

# Readiness Proposal

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**with the Food and Agriculture Organization of the United Nations (FAO)  
for Republic of North Macedonia**

18 December 2019 | Country Programming & Strategic Frameworks



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# Readiness and Preparatory Support Proposal Template

<b>Programme title:</b>	Strengthening country capacities for climate change adaptation and mitigation and finalization of country work programme for the Republic of North Macedonia
<b>Country:</b>	Republic of North Macedonia
<b>National designated authority:</b>	Cabinet of the Deputy Prime Minister in charge of Economic Affairs
<b>Implementing Institution:</b>	Food and Agriculture Organization of the United Nations (FAO)
<b>Date of first submission:</b>	28 September 2018
<b>Date of current submission / version number</b>	8 November 2019 V.3



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### How to complete this document?

- Please visit the [Empowering Countries](#) page of the GCF website to download the Readiness Guidebook and learn how to access funding under the GCF Readiness and Preparatory Support Programme.
- 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 to [countries@gcfund.org](mailto:countries@gcfund.org).
- 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.

### Where to get support?

- If you are not sure how to complete this document, or require support, please send an e-mail to [countries@gcfund.org](mailto:countries@gcfund.org).
- You can also complete as much of this document as you can and then send it to [countries@gcfund.org](mailto:countries@gcfund.org), copying both the Readiness Delivery Partner and the relevant GCF Country Dialogue Specialist and Regional Advisor. Please refer to the [Country Profiles](#) page of the GCF website to identify the relevant GCF Country Dialogue Specialist and Regional Advisor.
- 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 submit the completed form to:**

[countries@gcfund.org](mailto:countries@gcfund.org)

**Please use the following naming convention for the file name:**

“GCF Readiness Proposal-[Country]-[yymmdd]”

1. SUMMARY			
<b>Country submitting the proposal</b>	<p>Country name: Republic of North Macedonia</p> <p>Name of institution representing NDA or Focal Point: Cabinet of Deputy Prime Minister in charge of Economic Affairs</p> <p>Name of contact person: Mr. Kocho Angjushev</p> <p>Contact person's position: Deputy Prime Minister in charge of Economic Affairs and Co-ordination of Economic Sectors</p> <p>Telephone number: +389 2 3114 258</p> <p>Email: <a href="mailto:kocho.angjushev@gs.gov.mk">kocho.angjushev@gs.gov.mk</a></p> <p>Full office address: St. Ilindenska n. 2, Skopje 1000, Republic of North Macedonia</p> <p>Additional email addresses that need to be copied on correspondences: <a href="mailto:daniel.josifovski@gs.gov.mk">daniel.josifovski@gs.gov.mk</a> ; <a href="mailto:olimpija.zaevska@vlada.gov.mk">olimpija.zaevska@vlada.gov.mk</a></p>		
<b>Date of initial submission</b>	28 September 2018		
<b>Last date of resubmission</b>	8 November 2019	<b>Version number</b>	V.3
<b>Which institution will implement the Readiness and Preparatory Support project?</b>	<p><input type="checkbox"/> National designated authority</p> <p><input checked="" type="checkbox"/> Accredited entity</p> <p><input type="checkbox"/> Delivery partner</p> <p>Name of institution: Food and Agriculture Organization of the United Nations (FAO)</p> <p>Name of official: Mr. Alexander Jones</p> <p>Director, Climate and Environment Division (CBC)</p> <p>Telephone number: (+39) 06 5705 2331</p> <p>Email: <a href="mailto:Alexander.Jones@fao.org">Alexander.Jones@fao.org</a>; <a href="mailto:CBC-Director@fao.org">CBC-Director@fao.org</a></p> <p>Full office address: Food and Agriculture Organization of the United Nations (FAO) Viale delle Terme di Caracalla, 00153 Rome, Italy</p> <p>Additional email addresses that need to be copied on correspondences: <a href="mailto:Raimund.jehle@fao.org">Raimund.jehle@fao.org</a> <a href="mailto:Carmen.arguellolopez@fao.org">Carmen.arguellolopez@fao.org</a> <a href="mailto:Kentaro.aoki@fao.org">Kentaro.aoki@fao.org</a> <a href="mailto:Savis.Sadeghian@fao.org">Savis.Sadeghian@fao.org</a></p>		
<b>Title of the Readiness support proposal</b>	Strengthening country capacities for climate change adaptation and mitigation and finalization of country work programme for the Republic of North Macedonia		
<b>Type of Readiness support sought</b>	<p>Please select the relevant GCF Readiness activity area below (click on the box):</p> <p><input checked="" type="checkbox"/> I. Country capacity for engagement with GCF</p> <p><input checked="" type="checkbox"/> II. Country programming process</p> <p><input checked="" type="checkbox"/> III. Direct access to climate finance</p> <p><input checked="" type="checkbox"/> IV. Climate finance accessed</p> <p><input type="checkbox"/> V. Formulation of national adaptation planning and/or other adaptation planning processes</p>		



<p><b>Brief summary of the request</b></p>	<p>The Republic of North Macedonia, submitted to the UNFCCC the Intended Nationally Determined Contributions in August 2015, as a first exercise to identify the concrete measures and contribution the country will give to the global efforts for GHG emissions reductions, which accounted for 30%- 36% of CO<sub>2</sub> emissions reduction from fossil fuels combustion by 2030 compared to BAU scenario.</p> <p>This initial commitment targeted sectors such as Energy Supply, Buildings and Transport; however additionally recognizes the potential of the Agriculture, Forestry and Other Land Use (AFOLU) sector to reduce emissions. Based on the priorities defined by the NDC of the Republic of North Macedonia (RNM), the Cabinet of the Deputy President of the Government of the Republic of North Macedonia in charge of Economic Affairs in its role as National Designated Authority (NDA) for the Green Climate Fund (GCF) together with other national key stakeholders has identified 9 priority sectors, including Energy, Transport, Water Resources, Agriculture, Waste, Biodiversity, Health, Forestry and Cultural Heritage, which will be the basis for the development of the Country Work Programme under this second Readiness grant. In this sense, this Readiness Proposal has the intention to strengthen the capacities of key government institutions relevant for climate action, including the Ministry of Agriculture, Forestry and Water Economy, Environment and Physical Planning, Transport, Energy, Economy, Finance, Education, Secretariat for European Affairs and others, to become strong national partners that participate in the coordination mechanism and other decision making bodies related to Sustainable Development and Climate Change, and particularly to make informed decisions on GCF matters.</p> <p>The proposal is based on the progress achieved under the first GCF Readiness grant, particularly on the discussions to develop a tracking, monitoring and streamlining system for climate finance in the RNM and on the development of a National Coordination Mechanism on GCF and other climate finance matters and the prioritization procedure for GCF proposals in the country. Through this proposal the NDA will aim at finalizing the development of a Country Work Programme for the GCF with concrete priorities along different sectors and a detailed pipeline of project/programme ideas (from public and private stakeholders, on national and local level, in the 9 priority sectors identified) that will be implemented as part of North Macedonia's efforts to tackle climate change.</p> <p>Additionally, this proposal will strengthen and further develop the capacities of different stakeholders, particularly focusing on private sector engagement on matters related to the GCF. This work will include work to identify the key barriers and opportunities to enable private sector participation in climate action in the different priority sectors in the RNM.</p> <p>Additionally, it will transfer knowledge and experience at institutional level regarding accreditation process as well as private sector engagement in the climate change related issues in the country, particularly targeting to identify potential institutions at national level to initiate the Accreditation process to become Direct Access Entities (DAEs).</p> <p>Lastly, in order to have a concrete product from the preparatory support intended under this proposal, the NDA will conduct efforts on the development of 2 prioritized project ideas into Concept Notes to be submitted to the GCF for initial consideration, ensuring country ownership to respond to the challenges posed by climate change according to national context and priorities.</p> <p>The proposal will be implemented with the support of FAO as Delivery Partner and will ensure complementarity with the outputs of the first Readiness grant for NDA capacities strengthening. Overlapping will be avoided and the DP will support the NDA to identify opportunities for complementarity between both proposals, aiming to further advance in preparing the country to access and deploy scaled-up climate finance, including from the GCF.</p>		
<p><b>Total requested amount and currency</b></p>	<p>USD 663,245</p>	<p><b>Anticipated duration</b></p>	<p>18 months</p>
<p><b>Has the country received or is expecting to receive other Readiness and Preparatory Support funding allocations (including adaptation planning) from GCF or other donors?</b></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>North Macedonia's NDA requested USD300.000 as part of the country allocation under the Readiness programme in 2017. In that line, the Readiness request had the objective to support the country in developing its capacities to engage with the GCF and setup the mechanisms to establish climate change priorities; focusing on strengthening the institutional capacities of the NDA/ NFP to effectively fulfil its roles and</p>		



	<p>responsibilities related with the Fund and to start discussions with national stakeholders to engage them into the process, starting preparation of the needed collaboration among stakeholders for the development of the Country Work Program in the RNM as well.</p> <p>This second Readiness proposal will aim to support the country in further developing its capacities by expanding the support to other government and non-government stakeholders, particularly focusing on the Government institutions participating in the Country Coordination Mechanism and on developing strong partnerships for private sector participation in climate action. This second proposal is based on the progress achieved with Readiness 1, including the consultations, and summaries of policies and strategies related to climate change, which will serve as inputs for North Macedonia's Country Work Programme for the GCF to be developed under this second readiness support.</p> <p>In this context, it is important to highlight that in August 2019, North Macedonia was selected as a pilot beneficiary country to receive technical advisory services for development of Country Programme; in this sense, this second proposal will use the information resulting from the advisory services to finalize North Macedonia's Country Programme.</p> <p>Additionally, this second proposal will coordinate and ensure no overlapping with the activities planned to be implemented under the NAP proposal currently being developed under the guidance of the NDA.</p> <p>Moreover, within the national coordination mechanism on GCF and other climate finance matters, being established under Readiness 1, the Strategic Advisory Committee will be included as part of the Steering Committee of this proposal to provide support in the process of preparation, implementation and monitoring of activities related to the Readiness and Preparatory Support Proposals, including the products delivered by Readiness project, expected outputs of Readiness 2 project and preparation of the NAP application documents. In this sense, the NDA with the support of the Strategic Advisory Committee will ensure complementarity among the proposals to maximize the impacts of the support provided by the GCF.</p>
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## 2. BACKGROUND

Republic of North Macedonia is an upper middle-income country<sup>1</sup> that is particularly vulnerable to climate change. The country's economic growth is dependent on climate-sensitive natural resources, including land, forestry and water, leading to relatively high adaptation and mitigation costs.

