed in a consultation process (activity 2.2.1.2). To test and demonstrate results of integration of sustainable development and climate change into school curricula, 2 pilots will be implemented in 2 primary, 2 secondary and 2 VET schools from rural and urban areas (activity 2.2.1.3).

In the medium to long term, this request will contribute to establishing an education system that reflects the priorities and values of a sustainable society by building the national technical expertise for climate action in all priority sectors, reducing reliance on international technical assistance for identifying climate priorities and pipelines, accessing climate finance, and matching the national demand for green jobs and implementation of climate investments.

Continued strengthening of NDA and coordination mechanism

Building on the previous Readiness support I and the findings of the Needs Assessment activity and the Plan for Training Needs Support done under Readiness 2, this Readiness request will address the continued need for enhanced capacities and coordination among the NDA and the Strategic Advisory Committee (SAC) members and representatives of national institutions. The trainings and self-assessment tool developed under the output 1.1.1 will address the lack of understanding by NDA and SAC of climate finance fundamentals beyond GCF and methodologies for integrating human capital dimensions in climate project appraisal and design. This will provide an equal base of knowledge and understanding of climate change, climate finance and GCF procedures, and the dimension of human capital development in climate change context to all institutional representatives in the coordination mechanism, including private and civil sector representatives and thus make the coordination more effective.

Initiating a dialogue with the private sector

The level of engagement of the private sector in education, healthcare or social services in North Macedonia is low. So is private sector awareness and understanding of potential investment opportunities and / or needed adjustments in existing business models stemming from climate change. This request intends to address these challenges by involving private sector representatives in the discussions and sector-specific activities, providing a platform to share the best practices and to collect feedback on what support (policies, financial incentives, technical assistance) the private sector needs for climate-smart and inclusive employment and investment. In the

medium to long term, these efforts, together with private sector engagement activities under Readiness II and the NAP proposal, will result in aligning private sector investment with North Macedonia's sustainable development and climate change priorities and investment needs.

5. BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT PLAN

5.1 Budget plan

See Excel document under 5.4

5.2 Procurement plan

See Excel document under 5.4

5.3 Implementation Plan

See Excel document under 5.4

5.4 Disbursement schedule

Please choose one option among the two below and delete the one that does not apply to you. Please fill in information under brackets:

Readiness Proposal that falls within a Framework Agreement with the GCF

Disbursements will be made in accordance with Clause 4 “Disbursement of Grants” and Clause 5 “Use of Grant Proceeds by the Delivery Partner” of the Amended and Restated Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on 14 September 2020 as amended by the side letter countersigned on 5 July 2021 (the “Framework Agreement”).

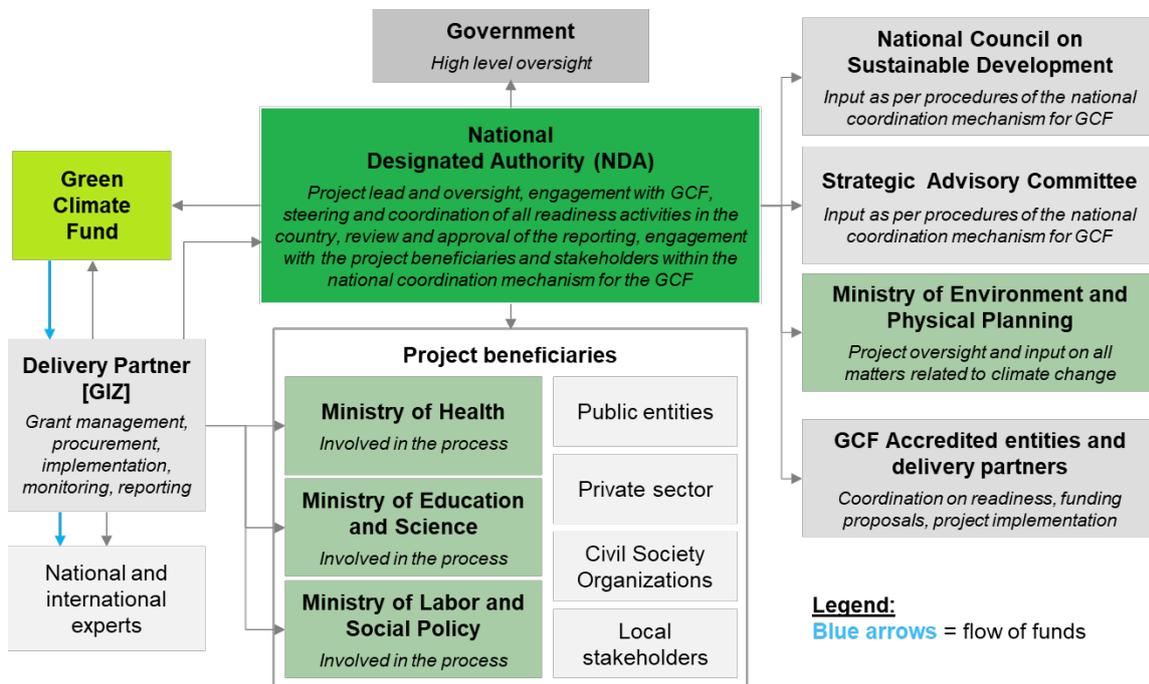
6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

6.1 Implementation arrangements

Please describe how implementation arrangements will be made and how funds will be managed by the NDA and/or the Delivery Partner.