According to North Macedonia's NDC to the UNFCCC, almost 80% of the total emissions are CO<sub>2</sub> emissions, originating from fossil fuels combustion, with dominant share of the sectors: energy supply, buildings and transport. Even when emissions from agriculture, forestry and other land uses, as well as industrial process and waste have not been analysed since they have relatively small share in total GHG<sup>2</sup>; agriculture and food sector, plays an important role in the country's economy, and is among the most vulnerable sectors to natural hazards and climate change.<sup>3</sup> In this sense, these sectors are included among the key 9 priorities for climate action (both mitigation and adaptation) in the Republic of North Macedonia.

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

Furthermore, North Macedonia has been mostly dependent on project-specific activities and donor support in order to fulfil its global commitments and implement a financially taxing adaptation and mitigation scenario. However, maximizing the effects of sector specific policies and programs, as well as national legislation related to climate change mitigation and adaptation<sup>4</sup>, is challenging due to the following barriers commonly faced by the country:

- ✓ Lack of institutional capacities to mainstream climate change into sectoral policies, strategies and budgets;
- ✓ Weak inter-institutional coordination on climate change;
- ✓ Limited specific scientific-based knowledge on climate change actions;
- ✓ Limited institutional capacities at various levels to leverage, utilize and monitor climate finance, including from the private sector.

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

In this context, important efforts to strengthen institutional capacities of the NDA/ NFP to engage with the GCF and setup the mechanisms to establish the national climate change adaptation and mitigation priorities has been initiated through the First GCF Readiness and Preparatory Support Project for the

<sup>1</sup> World Bank list of economies: <http://databank.worldbank.org/data/download/site-content/CLASS.xls>

<sup>2</sup> Submission by the Republic of North Macedonia to the United Nations convention on Climate Change of its (Intended) Nationally Determined Contributions, Skopje, 4 August 2015, available at:

[https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/The%20Republic%20of%20North%20Macedonia%20First/Submission\\_Republic\\_of\\_Macedonia\\_20150805144001\\_135181.pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/The%20Republic%20of%20North%20Macedonia%20First/Submission_Republic_of_Macedonia_20150805144001_135181.pdf)

<sup>3</sup> Third National Climate change communication for Republic of Macedonia 2014

<sup>4</sup> 2009 National Strategy for Sustainable Development for the period 2009-2030; 2010 Strategy for Energy Development in the Republic of Macedonia for the period 2008-2020 with a Vision to 2030; 2010 Renewable Energy Sources Strategy of Macedonia till 2020; 2010 National Strategy for Energy; Efficiency in Republic of Macedonia till 2020; 2009 National Environmental Investments Strategy; 2008 National Environmental Approximation Strategy; 2010 National Health Strategy for Adaptation in Health Sector; National CDM Strategy 2008-2012; 2015 National Agricultural and Rural Development Strategy 2014-2020; The national Strategy for Climate Change Adaptation in the Agriculture

Republic of North Macedonia. Particularly, the main deliverables achieved so far under the first Readiness grant, include:

- a) The structure and procedures for the operationalization of the National Sustainable Development Council<sup>5</sup> as the Country Coordination Mechanism on GCF matters has been developed, with clear definition of roles, including the leadership of the NDA on GCF matters and the support to be provided by other institutions.
- b) Priority Sectors have been identified and a prioritization procedure for proposals has been designed and will be discussed with stakeholders, validated by the National Sustainable Development Council and finally endorsed by the Government of the Republic of North Macedonia
- c) Initial awareness has been raised among stakeholders on the work of the Government on SDG13 related to climate action and access to climate finance and particularly the expected role of the GCF in the implementation of NDCs according to identified priority sectors in the Republic of North Macedonia
- d) Well-structured knowledge management and sharing tools have been developed and will be operationalized shortly to provide updated and relevant information on climate action and opportunities for engagement with the Green Climate Fund to national stakeholders.
- e) An initial definition of a procedure to track and monitor climate finance in the Republic of North Macedonia has been developed and a first phase for manual gathering of information is taking place as a practical exercise to inform the NDA on the opportunities to identify co-financing for potential project proposals. This exercise is particularly targeting information from relevant budget allocations and contributions from public budget, private sector, CSOs and donor community.
- f) Stakeholders have been consulted on the proposed coordination mechanisms, prioritization procedure for climate finance proposals and on the structure of the no-objection procedure.

As mentioned above, under Readiness 1, an initial prioritization of sectors has taken place; the identified sectors include: Energy, Transport, Water Resources, Agriculture, Waste, Biodiversity, Health, Forestry and Cultural Heritage. These priority sectors will be the basis for the development of a Country Work Programme under Readiness 2, including the identification of an initial pipeline of projects (from public and private sectors) in any of these sectors, which will be evaluated according to the prioritization procedure, also developed under Readiness 1.

The intention of the NDA is to start working with different institutions, according to the priority sectors defined, to strengthen their capacities to play an active role in the coordination mechanism and to be fully prepared for the identification, development and implementation of funding proposals to access climate finance (from the GCF and other sources). The support proposed in this project is the first concrete action following this approach, and it responds to the needs identified in the context of the discussions conducted during the Stakeholder Consultations, in the context of Readiness 1, where representatives from public and private institutions in the 9 priority sectors have actively participated.

In this context, the NDA would like to conduct parallel work on defining a strong pipeline of project proposals to be included in the CWP for the GCF and enable at the same time the institutions participating in the Country Coordination Mechanism to actively participate in climate action and 2030 Agenda.

**Outcome 1: Institutional Capacity and Coordination Mechanisms in place to govern and coordinate climate action and finance.**

This Outcome will involve strong coordination of the NDA with all relevant stakeholders and will be implemented through 2 different sub-outcomes:

**Sub- Outcome 1.4: Monitoring and verification systems for climate finance flows in the Republic of North Macedonia**, which will aim at finalizing the system for tracking, monitoring and streamlining climate finance in the country (Activity 1.4.1). In this context it's important to highlight that the work expected to be conducted under this activity will be based on the initial discussions and preliminary procedure agreed with different counterparts with the aim to develop under this second readiness an automated/ online system to track and monitor climate finance in the public, private budgets as well as

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<sup>5</sup> The Coordination Mechanism on GCF matters includes a Strategic Advisory Committee, Ad-Hoc Sectorial Groups and the initial validation of the National Council on Sustainable Development; however the final approval is granted by the Government (Meeting of Minister's) of the Republic of North Macedonia.

from international donors and NGOs.

**Sub-outcome 1.5: Effective coordination mechanism**, which aims at strengthening the capacities and knowledge of the institutions participating in the recently established coordination mechanism on GCF matters to on one hand effectively participate in the development, assessment and implementation of climate investments in the country with a strong analytical and scientific base on climate change and climate finance topics, including on the best practices and international trends to leverage private sector participation in climate action. The topics selected for the training sessions/workshops have been identified by the NDA in consultation with relevant stakeholders during the implementation of the first Readiness grant. It is important to highlight that in this context, Activity 1.5.1 will be implemented through 2 concrete tasks, targeting:

- a) The core NDA team (4 people), to ensure the team has the required managerial knowledge and capacities to undertake the oversight function for GCF projects by the facilitation of a certification course on Project Management.
- b) The extended coordination mechanism (40-50 people per workshop including the NDA, the Strategic Advisory Committee and the Technical teams of the institutions participating in the National Council on Sustainable Development). The topics on which the institutions will be trained are related to climate finance, NDC and SDG implementation agendas, Disaster Risk Reduction/ Management and the Sendai Framework, Gender and Climate Change and private sector engagement to mobilize local and international investors to support the development of transformational pipelines of projects.

During these workshops a discussion on the gaps and role of the institutions in the coordination mechanism in coordination with the NDA and UNFCCC focal point to facilitate access to climate finance will take place as the entry point for the activities to be conducted in Outcome 2 for the definition of a Readiness Needs Assessment and Roadmap as part of the Country Work Programme.

### **Outcome 2: Country Programming Process**

The key deliverable of this Outcome is North Macedonia's Country Programme, which will be fed by activities in other outcomes, including a list of climate technologies prioritized in the country, a Direct Access Strategy, including a shortlist of potential Direct Access Entities and 1 of these prioritized for immediate work on the accreditation application and the pipeline of public and private project ideas prioritized by North Macedonia for its engagement with the Green Climate Fund. Additionally, the finalisation of the North Macedonia's Country Programme will use the information resulting from the advisory services received via the technical advisory support of GCF.

Particularly, this outcome will be implemented through 2 sub-outcome, including:

**Sub-outcome 2.1: Country Programme for climate finance developed across the climate finance landscape**, which includes the development of a Readiness Needs Assessment and Roadmap (Activity 2.1.1) which will serve as inputs not only for the Country Work Programme (Activity 2.1.2) but also for the discussion of subsequent readiness proposals in the Republic of North Macedonia.

Although some activities under this Readiness and preparatory support Proposal will mainly be focusing on providing support to the institutions participating in the Country Coordination Mechanism, the consultative process to develop the Country Work Programme will be as inclusive as possible, bringing together Government institutions, Civil Society Organizations and Private Sector entities, to ensure all priority sectors identified have priorities and needs adequately reflected in the pipeline of projects and programmes.

The country work Programme will include a pipeline of project ideas from the public and private sectors, the first one as a result of the first call for project ideas launched in the country in the context of the first Readiness grant; and the second one as a result of the specific work to be conducted with the Fund for Innovation and Technology Development and other private sector actors, which is expected to result in an Open call specifically targeting private sector project ideas. In this context, the work on Country Programming development (Outcome 2) will be also linked to the work on Private Sector engagement (Outcome 4).

Additionally, the development of the Country Work Programme for the Republic of North Macedonia will include a Direct Access Strategy which will be developed in the context of Outcome 3, and will include a shortlist of potential DAEs in the Republic of North Macedonia, in this sense, Outcome 2 will also receive inputs and will be responsive to the work to be conducted under Outcome 3.

**Sub-Outcome 2.5: Appropriate climate technology solutions/approach identified and prioritized in accordance with national strategies and plans for climate adaptation and mitigation.** In this

context, the identification of climate technology solutions will include the following concrete tasks:

- a) taking stock of existing technologies and best practices in the 9 priority sectors in the Republic of North Macedonia and analysis of innovative solutions in other countries;
- b) analysis of the existing programmatic windows within the work of the Fund for Innovation to identify opportunities to introduce support to private sector for the development of climate technologies on a permanent basis;
- c) Therefore, a key element of sustainability of the work to be conducted under Sub-Outcome 2.5 is the establishment of a programmatic window for climate technologies and innovation within the Fund of Innovation, which is expected to incentivise innovative activities self-funded from the Fund's budget. A first call for technology solutions is expected to be launched as a first exercise to leverage innovative technology solutions.

The work to be carried out under Sub-Outcome 2.5 will be conducted in collaboration with the Fund for Innovation and Technology Development, which was established in December, 2013, with the aim of encouraging innovation by providing additional resources to finance innovation, in view of the need to build a competitive economy based on knowledge. The mission of the Fund for Innovation and Technological Development is to encourage and support innovation activities in micro, small and medium-size enterprises (MSMEs) in order to achieve more dynamic technological development based on knowledge transfer, development research and on innovations that contribute to job creation, and to economic growth and development, while simultaneously improving the business environment for the development of competitive capabilities of companies.

The objectives and priorities of the Fund for Innovation and Technology Development include: a) improved access to financial support for innovation and technological development; b) promoting and encouraging innovation activities in North Macedonia. In this context, the Fund focuses its operations on the following strategic actions:

- (1) Co-financing micro, small and medium-size enterprises (MSMEs) registered in the Republic of North Macedonia, with the aim of encouraging innovation activities, implementation of innovative solutions and innovative processes, introducing innovation and transfer of technology among companies, as well as support for companies which have high growth potential.
- (2) Financing newly established micro and small enterprises registered in the Republic of North Macedonia, foundations and accelerators, with the aim of encouraging innovation among companies and transfer of results from scientific research into applicable, commercial activities by establishing "spin-off" companies.
- (3) Achieving long-term positive contribution to the development of the national economy, improving competitiveness through technological and operational improvements and the provision of new jobs; supporting the formation of business and technology accelerators, entities providing infrastructural support for innovation activities in order to promote entrepreneurship by supporting individuals who want to establish an enterprise, as well as already established companies in their initial stage (not older than 6 years) by providing educational, logistical and financial support.

In this context, the collaboration with the Fund for Innovation and Technology Development will target to incentivize development of technology solutions relevant for climate change and to accelerate the engagement with private sector, including (but not limiting to) Small-Medium Size Enterprises (SMES) in the Republic of North Macedonia.

Additionally, the work under sub-outcome 2.5 will also be responsive to the results of Outcome 3 and will explore opportunities to involve the identified potential DAEs into the work for the identification of innovative technology solutions for climate change.

### **Outcome 3: Direct Access Entities**

The work under Outcome 3 intends to follow a logic from the general engagement and awareness raising workshop on accreditation (Activity 3.1.1) where all interested stakeholders will be convened to discuss and explore in detail the requirements of the procedure for accreditation to the GCF; followed by an analysis of the role of the institutions showing interest vis-à-vis the priority sectors, their expertise in mobilizing/implementing international funds and the type of financial instruments (Activity 3.1.2). Lastly, the NDA in consultation with the Coordination Mechanism will prioritize one of the potential DAEs shortlisted to conduct an analysis to identify the gaps in the procedures and policies of the prioritized institution to become accredited (Activity 3.1.3). Based on the results of the gap analysis of the prioritized entity, the NDA will officially nominate it for accreditation and tailored support will be provided (Activity 3.1.4) to complete the application for accreditation in the Online Accreditation System and to accompany

the institution in gathering the required information and supporting documents.

In this sense, Activity 3.1.1 has a broader, more general scope, aiming to provide information to all stakeholders on accreditation process to the GCF. After this, it is expected to have a long list of potential institutions and after initial assessment a short list of institutions with greater potential to become accredited, of which, the NDA in consultation with the Coordination Mechanism will prioritize 1 institution.

The prioritized institution will be provided with tailored support to initiate the completion of the accreditation application, and this includes workshops or working sessions to go through the documentation of the prioritized institution and to analyse if it complies with the requirement of the different sections of the accreditation application and can be provided as supporting documentation to build a strong case on the preparedness of the institution to implement country priorities.

The intention of the NDA is to have technologies and DAEs identified in line with the exercise for Country Programming (12 months) so the country programme could incorporate both a list of climate technologies and potential DAEs prioritized. However, as the accreditation of the identified potential DAEs may take longer, the intention of the NDA is to keep the potential DAEs on board for CN development, with an initial role of Executing Entity to gain experience on GCF matter (depending on their specific areas of expertise) and potentially supporting the implementation of country priorities once accredited.

#### **Outcome 4: Climate Finance Strategies and project pipeline strengthened**

Outcome 4 will facilitate access to finance, through the development of 2 Concept Notes in prioritized investments and the participation of private sector as key stakeholder for climate action. More specifically, the work under this outcome will include:

##### **Sub-Outcome 4.3**

Based on the initial Open call for project ideas launched already in the context of Readiness 1 and the work expected under Outcome 2 of this second proposal to develop a country programme, Activity 4.3.1 aims at providing the country 2 initial Concept Notes that can be submitted for consideration by the GCF or other sources of finance for prioritized investments. The selection of the investments to be developed into concept notes will be based on the developed prioritization mechanism and criteria and will be prioritized in consultation with the Coordination Mechanism.

The development of the Concept Note will include the following concrete tasks:

	<b>Tasks</b>	<b>Expected costs</b>
1	Bilateral/multilateral discussions with national stakeholders to further define the concrete needs according to the areas of work defined as priorities in North Macedonia Country Programme	(1 multistakeholder meetings per CN and one validation workshop for both concept notes- USD 9,000 approx.)
2	Development of Project Idea Note (PIN) for the proposed investment (if needed)	- One international Consultant as Team leader for the development of both



3	Development of a Concept Note and draft pre-feasibility study	<p>Concept Notes and draft pre-feasibility studies, (USD 32,400 for both CNs)</p> <ul style="list-style-type: none"> <li>- One national climate change specialist to support the development of each Concept Note, pre-feasibility study, (USD 16,000 for both CNs)</li> <li>- One ESS and gender specialist to ensure gender mainstreaming in all activities in the project (including de-conduction of the capacity strengthening of the National Coordination Mechanism under sub-outcome 1.5 and development of Country Programme under sub-outcome 2.1) and to support the development of both Concept Notes and pre-feasibility studies (sub-outcome 4.3), from a gender-sensitive perspective (USD 15,000)</li> </ul>
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The work to develop CNs will be synchronized with the finalization of the Country Work Programme and will incorporate the findings of Outcome 3 and Sub-Outcome 4.5 of this proposal to leverage the participation of the identified potential DAEs and private sector in the proposed investments according to their area of expertise. The development of the 2 Concept Notes represents the materialization of the efforts of the NDA and the Coordination Mechanism to put in place a strategic process to engage with the GCF.

**Sub-Outcome 4.5.Private Sector engagement**

Based on discussions in the context of the first Readiness grant, there’s lack of understanding on the side of the private sector with regards to its role and the opportunities to participate in climate action investments. In this sense, the NDA and the Coordination Mechanism have prioritized the work with private sector as a tool to leverage additional financial resources. In this context, Activity 4.5.1 will complement the capacity development efforts to take place in Activity 1.5.1 b) to facilitate dialogue with the private sector on concrete and specific potential opportunities for engagement according to private sector potential contribution to climate change efforts in the country, taking this opportunity to- based on the discussions- deliver an initial set of recommendations to enhance participation of private sector.

Under Sub-outcome 4.5 of this readiness proposal the NDA has prioritized the efforts to conduct an analysis of the needed enabling environments required for full participation of the private sector in climate action in the Republic of North Macedonia (Activity 4.5.2), this will support the country to have a clear understanding of who are the key private sector actors that can deliver transformative investment models and will provide an analysis with concrete entry points, modalities and financial instruments as well as ideas for concrete partnerships possible in the country to channel international sources of finance.

Sub-outcome 4.5 also targets to give the efforts to leverage private sector engagement sustainability beyond the project, by facilitating collaborative agreement between the NDA, the Fund for Innovation

and Technology Development and Private Sector institutions to develop public-private partnerships for climate action in the Republic of North Macedonia. This work will complement the efforts to identify climate technologies (Activity 2.5.1) which will also be coordinated with the Fund for Innovation.

Lastly, the country has the intention of also identifying a strong pipeline of projects/programmes where private sector can play a key role (activity 4.5.4) to comply with the commitments communicated by the country to the UNFCCC. The work with the private sector will follow the priority sectors identified, however will seek specific solutions according to private sector needs, ideally identifying opportunities for Public-Private Partnerships where possible. The defined private sector portfolio will feed and complement the project ideas identified in the context of the first Open call for climate change projects in the Republic of North Macedonia, launched by the NDA in October 2019 in the context of the first Readiness grant.

It is worth highlighting that a project for development of a national Law and Strategy on Climate Change has been programmed under the EU Instrument for Pre-Accession Assistance (IPA II) funding mechanism to be informed by the EU's 2030 Climate and Energy Framework; this proposal will use all opportunities to ensure complementarities and avoid overlapping with these initiatives by ensuring fluid communication, coordination with the Ministry of Environment and Physical Planning and at all times supporting the leadership of the NDA. Moreover, representatives of the NDA are members of the Steering Committee of the IPA II project, which will furthermore strengthen the coordination and inter-linkages of the activities implemented under both projects.

In that line, this request for a Readiness grant will provide further support to the country in developing its capacities to effectively access and deploy resources from the GCF and other sources of climate finance. This grant will support the implementation of NDC commitments, by strengthening the capacities of the government and other stakeholders (including private sector) as well as by developing a full Country Work Programme (Outcome 2) for the GCF, which will incorporate concrete projects relevant for both public and private actors for the implementation of priority adaptation and mitigation investments related to all priority sectors as identified by the NDA, including the AFOLU, energy, transport and other relevant sectors. It is expected that Outcome 2 will build on the work conducted under Readiness 1, by following a very participatory process to define priority investments and also by making use of the products developed under Readiness 1, which include mechanisms for coordination among different institutions and procedures to prioritize and assess project proposals.

The intention of the NDA is to have technologies, DAEs and private sector portfolio identified in line with the exercise for Country Programming (12 months) so the country programme could incorporate a list of climate technologies, potential DAEs prioritized and a pipeline of private sector investments. However, as the accreditation of the identified potential DAEs may take longer, the intention of the NDA is to keep the potential DAEs on board for CN development, with an initial role of Executing Entity to gain experience on GCF matters and potentially supporting the implementation of country priorities once accredited.

It is important to highlight that as a result of the Call for expressions of interest launched by the GCF Secretariat in July 2019, North Macedonia was selected as a pilot beneficiary country to receive technical advisory services for development of Country Programme. According to the notification received by the NDA in August 2019, the additional support will be available in the form of technical advisory services to be delivered by a roster of expert consultants which will provide technical and analytical inputs to inform and strengthen the evidence basis underpinning GCF Country Programme.