Implementation arrangements are illustrated by the figure 2. The project will be implemented by the delivery partner GIZ with the lead and oversight of the NDA, with input of the Ministry of Environment and Physical Planning and member of the national coordination mechanism on GCF matters. Implementation arrangements and start of the project implementation is expected for April 2022.

Figure 2. Implementation arrangements



National Designated Authority (NDA). The NDA will lead and oversee the overall project implementation, ensuring the country ownership principle. The NDA will directly engage with the GCF and review and approve reporting by the delivery partner. The NDA will also be involved in the implementation of project activities, providing feedback and engaging with the project beneficiaries, namely the Ministry of Health, Ministry of Education and Science, Ministry of Labor and Social Policy and other institutions. The NDA will also steer and coordinate this project with other delivery partners, who are currently implementing readiness projects or developing readiness proposals.

Delivery partner. GIZ, as the delivery partner, will hold the main responsibility for the management of the grant, procurement of goods and services, fiduciary and financial management, implementation of activities, and monitoring and reporting in accordance with GIZ’s policies and procedures and with the Framework Agreement. While other entities may provide support, coordination or technical guidance, GIZ will be solely responsible for the implementation of the Readiness support activities. Operational planning, drafting of service packages and the implementation of the project activities will be closely coordinated and agreed with the NDA and with relevant lead government agencies. The delivery partner will have a project team that consists of the national project team on Skopje, back-stopping and support from the Partnering for Readiness (PfR) team, based at the GIZ headquarters, and national and international consultants. The delivery partner will work closely with the NDA

and coordinate with the delivery partners of the ongoing (readiness II implemented by FAO) and planned (NAP proposal by the UNDP) readiness activities to ensure collaboration on complementarities and avoid overlaps, with support from the Ministry of Environment and Physical Planning.

Ministry of Environment and Physical Planning (MoEPP). The MoEPP is the leading ministry on all international and national matters and commitments related to climate change in North Macedonia. The MoEPP was involved in consultations for scoping this request and will oversee the implementation of the project and its alignment with the national climate change priorities. The MoEPP, together with the members of the National Council on Sustainable Development and the Strategic Advisory Committee, will provide technical oversight to avoid overlaps or duplication with other ongoing or planned projects. General responsibilities will include idea creation and support to the processes necessary for the efficient implementation of the Project.

National Council on Sustainable Development (NCSD). The NCSD provides the NDA with high-level assistance and endorsement of GCF-related activities. Upon the NDA's request and within the procedures of the national coordination mechanism on GCF matters, the NCSD will also provide its support in implementation of this project - oversight and steering, political anchoring and outreach to public and private sector entities in consultation processes, as well as guidance on the content and alignment of the activities with the national priorities.

Strategic Advisory Committee (SAC). The SAC is a body established for advising the NDA on all GCF-related matters in the national coordination mechanism. It is composed of experts in the areas of climate change, project management and financing. Like the NCSD, the SAC will also provide input and technical guidance, upon the NDA's request, on implementation of this project.

Ministry of Health (MoH). The MoH, together with the Institute of Public Health (IPH), will be the main beneficiary of readiness activities in the health sector. The MoH and IPH will also provide technical input and endorsement for implementation of the activities under outputs 1.3.1 and 2.2.3. The MoH will also coordinate with the ongoing or planned support by other international donors or partners in the health sector.

Ministry of Education and Science. The Ministry of Education and Science and the Bureau for the Development of Education will be the main beneficiaries of readiness activities in the education sector. The delivery partner will work closely with the ministry on implementation of the activities under outputs 1.3.2 and 2.2.1. The Ministry will also coordinate with the ongoing or planned support by other international donors or partners.

Ministry of Labor and Social Policy (MLSP). The MLSP will be the main beneficiary of readiness activities in the social protection and employment sector. The delivery partner will work closely with the MLSP on implementation of the activities under outputs 1.3.3 and 2.2.2. The Ministry will also coordinate with the ongoing or planned support by other international donors or partners.

Other project beneficiaries. Other project beneficiaries include relevant national and local, public, private and civil society stakeholders in the health, education and social protection sectors. For each sector, specific stakeholders will be identified for the activities related to capacity building as well as for the needed consultations to provide technical input and ensure transparency and synergies across ongoing sectoral, local and national projects and priorities.