In the particular case of the Republic of North Macedonia, the support will provide services in the field of Policy Assessment and Finance Mapping to identify country needs and institutional capacities at central and local level and stakeholders project ideas for adaptation to CC and to identify diverse possibilities for financial instruments for adaptation and mitigation measures/projects. In this sense, considering that the primary objective of the support provided is to produce high-quality, relevant and independent analysis on the climate change risks and adaptation and mitigation opportunities that the Republic of North Macedonia faces, these inputs will be used in the process of country programme preparation and will be coordinated with the work to be conducted under this second Readiness grant.

### 3. LOGICAL FRAMEWORK AND IMPLEMENTATION SCHEDULE

Outcomes		Baseline	Targets	Activities (brief description and deliverables)	Anticipated duration: 18 months																	
					Monthly implementation plan of activities																	
					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<b>Outcome 1:</b> Institutional Capacity and coordination mechanisms in place to govern and coordinate climate action and finance	Sub-outcome 1.4: Monitoring and verification systems for climate finance flows in the Republic of North Macedonia	1  Procedure for tracking, monitoring and streamlining climate finance developed in the Republic of North Macedonia	2	<b>Activity 1.4.1:</b>  Finalize <sup>6</sup> the system for Tracking, Monitoring and Streamlining of climate finance in the country. <sup>7</sup>  <b>Deliverable 1.4.1.1:</b>  System for Tracking, Monitoring and Streamlining for climate finance in the Republic of North Macedonia adopted by the Government through the National Sustainable Development Council (NSDC).  <b>Deliverable 1.4.1.2:</b>  First report on climate finances in the Republic of North Macedonia developed and discussed in the																X		

<sup>6</sup> Under the first Readiness, the NDA has begun to develop a procedure for tracking, monitoring and streamlining of climate finance in the country, and a first manual exercise to track climate finance is supposed to be one expected deliverable by the completion of the first readiness grant. In this sense, the NDA requires additional support to continue the work on this topic, including for the automatization of this procedure and to discuss with national institutions on their role and responsibility in compliance with the system to be developed. The adoption of this system is expected to take place in the context of the National Sustainable Development Council, identified as the Country coordination Mechanism on GCF matters in the Republic of North Macedonia.

<sup>7</sup> In the context of the first readiness grant implemented by FAO under the guidance of the NDA, an initial procedure for tracking, monitoring and streamlining climate finance has been developed and discussed with relevant stakeholders. In this context, it has been agreed that monitoring and tracking climate change finance in the Republic of North Macedonia must follow a phased approach and should include monitoring mitigation and adaptation activities on different sectors, such as water, energy, infrastructure and agriculture, disaster risk reduction etc. and must include monitoring of climate change related programs in the Republic of North Macedonia including public and private institutions, civil society organizations and academia, both national and international with presence in the country. It is proposed that the procedure for tracking, monitoring and streamlining CC finances in the Republic of North Macedonia uses the scoring system of the Rio markers for identification of the level of CC action relevancy. While the tracking process of the CC finances focuses on identification of all public, private and international budgeted and implemented activities related to CC with both positive and negative effect, the monitoring process focuses on analysis and calculation of the budgets and investments in CC relevant activities and the streamlining process focuses on recommendations and interventions (based on the monitoring results) in the public, private and international programs and budgets for CC finances. More details on how to operationalize the procedure will be refined in the context of the second readiness project where an online system to track and monitor climate finance will be developed and will be aligned with the reforms to the Law on Finance in the country.

				NSDC. <b>Completion Q2Y2</b>																	
	Sub-Outcome 1.5: Effective coordination mechanism .	1 Country Coordination Mechanism has been established; members of the coordination mechanism have limited knowledge and capacities with regards to NDC and SDG agendas, as well as on how to leverage private sector participatio	2	<p><b>Activity 1.5.1:</b></p> <p>Conduct initial capacity strengthening of the NDA and other institutions within the country coordination mechanism on GCF matters<sup>8</sup> (the National Sustainable Development Council- NSDC) regarding access to climate finance flows and SDGs implementation. This activity will include the following inputs:</p> <p>a) Facilitation of a project Management Certification for 4 members of the core NDA team</p> <p>b) Conduction of 8 workshops/trainings including 40-50 participants from the different institutions within the Strategic Advisory Committee (Coordination Mechanism) on the following topics:</p> <ul style="list-style-type: none"> <li>- Identification of gaps and role of institutions in the coordination with the NDA, UNFCCC focal point and other institutions to facilitate access to finance in the Republic of North Macedonia</li> </ul>																	

<sup>8</sup> The scope of activity 1.5.1 includes 2 very concrete tasks to strengthen the capacities of the Coordination Mechanism, a first more narrow training on project management for those representatives in the Strategic Advisory Committee (10 people), who will be directly responsible for supporting the NDA in assessing project proposals and monitoring their implementation once approved; and a more broad capacity development sessions on different topics, targeting all the members of the National Council on Sustainable Development (40-50), as the potential proponents of proposals.



				change and its financing, including on opportunities for engagement of private sector in climate investments and have stronger capacities to facilitate access to climate finance in the Republic of North Macedonia.  <b>Completion Q1Y2</b>																
Outcome 2: Country Programming Process	Sub- Outcome 2.1: Country programme for climate finance developed across the climate finance landscape	1	2	<b>Activity 2.1.1:</b>  Conduct the identification of readiness needs in institutions relevant for NDC implementation <sup>9</sup> .  <b>Deliverable 2.1.1.1:</b>  Readiness Needs Assessment Section within the Country Work Programme in the Republic of North Macedonia.  <b>Completion Q4Y1</b>																
		1	2	<b>Activity 2.1.2:</b>  Based on the outcomes from readiness 1 <sup>10</sup> , finalize Macedonia's Country Work Programme for the																

<sup>9</sup> This activity will explore potential readiness needs in other priority sectors as defined under readiness 1. These sectors will include: Agriculture, Forestry and Water Resources, energy sector, including energy efficiency, transport sector, building and other relevant sectors to the national commitments beyond 2020 (NDC+). The full list of 9 sectors defined as priorities to be included in the Country Work Programme can be found in the Background section of this document.

<sup>10</sup> A prioritization mechanism has been developed and is being discussed as part of the work carried out under Readiness 1. The Country Work Programme will be developed using the agreed prioritization procedure and will be validated by the National Sustainable Development Council as Country Coordination Mechanism on GCF matters.

		country priorities and launching of the first call for project ideas took place under readiness 1 as the first inputs for country programming.		<p>GCF, including a list of country priorities and projects<sup>11</sup>.</p> <p><b>Deliverable 2.1.2.1:</b></p> <p>North Macedonia's Country Work Programme for the GCF validated by the country coordination mechanism.</p> <p><b>Completion Q4Y1</b></p>																	
	Sub-outcome 2.5: Appropriate climate technology solutions/ approach identified and prioritized in accordance with national strategies and plans for climate adaptation and mitigation	1 Fund for innovation has been established and already works to foster identification of innovative solutions in different sectors (not only related to climate	2	<p><b>Activity 2.5.1:</b></p> <p>Support the identification of climate technology solutions in 9 priority sectors through the coordination with the Fund for Innovations and Technology Development of the Republic of North Macedonia<sup>12</sup>.</p> <p><b>Deliverable 2.5.1.1:</b></p> <p>List of identified technology solutions aligned with the Country Work Programme</p> <p><b>Completion Q2Y2</b></p>																	X

<sup>11</sup> The NDA intends to launch a call for proposals in the 9 priority sectors which will be assessed against the prioritization criteria developed under Readiness 1. The prioritized projects will be then consulted and validated in the context of the Country coordination Mechanism.

<sup>12</sup> Under this activity the NDA will coordinate with the Fund for Innovation and Technology development of the Republic of North Macedonia to work with private sector institutions (including SMSEs) to develop climate related technological solutions. These solutions will focus on the 9 priority sectors included in the Country Programme.

		change).																			
Outcome 3: Direct access to climate finance	Sub-Outcome 3.1: Direct access entities' nomination	0	2	<p><b>Activity 3.1.1:</b></p> <p>Conduct a workshop<sup>13</sup> (40 participants) with participation of public and private institutions, including civil society sector. The workshop will take place in Skopje and will discuss the accreditation requirements and steps and try to identify potential interested institutions. Also, communication materials will be developed on GCF and its accreditation process.</p> <p><b>Deliverable 3.1.1.1:</b></p> <p>Long list of potential DAEs identified based on the expressions of interest from potential DAEs.</p> <p><b>Completion Q1Y1</b></p>																	
				<p><b>Activity 3.1.2</b></p> <p>Rapid assessment for understanding the role of existing institutions and identifying initial list of institutions with potential to be accredited and support in the implementation of Macedonia's priorities as per the Country Work Programme.</p> <p>The short list of potential institutions</p>																	

<sup>13</sup> The workshop will include detailed information on the Country Work Programme and the role of potential DAE in the implementation of these priorities included in the CP. Specific information regarding accreditation process and requirements will be provided for National Government institutions and Private Sector entities, including CSOs, Commercial Banks and other entities. From the discussions on Country Programming and the interested institutions, an initial list of entities will be put in place, discussed and validated by the NDA in the context of the Country Coordination Mechanism. The workshops and materials will provide valuable information to all stakeholders to define their perspective role as potential DAE and further explore their compliance with the requirements.



				<p>mechanism of that institution which is closer to complying with the accreditation requirements, conduct an institutional gap analysis of potential applicant</p> <p><b>Deliverable 3.1.3.1:</b> Institutional gap analysis report and roadmap for accreditation of institution, including recommendation for structural and human resources DAE organization. This will feed into the Country Work Programme to incorporate the views of the NDA on the DAE strategy for North Macedonia.</p> <p><b>Deliverable 3.1.3.2</b></p> <p>Nomination letter for the potential DAE in the Republic of North Macedonia and -submitted request for OAS account issuance.</p> <p><b>Completion Q3Y1</b></p>																		
	3.2 Accreditation of Direct Access Entities	0 No Entity identified	1 DAE nominated has submitted and application to the	<p><b>Activity 3.2.1.</b></p> <p>Based on Gap Analysis, Support (1) prioritized national entity to develop a roadmap to complete the Accreditation application<sup>16</sup> to become a Direct Access Entity. This will include technical support and at least 1 working session with staff of the prioritized entity to</p>																		X

<sup>16</sup> Activity 3.1.1 has a broader, more general scope, aiming to provide information to all stakeholders on accreditation process to the GCF. After this, it is expected to have a long list of potential institutions and after initial assessment a short list of institutions with greater potential to become accredited, of which, the NDA will prioritize 1 institution. The prioritized institution will be provided with tailored support to initiate the completion of the accreditation application, and this includes workshops or working sessions to go through the documentation of the prioritized institution and to analyze if it complies with the requirement of the different sections of the accreditation application and can be provided as supporting documentation to build a strong case on the preparedness of the institution to implement country priorities.