Gender mainstreaming. This readiness project will comply with GCF Gender Policy. The project will enable inclusive and gender-responsive engagement mechanisms and inter-institutional arrangements. The project will promote an active and equitable engagement and empowerment of women in all activities. The readiness will inform about the obstacles and opportunities that exist to allow a more diverse and inclusive participation. The project will ensure that consultants incorporate gender considerations into the capacity building activities.

6.2 Implementation and execution roles and responsibilities

Please briefly describe how the activities will be implemented and outputs delivered by project staff and consultants.

GIZ will serve as the delivery partner and will take responsibility for implementing the readiness activities under the leadership of the NDA. The implementation will be supported by a team of GIZ national advisors, working closely with the NDA and other relevant partners. The GIZ team implementing the Readiness in North Macedonia will consist of:

- 1 national GIZ Senior Expert (100%) responsible for the implementation and coordination of the Readiness support in coordination with the NDA - ILead technical advisor and ensuring participatory process throughout the project, quality assurance of all deliverables; technical advice and inputs where senior expertise is required;
 - identifying key actors on national level and their inter-relation, designing stakeholder maps for all the three target sectors;
 - conducting planning exercise with the relevant actors, taking into account the planned results and milestones;
 - identifying implementation scenarios, based on the implementation plan and in coordination with the stakeholders in all the three target sectors;
 - design and facilitation of various forms of dialogue platforms with the stakeholder groups;
 - regular communication and exchange with actors on national and local level;
 - stakeholder engagement, donor's coordination, project visibility and outreach;
 - leading and guiding project team, national and international experts;
 - oversight of tendering processes;
 - supervision and coordination of consultants;
 - quality control of all activities and respective deliverables;
 - overall political liaison with NDA and key stakeholders;
 - ad-hoc technical support to NDA and other if needed.
- 1 national GIZ Climate Change Advisor (50%) – providing technical expertise and supporting the Senior Expert and the NDA in the implementation of the Readiness support:
 - consultations with stakeholders and implementation of capacity-building processes;
 - networking with professional groups and coordination with other international organizations;
 - engagement and supervision of the external consultants in their assignments;
 - assistance in facilitating dialogue platforms with the stakeholder groups;
 - implementation of workshops and trainings;
 - support in communication and exchange with NDA and actors on national and local level;
 - participation in events and in other communication channels to contribute to the visibility effects;
 - supporting in quality control of all activities and respective deliverables;
 - daily technical and logistical ad-hoc support to the NDA and other partners if needed.
- 1 GIZ Expert on Climate Policy and Cooperation – international staff based in North Macedonia, spends appr. 4 days per month on the GCF Readiness project for 24 months:
 - backstopping and strategic support, incl. on implementation, synergies and cooperation potentials.
- GIZ Expert pool - pool of experts from GIZ core staff international based in Germany, appr. 4 days per month for 24 months:
 - expertise and support to national team, technical backstopping on climate finance and sector specific topics for health, education, social protection and adaptation/mitigation;
 - technical inputs for tendering processes;
 - support for quality assurance of deliverables;
 - communication with GCF Secretariat if needed;
 - climate change mainstreaming into education sector for specific support for output 2.2.1 (additional 8 days in total).

In consultation with the NDA, GIZ will subcontract national and international consultants to deliver the planned activities. International consultants will work in tandem with the national consultants. The international consultants will bring in international experiences, best practices and expertise, while the national consultants will bring in knowledge of the country context and engagement of national stakeholders:

Consultants	Deliverables	Qualifications / Requirements
<p>1 national consultant on health and climate change</p> <p><i>In tandem with</i></p> <p>1 international consultant on health and climate change</p>	<ul style="list-style-type: none"> • 1.3.1.1: Recommendations for enhancing institutional mandates and ToR for the focal point / team in charge of climate change topic developed • 1.3.1.2: 1 training delivered for up to 30 stakeholder representatives from local and central level institutions, incl. private sector and civil society organizations • 2.2.3.1: Collect evidence and develop strategic recommendations for decarbonizing health sector • 2.2.3.2: Action plan for decarbonation of health sector, including long-term and short-term priorities, respective financing mechanisms, and specific recommendations for the business community, including 2 consultation workshops 	<ul style="list-style-type: none"> • Master's degree in political science, social science, environmental studies, health studies, or other relevant field • Minimum 7 years' experience undertaking assignments of a similar nature
<p>1 national consultant on education and climate change</p> <p><i>In tandem with</i></p> <p>1 international consultant on education and climate change</p>	<ul style="list-style-type: none"> • 1.3.2.1: Recommendations for enhancing institutional mandates and ToR for the focal point / team in charge of climate change topic developed • 1.3.2.2: 1 training delivered for up to 30 participants • 1.3.2.3: Report on capacity needs assessment • 1.3.2.4: Training package and training reports from 2 trainings delivered for at least 30 participants each • 2.2.1.1: Analyze good practices, policy gaps and options for the integration of climate change topics (and their intersection with SDGs) in primary and secondary education (including VET), and higher education. • 2.2.1.2: Action Plan for education for sustainable development (ESD) and climate change mainstreaming into primary and secondary education (including VET), university and adult education • 2.2.1.3: Report on implementation and lessons learned from rural and urban schools 	<ul style="list-style-type: none"> • Master's degree in political science, social science, environmental studies, education, or other relevant field • Minimum 7 years' experience undertaking assignments of a similar nature
<p>1 national consultant on social protection and climate change</p> <p><i>In tandem with</i></p> <p>1 international consultant on social protection and climate change</p>	<ul style="list-style-type: none"> • 1.3.3.1: Recommendations for enhancing institutional mandates and ToR for the focal point / team in charge of climate change topic developed • 1.3.3.2: Guideline for enhancing climate rationale of social development projects • 1.1.1.3: Guidelines for integrating human capital dimensions in project appraisal and design • 2.2.2.1: Develop strategic recommendations for social and labor policies for stimulating climate-smart and inclusive employment • 2.2.2.2: Action plan to support the development of green, climate-smart and inclusive employment across the key economy sectors, with the consideration of NDC's ambitions 	<ul style="list-style-type: none"> • Master's degree in political science, social science, environmental studies, or other relevant field • Minimum 7 years' experience undertaking assignments of a similar nature

1 national consultant for designing online survey tool	<ul style="list-style-type: none"> 1.1.1.2: Online tool for self-assessment and training toolkit developed 	<ul style="list-style-type: none"> At least Bachelor's degree in information technology, web development, or other relevant field Minimum 5 years of experience undertaking assignments of a similar nature
1 international consultant on development of training modules on climate change and human capital development	<ul style="list-style-type: none"> 1.1.1.5: Training module developed in English and local languages 	<ul style="list-style-type: none"> At least Bachelor's degree in political science, social science, environmental studies, or other relevant field Minimum 7 years of experience undertaking assignments of a similar nature
1 national IT service provider	<ul style="list-style-type: none"> 1.3.1.3a: ICT-based solution for data collection developed and integrated in the existing ICT system of the MoH. 1.3.1.3b: Guideline for health care facilities on climate footprint measurement, including on data collection related to GHG emissions and energy consumption 	<ul style="list-style-type: none"> At least Bachelor's degree in information technology, web development, or other relevant field Minimum 5 years of experience undertaking assignments of a similar nature

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)
Delays in implementation	Delays in recruiting experts: Integration of climate change into health, social protection and education is a relatively new topic in North Macedonia, which may pose a difficulty to identifying suitable national experts	Low	Low	Upon endorsement of the work plan, procurement will be facilitated by the NDA to promptly recruit national and international experts having experiences in high quality advisory services in readiness capacity building in line with GCF requirements. Moreover, regular meetings will be held between the DP and the NDA, beneficiary line ministries as well as consultants in order to share updates, identify bottlenecks and find solutions for how to address them.	GIZ / NDA
	Delays due to pandemics or natural disasters: Due to the slowdown of all activities and the impossibility of face-to-face meetings during the Covid-19 pandemic, with the increasing risk of the next wave, there might be delays in commencement and implementation of	Medium	Low	GIZ has internal policies to ensure the business continuity in case of any potential disruption. Those policies will be followed in case of any disruption due to external factors. In addition, GIZ North Macedonia has	GIZ / NDA

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)
	project activities next year			<p>developed rules and recommendations on how to deal with potential emergencies and crises and they are in line with similar regulations of other international cooperation organisations working in the country.</p> <p>Furthermore, activities under this request, including trainings and stakeholder consultations, will be organized and conceptualized in a way that they can be conducted virtually if need be.</p>	
Staff turnover	Governmental agencies often experience high staff turnover rates, which may impede achieving continuity of knowledge and capacity sustainability intended by the project	Low	Medium	Evaluate the institutional changes and continue to maintain the flexibility and adjust to any new functions and/or missions	NDA / GIZ
Inadequate coordination / participation among stakeholders or institutions	Due to the involvement of multiple public, private, civil society stakeholders on the national and local level, in three sectors, there is a slight risk of lack of coordination and involvement / targeting of project beneficiary institutions	Low	Medium	The readiness project will prioritize outreach and give technical support and advice based on clearly identified functions, responsibilities and associated areas.	NDA / GIZ
Lack of political will to support the project to completion	Without high-level political support, project outcomes might not be sustainable.	Low	Low	The NDA has secured a high-level commitment of the three leading ministries during preparation of this request and will continue to maintain the ministries' their engagement in the GCF coordination mechanism using its political leverage.	NDA
Unexpected political, economic or social circumstances, as well as strong weather disasters.	The current situation in North Macedonia is stable, however the political circumstances might change in 2021 and 2022 with local self - government elections.	Low	Low	The cooperation between GIZ, the NDA, and other stakeholders will be stable and will continue. However, if unexpected circumstances require it, the implementation period could be extended depending on the	NDA / GIZ