			GCF	<p>discuss the concrete steps and examples of required documentation for the completion of the accreditation application.</p> <p><b>Deliverable: 3.2.1.1.:</b> Accreditation application completed</p> <p><b>Completion Q2Y2</b></p>																	
Outcome 4: Climate Finance Strategies and project pipeline Strengthened	Sub-Outcome 4.3 Project Concept Notes Developed	0 No priority investments have been identified and in this sense, no concept notes have been developed.	2	<p><b>Activity 4.3.1:</b> Based on country needs and priorities to be defined in the Country Programme by the NDA and validated by the coordination mechanism, develop 2 concept notes and pre-feasibility studies to be shared with the GCF for consideration.</p> <p><b>Deliverable 4.3.1.1:</b> 2 Concept Notes and pre-feasibility studies for prioritized project/programme idea.<sup>17</sup></p> <p><b>Completion Q2Y2</b></p>																	X
	Sub-outcome 4.5: Private Sector engagement	0 No systematic work has taken place to	1	<p><b>Activity 4.5.1.</b> In coordination with the Fund for Innovations and Technology Development of the Republic of North Macedonia, conduct a high-level dialogue event between the</p>																	X

<sup>17</sup> The NDA in consultation with the coordination mechanism will select the 2 project ideas for which Concept Notes will be developed in the context of this project, based on the pipeline of project ideas put together in the context of Country Programme development, which includes potential Private Sector investments (as identified in Activity 4.5.4.). In this sense, the CNs to be developed will incorporate, where possible, the findings and inputs from Activities 4.5.2, 4.5.3 and 4.5.4 to facilitate private sector participation in the prioritized investments. Similarly, the NDA will facilitate the process to identify the most suitable Accredited Entity for the implementation of the 2 prioritized investments, considering also the identified potential DAEs ( Outcome 3) as Executing Entities for the implementation of the project according to the sector of expertise

		leverage private sector participation; however private sector has been invited to the consultations that took place under readiness 1 to discuss the coordination mechanism and no-objection procedure.	<p>NDA, coordination mechanism and Private Sector<sup>18</sup> to discuss potential opportunities for engagement according to Private sector potential contribution to climate change efforts in the country. This event will take place in Mavrovo and will include 50-60 participants from private sector and government institutions.</p> <p><b>Deliverable 4.5.1.1</b></p> <p>Recommendations to enhance participation of private sector with inputs of the dialogue between the NDA and Private Sector institutions, particularly for the development of a Programme for Climate innovation withing the permanent activities of the Fund for innovation and an initial call for innovative ideas to feed the country programming exercise for GCF financing in the Republic of North Macedonia.</p> <p><b>Completion Q3Y1</b></p>																		
			<p><b>Activity 4.5.2</b></p> <p>Map private sector actors who can deliver transformative investment models and the enabling environments for crowding in private investments related to</p>																		

<sup>18</sup> The activity is intended to attract private sector in general. The list of potential participants will be put together in the context of the discussions with the NDA for the implementation of the project but most likely will include those stakeholders already working with the government of North Macedonia. Selection criteria will be defined by the NDA with support of consultants.

			<p>climate change at national/regional level<sup>19</sup>.</p> <p><b>Deliverable 4.5.2.1</b></p> <p>Analysis of private sector actors and the enabling environments for Private Sector participation in climate investments in North Macedonia, including recommendations on entry points, modalities, financial instruments and implementation partnerships for channeling international funds to support the delivery of CP.</p> <p><b>Completion Q3Y1</b></p>																		
			<p><b>Activity 4.5.3</b></p> <p>Facilitate a collaborative agreement between the NDA, the Fund for Innovation and Technology Development and Private Sector institutions to develop public-private investments in North Macedonia</p> <p><b>Deliverable 4.5.3.1</b></p> <p>Collaborative agreement between the NDA, the Fund for Innovation and Technology Development and Private Sector groups for the identification of public-private investments on climate change signed</p>																		

<sup>19</sup> The mapping exercise will include stocktaking of regulations, and best practices for sustainable development. Development of a “White book” containing best practices in private sector engagement in climate action in the Republic of North Macedonia as an incentive for participation, as well as positive examples and possibilities for replication, and recommendations for additional potential readiness support (to be incorporated in the Readiness Needs Assessment and Roadmap under activity 2.1.1).

				<p><b>Deliverable 4.5.3.2</b></p> <p>Recommendations on standardised modalities, processes and/or mechanism to support private sector engagement in priority sectors through public-private partnerships as inputs for country programme and pipeline development.</p> <p><b>Completion Q3Y1</b></p>																			
				<p><b>Activity 4.5.4:</b></p> <p>Develop a portfolio of investment opportunities for the private sector in line with NDC, including a list of proposals on both mitigation and adaptation, that can feed in the Country Work Programme<sup>20</sup> for North Macedonia based on their potential for innovation, transformative investment models and international best practices.</p> <p><b>Deliverable 4.5.4.1:</b></p> <p>List of private sector projects/ programmes proposals with potential for innovation, transformative investments models and international best practices to be included in North Macedonia's Country Work Programme for the GCF</p>										X									

<sup>20</sup> This activity will be developed based on an open call for private sector project ideas. The selection of the proposals to be included in the PS portfolio of the CP will be based on the existing channels (including online platform for project idea development in the NDA website) and no-objection procedure developed in the context of Readiness 1, exploring the potential for innovation, transformative investment models and international best practices.





#### 4. ADDITIONAL INFORMATION (ONLY FOR ADAPTATION PLANNING SUPPORT)

This section is only to be completed when seeking support for formulation of national adaptation plans and/or other adaptation planning processes. Please see Part 3 Section 4 in the Readiness Guidebook and please limit to maximum of 500 words.

## 5. BUDGET, PROCUREMENT, IMPLEMENTATION, AND DISBURSEMENT

### 5.1 Budget plan

Please complete the Budget Plan in Excel using the template available in the [Library](#) page of the GCF website.

### 5.2 Procurement plan

Please complete the Procurement Plan in Excel using the template available in the [Library](#) page of the GCF website. For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in section 2, estimated cost, procurement method, relevant threshold, and the estimated dates. Please include the procurement plan for at least the first tranche of disbursement requested below and provide a full procurement plan for the entire duration of the implementation period if available at this stage.

### 5.3 Disbursement schedule

Please specify the proposed schedule for requesting disbursements from the GCF. For periodicity, specify whether it's quarterly, bi-annually or annually only.

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 to Clause 4 “*Disbursement of Grants*” and Clause 5 “*Use of Grant Proceeds by the Delivery Partner*” of the Amended and Restated Agreement in the respect of the Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and FAO on 17 May 2018. The Delivery Partner is entitled to submit 2 requests for disbursement each year and an Interim Request for Disbursement within 30 days of approval by the GCF of a proposal, which must be in accordance with the Framework Agreement.





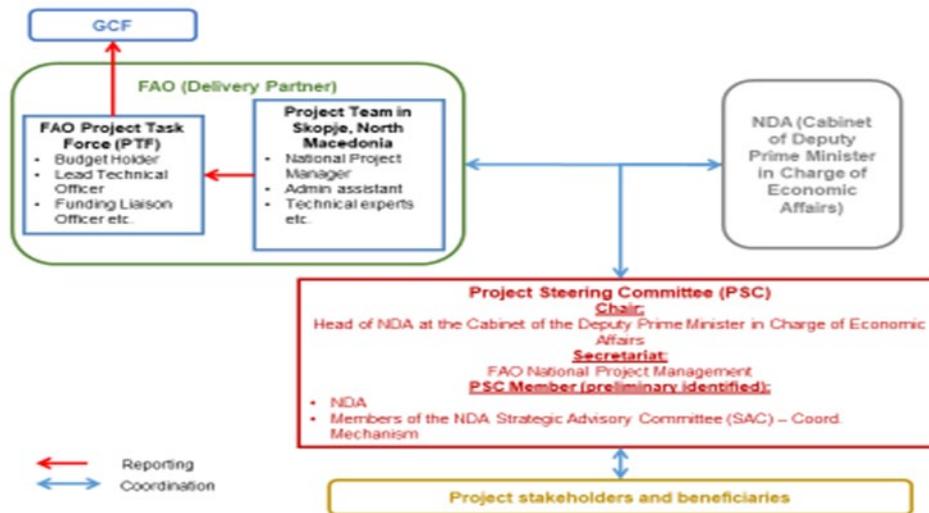
Private Sector in energy sector, including: Oil and gas companies, electricity production companies, etc	X								
Ministry of Local- self government		X	X		X			X	X
Agency for Regulation of the Railway Sector		X							
Civil Aviation Agency		X							
Agency for Real Estate Cadastre		X							
Public enterprise for State roads		X							
Public Enterprise for the Maintenance and Protection of National and Regional Roads "Makedonijapat"		X							
Macedonian Railways Transport AD- Skopje (owned by the Government)		X							
Ministry of Agriculture, Forestry and Water Economy			X	X		X		X	
Association of farmers			X	X					
Hydropower companies	X			X					
Water management enterprise			X	X					
Ministry of Health				X	X		X		
Institute for Public Health				X	X		X		
Communal enterprises			X		X				
Representatives of National Parks and protected areas			X			X		X	
Funds for health insurance							X		
Public enterprises for Forestry			X					X	
Ministry of Culture									X
National Conservation centers									X
National council for cooperation and promotion of civil sector/ NGOs and CSOs	X	X	X	X	X	X	X	X	X
Chambers and clusters	X	X	X	X	X	X	X	X	X
Faculties in the relevant fields	X	X	X	X	X	X	X	X	X

Please note that the civil sector representatives will be involved during the activities work. A detailed list of potential NGOs and CSOs by sectors will be defined in cooperation with the National council for cooperation and promotion of civil sector establish by the Government of North Macedonia. Additionally, when and where needed representatives of the private sector will be engaged via the chambers and clusters operating in the country.