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)
				situation and activities' timeframe.	
Money laundering, terrorist financing, and other prohibited practices	Money laundering, terrorist financing, and other prohibited practices	Low	Low	<p>As per Clause 8 Prohibited Practices of the Framework Readiness and Preparatory Support Framework Agreement between the GCF and GIZ, GIZ will comply with the rules imposed by the United Nations Security Council on Prohibited Practices and the principles of the AML/CFT Policy.</p> <p>GIZ has a worldwide normative addressing the issues raised in this point. In broad terms, GIZ policy requires that any activity by an individual within the organization must be controlled (reviewed, double checked) by a second individual that is independent and competent.</p> <p>In addition, GIZ offices all over the world follow country specific policies and recommendations identify, assess, monitor, and mitigate any risk of money laundering, , terrorist financing and prohibited practices.</p>	GIZ

After approval of the Grant, a notification letter will be sent by the GCF to the NDA. The date of this notification of approval by the GCF will be treated as the start date for project implementation and *ending five (5) months after the expiration of the anticipated duration as presented in the approved request.*

6.4 Monitoring

The project will undertake continuous monitoring in line with the Framework Agreement to provide a mechanism for regular collection of information on progress to support oversight and adaptive management. The delivery partner will monitor the timely implementation of all activities including deliverables under the envisaged consulting contracts, and bi-annually report in the provided templates on the project's progress. Delays and changes in the project implementation will be communicated to the GCF, by the NDA and/or the delivery partner in a timely manner.

Regular exchange and joint engagement with the Ministry of Health, the Ministry of Education and Science and the Ministry of Labour and Social Policy as well as progress update meetings with the NDA will further contribute to monitoring of the status, potential barriers and challenges of the implementation and allow for re-steering and re-alignment. Capturing and documenting the perspectives voiced and potential concerns raised during stakeholder engagement processes, will provide further inputs into the monitoring process, and in particular provide insights with regards to stakeholder ownership and success of the activities.

6.5 Other Relevant Information

Cooperation between the NDA and the delivery partner GIZ

The NDA coordinates with its delivery partners based on country needs and targets as well as prior support received. The NDA engages with GIZ through regular exchange. The NDA's decision to work with GIZ in this readiness request is motivated by GIZ's experience implementing similar readiness grants in other countries, so the lessons learned from those grants could be used in North Macedonia.

Exit Strategy and Sustainability

The readiness request was developed as an integrated approach and in close cooperation with the relevant stakeholders from the health, education and social protection sectors in North Macedonia. It builds on existing national strategies and priorities of the NDA and the sectoral ministries and institutions. An essential element of this request is the active involvement of the three beneficiary ministries and their partner institutions.

All deliverables will be integrated into existing structures, decision-making processes on planning and budget cycles in order to ensure their sustainability, namely:

- The tools developed and trainings materials implemented under output 1.1.1 will be integrated in the existing running training programmes (e.g. platform 'Micro Learning' and the existing mandatory training programme for the public administration staff under activity 1.1.1.5) or active coordination mechanisms (e.g. online tool for self-assessment and training toolkit for newly designated members of the GCF coordination mechanism under activity 1.1.1.2) and decision-making procedures (e.g. guidelines under 1.1.1.3 to be integrated in the no-objection procedure). This will ensure their availability, application and sustainability after the completion of this readiness request.
- Outputs 1.3.1, 1.3.2 and 1.3.3. include a number of capacity building measures of the beneficiary ministries and other relevant stakeholders. Sustainability of these measures is reinforced by the implementation of the forthcoming Long-term Strategy and Law (expected to be approved by the end of 2021) which show the commitment of the Government to allocate institutional and human resources for climate change mainstreaming in all line ministries and public bodies. Namely, the Long-term Strategy and its Action Plan for the first implementation period (2021-2030) envisage the following actions:
 - A-L-13: Establishment of organizational capacity in institutions relevant for climate action. This action aims to enabling competent governmental institutions to establish the organizational capacity necessary to implement climate action.
 - A-L-14: Establishment of necessary staff capacity in institutions for climate action. This action aims to provide of adequate staff resources in the institutions with tasks in climate action.

Hence, the trainings for the beneficiary ministries and their key partners (e.g. under activities 1.3.1.2, 1.3.2.2) tools and guidelines (e.g. under activities 1.3.3.2 and 1.3.1.3), and ToRs for the focal points /

teams in charge of climate change topic in the beneficiary ministries (activities 1.3.1.1, 1.3.2.1 and 1.3.3.1) will be taken forward in the implementation of these actions.

- The three Action Plans under outputs 2.2.1, 2.2.2 and 2.2.3 will be developed via a consultative process including all relevant stakeholders and shall be validated by the respective ministries. The validation process by the ministries includes a review and budgetary approval within the ministries' internal structure (Budget Process) – the ministries present later their Budget Plans in front of the Government and get the final approval by the Parliament. Such validation process will ensure the ministries' readiness to implement the Action Plans and recommendations, and to allocate necessary resources to continue with the implementation after completion of this readiness support.

In the implementation phase, a crucial part of many planned activities is the involvement of key national stakeholders, including the above-mentioned institutions but also the private sector, public entities, civil society organizations and local stakeholders. In this way, high country ownership will be maintained within and across sectors, creating an enabling environment and long-term impacts which will allow acquired knowledge and capacities to spread and be preserved. The networks, processes and structures of the health, education and social protection sectors related to climate change mainstreaming will be transformed profoundly, which will contribute to a paradigm shift towards sustainable human capital development in North Macedonia.

Furthermore the thorough documentation of deliverables, activities and outputs as well as the systematic compilation of lessons learned, and best practices will provide scope for peer learning and knowledge sharing among the involved actors and institutions. This may create spill-over effects to other sectors relevant for climate change.

Finally, the request builds on outcomes of previous Readiness support projects, ensuring maximum compatibility with past efforts and providing the basis for future projects building on the outcomes of this project. Hence, duplication of efforts is avoided, and the sustainability of this approach will be ensured in the long run.

Avoidance of conflict of interest

To avoid any possible conflicts of interest arising from the delivery partner's role as an accredited entity, the prioritization of investments and projects in the context of this readiness grant, will be made through a broad consultation process with relevant stakeholders, including other potential implementing entities. 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 the private sector as the NDA deems relevant, to ensure chosen priorities are fully aligned with national plans and strategies and adequately include inputs from consulted stakeholders.

Grievance Mechanism

GIZ makes use of mechanisms to report allegations of possible misconduct in its projects. Complaints can be received through GIZ's head office centralized grievance mechanism. This can be reached via GIZ's integrity advisor mechanism (<https://www.giz.de/en/aboutgiz/39089.html>) or the human rights part of GIZ's website (<https://www.giz.de/en/aboutgiz/37500.html>). Both avenues lead to the whistle-blower portal of GIZ (<https://www.giz.de/en/aboutgiz/39089.html>).

Sanctions

North Macedonia is not under UNSC sanctions; therefore, no corresponding measures need to be taken.

Experience of the delivery partner in North Macedonia

GIZ has been actively engaged in the Republic of North Macedonia since 1992 with the objective of contributing and reciprocally helping in matters of common interest for the promotion and technical and economic development. Since 2008, GIZ has been present with a representative office in Skopje and currently employing 62 employees. The projects that GIZ implements in the country fall into one of the three main thematic areas for development cooperation between the Governments of the Federal Republic of Germany and the North Macedonia:

1) Sustainable Economic Development, 2) Sustainable Use of Natural Resources and 3) Good Governance. Some projects with relevance to the topics of the GCF Readiness Programme are the following:

Project title and short description	Timeframe	Budget
<p>Adaptation to Climate Change through Transboundary Flood Risk Management in the Western Balkans</p> <p>The objective of the project is to strengthen the transboundary flood risk management with regard to climate change in the Western Balkans. The project is being carried out in Albania, Kosovo, North Macedonia, and Montenegro.</p> <p>The focus of the project lies in the catchment area of the river Drin. Relevant national institutions in Albania, Kosovo, North Macedonia and Montenegro are supported along with the national coordinating Drin Core Group (DCG), as a precursor of a future river basin organisation.</p> <p>The project currently acts in three key areas:</p> <ul style="list-style-type: none"> - Flood Hazard and Risk Mapping: The project supports partner institutions with technical and methodological expertise for the participatory development of Flood Hazard and Risk Maps (FHRM) in accordance with the EU Floods Directive. - Early Warning: The project works with national and local authorities in selected pilot areas on building capacities for delivering effective and timely “end to end” early warnings. It provides technical and organizational advice to national Hydro-meteorological Services to improve their capacities for forecasting and warning. - Institutional development: The project supports actors at national and local levels in strengthening their strategic capacities to better coordinate Flood Risk Management. 	2012-2021	€8.000.000
<p>Capacity Development in Climate Policy in the countries of South-East Europe, South Caucasus and Central Asia</p> <p>The project develops instruments to create conditions for a significant reduction of greenhouse gas emissions while achieving economic transformation targets. It strengthens the capacities of public decision-makers and institutions for the application of necessary integrated and inter-institutional planning processes. Effective knowledge management causes multiplier effects in other countries of the project region and at international level. In addition, individual and small cooperation projects are being implemented in up to 19 project countries and 3 project regions to strengthen capacities for ambitious climate policy. While the project contributes decisively to implementing national climate protection efforts in the partner countries, it simultaneously supports the development of sustainable, competitive economic systems.</p>	2017-2021	€10.100.000
<p>Open Regional Fund for South East Europe: Energy Efficiency, Transport and Climate protection</p> <p>The goal of the project is to support energy and climate relevant political and civil society actors, through networks in South-Eastern Europe, in implementing required EU regulations. Regional networks supported by the project share their experiences on implementation of energy efficiency and climate protection measures independently and are empowered to address issues of common interest. In doing so, they contribute towards a more effective implementation of these topics in their respective countries.</p> <p>The project promotes regional cooperation among stakeholders with the capacity to drive the process of reform in the energy and climate protection sector, thereby contributing to achieving the national energy efficiency and climate protection targets in Western Balkan countries. It focuses on using the potentials arising from the similarities between South-East European countries, culturally, structurally, and development challenges wise, which offers great potential for building and sharing the relevant expertise in and through regional networks.</p>	2006-2022	€15.000.000
<p>Open Regional Fund for South East Europe: Modernization of Municipal Services</p> <p>The objective of the project is to strengthen the regional cooperation for the improvement of municipal services in accordance with EU accession requirements. The project supports municipalities and public utilities in the entire region of the Western Balkans. The crucial link are associations which provide support and expertise to help local authorities across borders organize their services in line with Sustainable Development Goals.</p>	2006-2021	€20.000.000