The project will be led by the Government of the Republic of North Macedonia (who is the ultimate beneficiary),

with the technical and operational support of FAO, as delivery partner, through the supervision of FAO's Regional Office in Budapest and the support from FAO's HQ in Rome, and the day-to-day execution with the direct support of the FAO team in Skopje. In this way, the project will benefit from the technical and implementation capacities of FAO at national, regional and international levels. FAO will ensure possible synergies with other countries, in relation to GCF experience and capacity building.

Figure 1: Composition of the Steering Committee and arrangements for implementation of the readiness grant



**Project Quality Assurance:** As a Delivery Partner selected by the NDA, FAO will implement and execute the readiness project, to deliver GCF-specific oversight and quality assurance services, including: (i) Day-to-day oversight supervision; (ii) Oversight of project completion; and (iii) Oversight of project reporting, including gender and social inclusion mainstreaming. FAO will ensure the overall quality of the project implementation through different levels of supervision, including the support of FAO team in the country and at regional and headquarters levels. Project Quality Assurance will be independent of the Project Management function and will provide support to the Project Steering Committee and National Project Manager by carrying out objective and independent project oversight and monitoring functions, ensuring appropriate project management milestones are timely completed.

To conduct the functions of Project Quality Assurance, FAO will conform a Project Task Force which will be presided over by the budget holder, together with the FAO Lead Technical Officer (LTO); this Task Force will be integrated by experts from FAO's Regional Office, HQ and the team at Country level. The task force is a management and consulting body composed of FAO staff members with the authority and technical knowledge required to ensure efficient technical, operational and administrative management of the project. Finally, the FAO Regional Office and HQ will provide administrative support and supervision on issues such as purchasing goods internationally and presenting reports. FAO's LTO in coordination with the team in the Country will lead in the preparation of reports with the support of the National Project Manager and FAO HQ will follow official channels for communication with the GCF. Additionally the LTO, in consultation with FAO staff in HQ will ensure the observation of all considerations included in the Framework Agreement for Readiness Grants between FAO and the GCF with regards to reporting.

Particularly, FAO as Delivery Partner will keep the GCF Secretariat informed on the progress in the implementation and results achieved under this proposal by preparing and presenting Interim Progress Reports (IPRs) twice a year in an 18 month period and a completion report upon finalization of all activities. The reports (implementation and financial) to be submitted will include reporting against the logical framework included in section 3.

### Gender equality

Gender dimensions have been integrated throughout the project, to ensure that gender perspective of climate change is reflected in the knowledge products, as well as to ensure that diverse viewpoints are reflected and different types of actors' capacity is strengthened. In particular, by using a human rights-based approach, both duty-bearers and right-holders will be identified, and their capacities developed. Within this approach, duty-bearers will be ready to mainstream gender and to support all, and right-holders will be ready to practice their

rights. By taking gender issues into account in all activities, the project is more likely to meet its objectives and reach its full potential, as the knowledge products and related planning processes will more accurately reflect the existing socio-economic dynamics that shape women's and men's adaptive capacity. In addition, the project will avoid reinforcing existing inequalities vis a vis access to knowledge and training by encouraging the participation and engagement of diverse stakeholders. The project is going to target 50-50 equal participation of women in all the events organized within the project and ensure that the deliverables are gender-sensitive and that the interests of both men and women are considered and represented throughout the project implementation. The proposal indicates that, according to the UN quota on women representation and with Government of North Macedonia and FAO Gender policies and action plans, **at least** (no less than) 30% of all participants to the different events will be women, and in this sense this only represents the absolute minimum representation of women that can be expected. To achieve this goal, the NDA and FAO will closely work with the Coordinators on Equal Opportunities within the Ministry of Labour and Social Policy to consult on the engagement of women, women organizations and relevant ministries with gender mandates that should be engaged throughout the project implementation.

The LTO will ensure effective gender and social inclusion mainstreaming in line with the FAO Policy on gender equality; the FAO guidelines for the implementation of gender mainstreaming and human rights-based approach in the project cycle<sup>21</sup>; the FAO Environmental and Social Management Guidelines; and the GCF standards on gender equality and social inclusion.

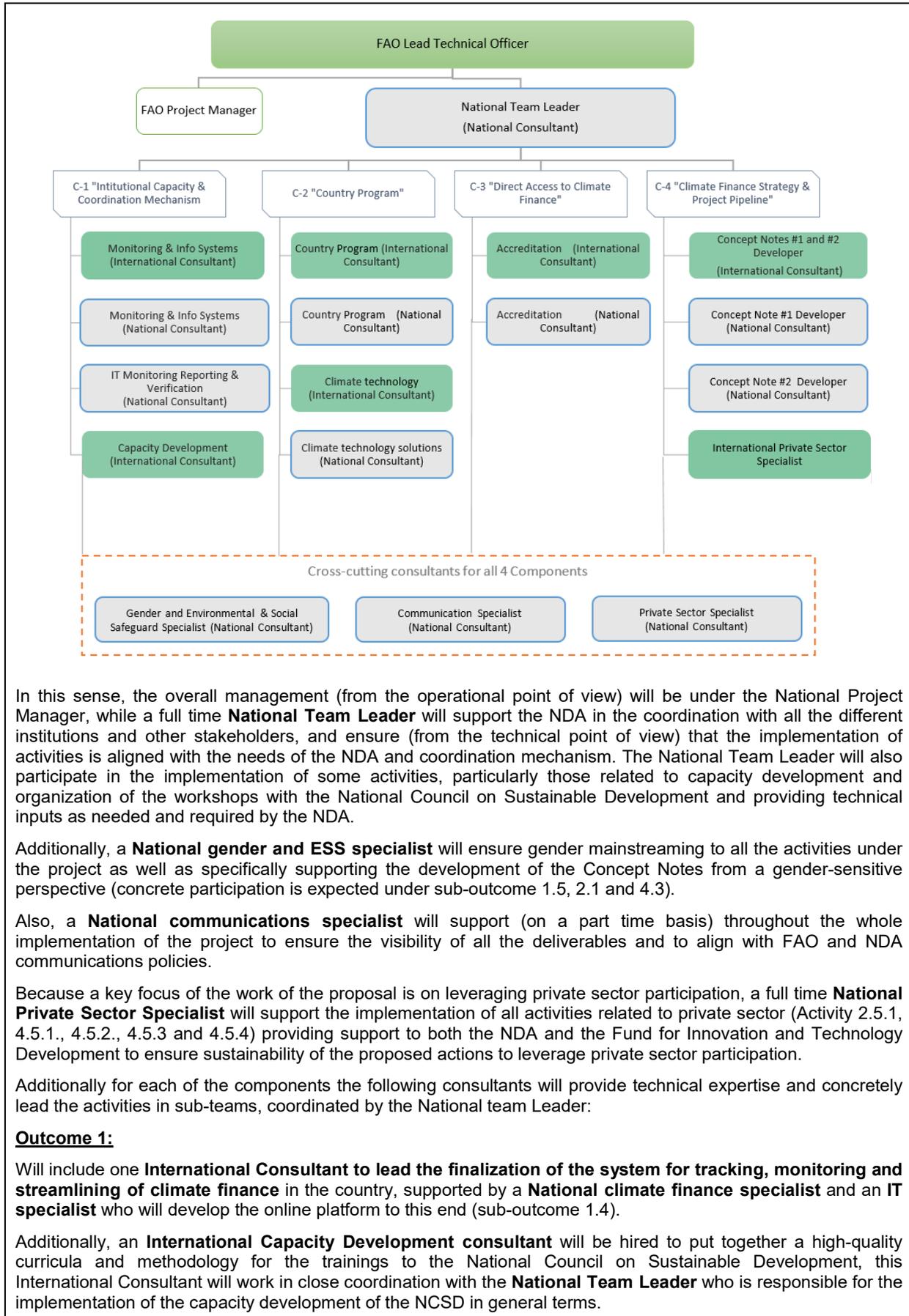
**National Project Manager (NPM):** The National Project Manager is responsible for day-to-day project management and regular monitoring of project results and risks, including social and environmental risks. The National Project Manager will ensure that all project personnel maintain a high level of transparency, responsibility and accountability in M&E and in reporting of project results. The National Project Manager will report to the Lead Technical Officer and will inform the Task Force, of any delays or difficulties encountered during implementation to ensure that appropriate support and corrective measures can be adopted.

The National Project Manager will develop annual work plans to support the efficient implementation of the project. The NPM will ensure that the standard FAO and GCF M&E requirements are fulfilled to the highest quality and will ensure fluid communication between all stakeholders of the project (including FAO, the NDA and other stakeholders) and also serves as Secretary to the Steering Committee ensuring that all the decisions made by the SC are duly executed to ensure a smooth implementation of the project.

Additionally a team of 20 consultants (national and internationals) will take over the technical implementation of the activities described in the logical framework. Figure 1 below, shows the structure of technical support allocated for the different outcomes.

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<sup>21</sup> These guidelines have been developed for the Region of Europe and Central Asia and are available at: <http://www.fao.org/3/a-i6808e.pdf>



**Outcome 2:**

Will include the recruitment of an **International Consultant to lead the development of the Readiness Needs Assessment and the Country Work Programme** as key deliverables of Outcome 2. The work under this outcome will be also supported by a **National Country Programme Consultant**, who will provide technical support for the development of the two key deliverables.

Additionally, and **International Climate Technology Specialist** will provide support to the Fund for Innovation and Technology Development to structure the work to identify the climate technologies to be prioritized. This component will also have the support of the **National Private Sector Specialist**, which as mentioned above, will undertake (on a full time bases) all the activities related to engagement with private sector.

**Outcome 3:**

Will be implemented with the support of an **International Accreditation Specialist and a National Accreditation Specialist**. Both of these experts will provide guidance to conduct awareness raising activity as well as will conduct an initial assessment of the interested institutions to come up with a shortlist of institutions with potential to become accredited as well as will conduct a gap analysis of their capacities, policies and expertise to become accredited. Lastly, it is expected that both of these consultants will support 1 prioritized entity to complete the accreditation application in the Online Accreditation System and will guide the institution to gather/ develop/update relevant supporting documents to be uploaded as evidence of the work of the organization in the implementation of climate change projects.

Lastly, **Outcome 4:**

Will include **1 International Consultant to Develop 2 priority concept notes**, the consultant will be responsible for the development of the two Concept Notes according to the priority sectors. The international consultant will also work with **2 National Consultants to develop the Concept Notes**. The team consisting of one International and two National Consultants will devote their efforts to develop the two concept notes and in this sense will produce or finalize:

- a) a Concept Idea Note (depending on the level of development of project ideas submitted by stakeholders during the Open call for project ideas launched in October 2019),
- b) Draft Pre-Feasibility Study for the prioritized investments
- c) Concept Note fully developed (12 pages according to GCF requirements).