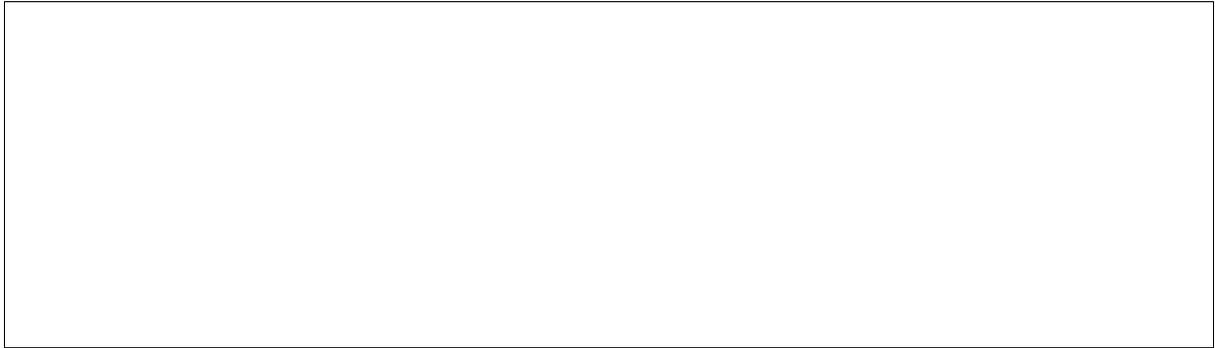
<p>The project covers classic municipal services such as water supply, sanitation and waste management. At the same time, the project strengthens the efficiency of local administration to offer better employment perspectives to vulnerable groups in the municipal community. In addition, it works on strengthening capacities of relevant stakeholders and offers access to effective solutions for the improvement of municipal services. The project also promotes co-operation between decision-makers at national and regional levels, to assure that the reform processes are reinforced through legally binding agreements.</p>		
<p>Rural Development through Integrated Forest and Water Resources Management</p> <p>Regional competences and resources, and institutional capacities for the sustainable management of forest and water resources have been improved in order to support the development of rural economic areas.</p> <p>The project contributed to the improvement of technical, methodological and implementation competencies for the management of forest and water resources, and for the use of their economic potential in rural areas. In doing so, it cooperated closely with the Regional Rural Development Standing Working Group (SWG) of South Eastern Europe. This is the only recognized network with a political mandate in the areas of agriculture and rural development in Southeast Europe. It contributes structurally to rural development, the promotion of agri-businesses and the sustainable use of natural resources.</p> <p>The project covered Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia. Executing agencies were responsible ministries of agriculture, forestry and water resources through their membership in the regional organization Standing Working Group for Regional Rural Development (RRD SWG), which is also the central implementing partner.</p>	2015-2018	€4.500.000

Lessons learnt from past readiness projects

GIZ has a vast experience supporting several developing countries with different readiness grants. The NDA has identified the following lessons from the implementation of previous readiness grants that are relevant for this request:

- It is necessary to keep a good coordination arrangement among NDA, Delivery Partner, independent experts and other direct and indirect beneficiaries of the readiness grant to prioritize actions and stay on track with the timelines and deliverables.
- It is necessary to identify and involve key institutions for the success of outcomes that have overarching strategic importance. Working closely with local institutions is key, as they have relevant knowledge and expertise that will be essential for aligning the deliverables with the country context.
- The use of digital platforms and tools for data collection and knowledge sharing increase the accuracy and transparency of data and access to information that will facilitate implementation of transformational activities in key climate-relevant sectors.
- Experience shows that working with strategic partners increases the outreach of information and increases the possibility to generate projects involving different stakeholders from national government to local institutions.

The NDA and GIZ have several years of experience in working together through different projects. During the process of developing the request, key stakeholders were already identified that should be involved during the implementation of the readiness project such as ministries and public entities, civil society and private sector organizations.



ANNEXES

Annex 1. Consultation process for development of GCF Readiness Request

Meeting	Participants	Purpose of the meeting	Date
First high-level meeting	GIZ+NDA	Detecting possible areas of cooperation	10.06.2020
Second high-level meeting	NDA+ GIZ+ MoH, MoES, MLSP	Consultation regarding the GCF opportunities and the idea for supporting the human capital development toward climate change	18.06.2020
GCF consultation	NDA + GCF	Consultation with the GCF	07.07.2020
Bilateral stakeholder consultation for the health sector	NDA+ GIZ + MoH and IPH	Consultation regarding the Needs Assessment Questionnaire with the Ministry of Health and Institute for Public Health	12.07.2020
Technical level meeting	NDA+ GIZ	Planning the process and finalizing the Needs Assessment Questionnaires	16.07.2020
GCF consultation	GIZ + GCF	Consultation with the GCF	20.07.2020
First joint high-level stakeholder consultation	NDA + GIZ + Stakeholders	Consultation regarding the GCF opportunities and the idea for supporting the human capital development toward climate change and adopting of detailed plan for development of the proposal	21.07.2020
Bilateral stakeholder consultation for the social protection and employment sector	NDA + GIZ+ Ministry of Labor and Social Policy	Consultation regarding the Needs Assessment Questionnaire with the Ministry of Labor and Social Policy	23.07.2020
Bilateral stakeholder consultation for the education sector	NDA + GIZ + Ministry of Education and Science	Consultation regarding the Needs Assessment Questionnaire with the Ministry of Education and Science	27.07.2020
Second joint high-level stakeholder consultation	NDA + GIZ + Stakeholders	Consultation regarding the results of the needs assessment and receiving feedback from the institutions	05.08.2020
Stakeholder consultations	NDA + GIZ+ Ministry of Foreign Affairs	To ensure quality of the proposal and to synergize with the process of the UN support in the country (UN Development Assistance Framework)	28.07.2020-06.08.2020
GCF consultation	NDA + GCF	E-mail consultation with the GCF regarding the on-line platform for the GCF Readiness and Preparatory Support Proposal Submission	12.08.2020-14.08.2020
GCF consultation	GIZ + GCF	Consultation with the GCF for the GCF Readiness and Preparatory Support Proposal	13.08.2020-14.08.2020
Civil sector consultations	NDA+ GIZ+ Civil sector	To inform and collect feedback from the civil sector for the preparation and submission of the GCF Readiness and Preparatory Support Proposal	20.08.2020

Annex 2. Consultation process for development of GCF Readiness Proposal- Version 2

Meeting	Participants	Purpose of the meeting	Date
Coordination meeting on technical level	NDA+GIZ	Detecting and dividing roles for addressing GCF comments on the Readiness Proposal and developing a plan for addressing the GCF comments	02.10.2020
E-mail consultations	NDA + GIZ + Stakeholders	Informing the high level representatives of stakeholders for received GCF feedback on the Readiness Proposal	02.10.2020
E-mail consultations	NDA + GIZ + UNDP	Informing UNDP partners for received GCF feedback on the Readiness Proposal	02.10.2020

E-mail consultation with the health sector	NDA + Ministry of Health	Receiving inputs and information from the Ministry of Health	15-25.10.2020
Coordination meeting with GCF	NDA + GIZ + UNDP+ GCF	Detecting possible synergies and overlaps between draft NAP Scope of activities and Third Readiness Proposal activities.	20.11.2020
Technical meeting with UNDP	NDA + GIZ + UNDP	Developing a plan for addressing the GCF suggestion/ advices for adaptation components	26.11.2020
Technical meeting	NDA + GIZ	Developing a plan for addressing the GCF and UNDP suggestion/ advices for adaptation components	30.11.2020 01.12.2020
E-mail stakeholders consultation	NDA + GIZ + Stakeholders	Receiving final feedback of the national stakeholders for the revised version of the Readiness Proposal on health, education and social protection activities.	04.01.2021- 15.01.2021
Technical meeting	NDA + GIZ	Coordination for received feedback and inputs from the stakeholders	20.01.2021
Coordination meeting	NDA + GIZ+ UNICEF	Coordination of activities within the two projects, finding synergies and avoiding overlaps.	29.01.2021
Technical meeting	NDA + GIZ	Finalization of the draft Budget for the revised version of the Readiness Proposal	01.02.2021
Technical meeting	NDA + GIZ	Finalization of the Application documents and Budget for the revised version of the Readiness Proposal	09.02.2021