The team of consultants will work closely with the Gender and ESS specialist to ensure that the Concept Notes developed are in line with the GCF and the Government of Macedonia policies on gender and that ES risks are identified and mitigated (if any). The team of consultants and the gender and ESS specialist, together with the NDA will conduct workshops/consultations in the targeted areas and will involve as much as possible not only beneficiaries but also the private sector and the identified DAEs, to which the teams will request support from the Private sector specialist as needed.

**Starting date of the Readiness proposal**

The start date for implementation will be as outlined in the framework/grant agreement in effect at time of approval unless otherwise agreed to between the Delivery Partner and the GCF.

## 6.2 Risks, monitoring and evaluation (M&E), and other relevant information

FAO has developed a fruitful collaboration with the Republic of North Macedonia in recent years. FAO's programme in the country includes the excellent collaboration developed for the implementation of the First Readiness Grant in the country where FAO served as Delivery Partner, as well as a number of on-going projects, to increase productivity of the agriculture sector, enhancing livelihoods through sustainable rural development and improving capacities for sustainable management of natural resources and resilience to climate change. FAO's relevant work with local Macedonian institutions, carried out in the past years, has brought lessons learned and has strengthened the methodologies and mechanisms for monitoring and evaluations throughout the project cycle.

The pipeline of projects related to climate change, includes the following interventions:

Project Name	Budget and Donor	Dates
<p><b>TCP/MCD/3402 - Capacity development on digital soil mapping and development of the Macedonian Soil Information System (MASIS)</b></p> <p>The project provided collection, synchronization, systematization and integration of existing soil data and information in a consolidated database and spatial information system. The main result of this project is the creation of an official national soil map in line with European and global standards: <a href="http://www.maksoil.ukim.mk/masis/">http://www.maksoil.ukim.mk/masis/</a></p>	USD 340 000; FAO	01.01-2013 – 30.11.2015
<p><b>TCP/MCD/3201; TCP/MCD/3302 - Strengthening national forest fire preparedness</b></p> <p>Project objective was strengthening the capacity of the national administrative and operational bodies that are responsible for forest fire management.</p>	USD 340 000; FAO	01.04.2009 - 31.12.2012
<p><b>TCP/RER/3504 - Enhancement of Disaster Risk Reduction and Management (DRRM) capacities and mainstreaming CCA</b></p> <p>As part of the regional project a recent study was conducted: <i>“Comprehensive analysis of the disaster risk reduction and management system for the agriculture sector for the Former Yugoslav Republic of Macedonia”</i>, which provides a clear overview of the current situation in terms of capacity needs of the Macedonian Ministry of Agriculture and the existing institutional system to manage and reduce disaster risks in the agricultural sector.</p> <p>Based on the findings of this study, during the CPF 2018-2020 consultation process, the Ministry of Agriculture, requested FAO support for development of a national DRR/M strategy for agriculture and action plan in line with the most relevant instruments and practices in the region and the EU.</p>	FAO Regional project	01.01.2016- 31.12.2017
<p><b>TCP/RER/3502 - Technical assistance for using wood energy to improve sustainable economic rural development and meet the 2020 renewable targets for the Western Balkans</b></p>	FAO Regional project	01.01.2015 – 01.11.2017

**Monitoring and Evaluation:**

For this readiness proposal a similar mechanism will be applied; Project Steering Committee represented by FAO, NDA and Strategic Advisory Committee (SAC) under the Country Coordination Mechanism will gather at least twice a year in order to monitor project implementation, discuss emerging problems/risks and identify possible mitigation actions. Additionally, National Project Manager will provide monthly monitoring and implementation reports to the LTO and NDA, summarizing progress made and identifying potential risks triggered and mitigation actions. The National Project Manager under the leadership of the LTO will assume responsibility for the preparation of interim reports and the completion report to be submitted to the GCF according to the GCF-FAO Framework Agreement. S/he will also act as a focal point for filing grievances raised by any of the stakeholders, if there is any need and bring the issues to the attention of the task force.

**Risks:**

The potential risks that might affect the achievement of project objectives could be listed as following:

<b>Risk Category</b>	<b>Specific Risks</b>	<b>Likelihood of occurrence</b>	<b>Impact level</b>	<b>Risk mitigation actions</b>	<b>Entity Responsible to manage the risk</b>
Stakeholders communication and coordination challenges	Due to multi-level, and multi-sectoral approaches in activities and due to changes of the staff in the institutions and organizations, there's some risk in not achieving strong participation of relevant stakeholders	Low	Low	This situation will be avoided by ensuring complementarity with other initiatives and by strong leadership and coordination of the NDA, which has strong convening powers.	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 in 2020 might change with the announcement of an interim technical government and the call for general elections in April 2020;	Medium	Medium	The project agreement between FAO and the NDA will be signed as soon as possible to avoid any delays in the implementation of the project. If needed the implementation period could be extended depending on the situation and activities timeframe will be revised as deemed necessary in case of delays.	FAO/ NDA



Lack of interest /knowledge of private sector to participate in climate action in the Republic of North Macedonia	Preliminary discussions have shown that private sector is interested in exploring opportunities for collaboration with the government on different topics, including environmental and climate change, however the knowledge of the private sector on concrete opportunities is very low and therefore sometimes is difficult for PS actors to clearly see their role in climate action.	Low	Low	To mitigate this risk the NDA will work directly with the Fund for Innovation and Technology Development of North Macedonia to better understand and establish a systematic dialogue based on country needs and priorities defined in Country Work Programme	FAO/ NDA/ Fund for Innovation and Technology
Lack of knowledge and interest from national stakeholders on accreditation process	The accreditation process is a new and complicated topic that can raise expectations in the country. However, not many institutions have clear understanding on the requirements for accreditation and therefore lack of interest might be perceived	Low	Low	The project will provide tailored support and systematic information to ensure potential institutions have relevant information and are able to initiate the accreditation process.	FAO/NDA
Delays in implementation due to	Because North Macedonia is a relatively	Medium	Low	As a result of the implementation of the first readiness	FAO/NDA



<p>recruitment process for consultants under the project</p>	<p>small country, there's a limited number of experts available to be recruited with concrete and relevant experience on climate change and climate finance matters.</p>	<p>grant in North Macedonia, FAO has a pool of competent and very committed consultants to support the implementation of the second readiness grant. Since the NDA is highly satisfied with the performance of this initial pool of consultant those will be considered for potential assignments under the second readiness grant, as a way also to provide sustainability to the processes started and to continue to strengthen capacities of national professionals in the area of climate change and climate finance.</p>
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The project is implemented in line with FAO policies and rules that in general terms prevent prohibited practices related to money laundering, financing terrorism or any way of corrupt practices. Performance of the proposed project will be monitored using the project results framework, including indicators (baseline and targets) and Annual Work Plan and Budgets. At the inception phase of project implementation, the results framework will be reviewed with the Project Steering Committee members for any updated information relevant to the project implementation. The Inception Workshop Report and the subsequent six-monthly GCF Interim Progress Reports (IPRs) will be the main reports used for the monitoring and evaluation of project results. During the project implementation phase, FAO's LTO will carry out technical supervision missions. Lessons learned throughout the project will be reviewed and discussed at the terminal workshop.

To ensure sustainability of the measures conducted under this Second Readiness grant, the government of the Republic of North Macedonia will work with government institutions and private sector actors to ensure knowledge and capacities to access climate finance are strengthened at national and local levels. Additionally, the NDA will partner with the Fund for Innovation and Technology Development to develop permanent programmatic windows to leverage and facilitate the participation of private sector in climate action in the country, particularly in the context of priority sectors for the implementation of North Macedonia's NDCs under the Paris Agreement. In general terms, the work under the second readiness grant will be aligned and complement the ongoing work to develop/reform legislative documents, and particularly the Law on Climate Change and the Law on Finance. These elements will ensure strong capacities and enabling environments for efficient climate action in the Republic of North Macedonia beyond the project implementation.



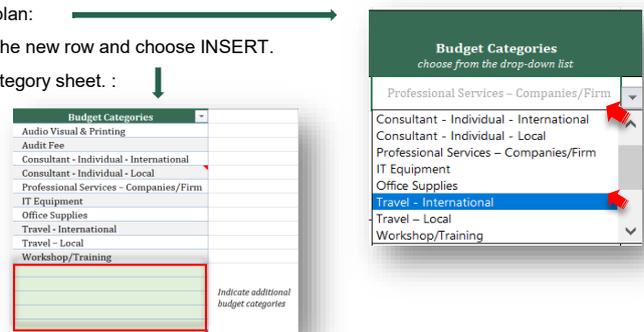
To avoid any possible conflicts of interest deriving from the Delivery Partner's role as an Accredited Entity, the prioritization of technologies, investments and projects in the context of this readiness grant, will be made through a broad consultation process with relevant stakeholders, including other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

# Readiness and Preparatory Support Budget and Procurement Plan

## Readiness Grant Budget Preparation Guidelines

The following considerations are important when completing the budget:

1. Before preparing the Readiness and PPF budget, please read the full guidance on our website (<https://www.greenclimate.fund/how-we-work/empowering-countries>).
2. You can select the appropriate budget categories from the dropdown list in the budget plan: 
3. To insert additional rows, right click on the row number below where you wish to insert the new row and choose INSERT.
4. Additional budget categories may be added by manually typing them on the Budget Category sheet: 



### Project Management Cost:

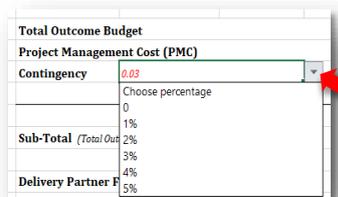
Project management costs (PMC) are the direct administrative costs incurred to execute a project. They should cover only incremental costs incurred due to the GCF contribution. In most cases, these costs are directly related to the support of a dedicated project management unit (PMU) which manages the day to day execution related activities of the project.

#### General Principles for PMC costs:

1. The percentage of PMC financed by GCF should not be more than the percentage share of the overall budget financed by GCF
2. PMC budget thresholds: Up to 7.5 per cent of total activity budget.
  - > PMC exceeding 7.5 per cent for the readiness (including NAPs) proposals, and PPF proposals, up to \$ 3 million will require detailed documentation and justification supporting the entire PMC budget.
  - > The PMC should be shown as a separate component in the project budget. A detailed breakdown of PMC should be provided by budget category.
  - > Indicative list of eligible project management costs:
    - > **Project staffing and consultants:** Project manager, Project Assistant, Procurement personnel, Finance personnel & Support/admin. Personnel
    - > **Other direct costs:** Office equipment, Mission related travel cost of the PMU, Project management systems and information technology, Office supplies, Audit cost

### Contingency :

1. Select the appropriate % of Contingency Budget from the dropdown list: 



2. Contingency budget for unforeseen costs arising during the project implementation should not be included in the outcome budget separately.
3. Contingency budget must be used for any unforeseen programme (output level) cost that is unrelated to implementation/service fee.
4. Any use of contingency must be reported to and agreed by the GCF Secretariat in writing in advance provided with justifications that are acceptable to the GCF
5. If you get to the end of the project and you haven't spent Contingency, you can't increase the scope of the project or buy some more equipment to use it up.
6. The Budget Notes sheet should be used to record explanations, further details or cost breakdowns for individual lines

5.1 Budget Plan

Please add rows for Outcomes, Outputs and Cost Categories as required. Additional budget categories may be added by manually typing them on the Budget Category sheet.

				Detailed Budget (in US\$)					Disbursement Plan						
Outcomes	FAO Budget categories	Budget Note	Budget Categories <small>choose from the drop-down list</small>	Unit	# of Unit	Unit Cost	Total Budget <small>(per budget category)</small>	Total Budget <small>(per sub-outcome)</small>	Total Budget <small>(per outcome)</small>	6m	12m	18m	24m	30m	36m
1. Institutional capacity and coordination mechanisms in place to govern and coordinate climate action and finance	Sub-outcome: 1.4: Monitoring and verification systems for climate finance flows in the Republic of North Macedonia	5542- Consultants-Internationally Recruited	1	Consultant - Individual - International	W/Day	30	450	13,500	78,835	184,205	5,000	5,000	3,500		
		5543- Consultants- Locally Recruited	2	Consultant - Individual - Local	W/Day	150	150	22,500			7,500	7,500	7,500		
		5543- Consultants- Locally Recruited	3	Consultant - Individual - Local	W/Day	150	150	22,500			7,500	7,500	7,500		
		5920 Training & Workshop	4	Workshop/Training	training	4	1,500	6,000			2,000	2,000	2,000		
		6100 - Non Expendable Procurement	5	IT Equipment	pcs	1	9,000	9,000				9,000			
		6300- General Operating Expenses	6	Office Supplies	month	8	300	2,400			800	800	800		
		5660 Locally contracted Labour	7	Professional Services – Companies/Firm	lumpsum	1	1,500	1,500				1,500			
		590- Travel-Duty	8	Travel - International	trip	1	1,435	1,435			1,435	-	-		
	Sub-Outcome 1.5 Effective coordination mechanism	5542- Consultants-Internationally Recruited	9	Consultant - Individual - International	W/Day	30	450	13,500	105,370		5,000	5,000	3,500		
		5543- Consultants Locally Recruited	10	Consultant - Individual - Local	Month	18	2,000	36,000			15,000	15,000	6,000		
		5543- Consultants Locally Recruited	11	Consultant - Individual - Local	Month	9	2,000	18,000			5,000	8,000	5,000		
		5660- Locally Contracted Labour	12	Professional Services – Companies/Firm	Lumpsum	4	2,000	8,000			8,000				
		5900- Travel- Duty	13	Travel - International	trips	2	1,435	2,870			1,470	1,400			
		5920 Training & Workshop	14	Workshop/Training	training	8	2,500	20,000			7,500	7,500	5,000		
		5650- Contracts	15	Audio Visual & Printing	lumpsum	1	5,000	5,000			5,000				
		5650 - Contracts	16	Professional Services – Companies/Firm	lumpsum	1	2,000	2,000			2,000				
2. Country Programming Process	2.1 Country programme for climate finance developed across the climate finance landscape	5542- Consultants-Internationally Recruited	17	Consultant - Individual - International	W/Day	60	450	27,000	105,105	166,790	13,500	13,500			
		5543- Consultants- Locally Recruited	18	Consultant - Individual - Local	Month	12	2,000	24,000			12,000	12,000			
		5900- Travel- Duty	19	Travel - International	trip	3	1,435	4,305			2,870	1,435			
		5900- Travel- Duty	20	Travel – Local	trip	24	200	4,800			2,400	2,400			
		5920 Training & Workshop	21	Workshop/Training	lumpsum	6	5,000	30,000			15,000	15,000			
		5920 Training & Workshop	22	Workshop/Training	lumpsum	1	5,000	5,000				5,000			
		5660- Locally Contracted Labour	23	Professional Services – Companies/Firm	contract	1	5,000	5,000			2,500	2,500			
		5650- Contracts	24	Audio Visual & Printing	lumpsum	1	5,000	5,000				5,000			
	2.5 Appropriate climate technology solutions identified and prioritised in accordance with national strategies and plans for climate adaptation and mitigation	5543- Consultants Locally Recruited	25	Consultant - Individual - Local	W/Day	100	150	15,000	61,685		7,500	7,500			
		5543- Consultants Locally Recruited	26	Consultant - Individual - Local	Month	12	2,000	24,000			12,000	12,000			
		5542- Consultants-Internationally Recruited	27	Consultant - Individual - International	W/Day	25	450	11,250			11,250				
		5900- Travel- Duty	28	Travel - International	Trip	1	1,435	1,435			1,435				
5920- Training & Workshop	29	Workshop/Training	lumpsum	4	2,500	10,000	5,000	5,000							
Outcome 3: Direct Access to climate finance	Sub-Outcome 3: Direct access entities nomination	5542- Consultants-Internationally Recruited	30	Consultant - Individual - International	W/Day	75	400	30,000	79,740	79,740	10,000	10,000	10,000		
		5543- Consultants Locally Recruited	31	Consultant - Individual - Local	Month	17	2,000	34,000			12,000	12,000	10,000		
		5900- Travel- Duty	32	Travel - International	trip	4	1,435	5,740			1,435	2,870	1,435		
		5660- Locally Contracted Labour	33	Professional Services – Companies/Firm	lumpsum	1	5,000	5,000			1,000	2,000	2,000		
		5920 Training & Workshop	34	Workshop/Training	training	2	2,500	5,000			2,500		2,500		
Outcome 4: Climate finance strategies and project pipeline strengthened	Sub-Outcome 4.3: Project Concept Notes Development	5542- Consultants-Internationally Recruited	35	Consultant - Individual - International	W/Day	72	450	32,400	90,540	137,810		17,400	15,000		
		5543- Consultants Locally Recruited	36	Consultant - Individual - Local	Month	4	2,000	8,000				4,000	4,000		
		5543- Consultants Locally Recruited	37	Consultant - Individual - Local	Month	4	2,000	8,000				4,000	4,000		
		5543- Consultants Locally Recruited	38	Consultant - Individual - Local	W/Day	100	150	15,000				7,500	7,500		
		5900- Travel- Duty	39	Travel - International	trip	4	1,435	5,740				2,870	2,870		
		5990- Travel-Duty	40	Travel – Local	lumpsum	12	200	2,400				1,200	1,200		
		5920 Training & Workshop	41	Workshop/Training	training	3	3,000	9,000				4,500	4,500		
		5660- Locally Contracted Labour	42	Professional Services – Companies/Firm	lumpsum	1	5,000	5,000				2,500	2,500		
		5650- Contracts	43	Audio Visual & Printing	lumpsum	1	5,000	5,000				2,500	2,500		
		5542- Consultants-Internationally Recruited	44	Consultant - Individual - International	W/Day	60	450	27,000				13,500	13,500		

Sub-Outcome 4.5: Private Sector engagement	5900- Travel- Duty	45	Travel - International	trip	2	1,435	2,870	47,270		1,435	1,435					
	5920 Training & Workshop	46	Workshop/Training	training	2	5,000	10,000			10,000						
	5660- Locally Contracted Labour	47	Professional Services – Companies/Firm	lumpsum	1	2,000	2,000			2,000						
	5650- Contracts	48	Audio Visual & Printing	lumpsum	1	3,000	3,000			3,000						
	6300- General Operating Expenses	49	Office Supplies	month	8	300	2,400			1,200	1,200					
<b>Total Outcome Budget</b>									<b>568,545</b>	216,730	241,010	110,805	-	-	-	
<b>Project Management Cost (PMC)</b> Up to 7.5% of Total Activity Budget	5543- Consultants- Locally Recruited	50	Consultant - Individual - Local	month	12	1,300	15,600	42,740	Percentage of PMC requested: <b>7.5%</b>							
	5543- Consultants- Locally Recruited	51	Consultant - Individual - Local	month	12	1,200	14,400									
	5900- Travel- Duty	52	Travel - International	trip	4	1,435	5,740									
	6300- General Operating Expenses	53	Other	month	14	500	7,000									

FOR GREEN CLIMATE FUND  
SECRETARIAT'S USE ONLY

Breakdown (per budget category)	Total (per budget category)
Audio Visual & Printing	18,000
Audit Fee	-
Consultant - Individual - International	154,650
Consultant - Individual - Local	257,000
Professional Services – Companies/Firm	28,500
IT Equipment	9,000
Office Supplies	4,800
Travel - International	30,135
Travel – Local	7,200
Workshop/Training	95,000
Other	7,000
0	-
0	-
0	-
0	-
<b>Total Outcome Budget + PMC</b>	<b>611,285</b>

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY

<b>Total Outcome Budget</b>		<b>568,545</b>
<b>Project Management Cost (PMC)</b>	7.5% requested	<b>42,740</b>
<b>Contingency</b>	0% requested	-
<hr/>		
<b>Sub-Total</b> (Total Outcome Budget + Contingency + PMC)		<b>611,285</b>
<b>Delivery Partner Fee (DP)</b> - Up to 8.5% of the Sub-Total		<b>51,959</b>
<hr/>		
<b>Total Project Budget</b> (Total Activity Budget + Contingency + PMC + DP)	<b>\$</b>	<b>663,245</b>

Budget Note	Detailed Description
1	International Consultant to supervise the finalization of the System to track, monitor and streamline climate finance in the Republic of North Macedonia for 30 working days. To be recruited according to FAO honorarium scale.
2	One national consultant to coordinate the finalization of the System to track, monitor and streamlining of climate finance in the Republic of North Macedonia for 150 working days. To be recruited according to FAO honorarium scale.
3	One national IT specialist to support the NDA in finalizing the automatization of the System for Tracking, monitoring and streamlining of climate finance in the Republic of North Macedonia for 150 days. To be recruited according to FAO honorarium scale.
4	4 workshops/trainings with relevant institutions within the focus group within the Coordination Mechanism on GCF matters on the finalization of the system for tracking, monitoring and streamlining of climate finance in the Republic of North Macedonia. Each workshop will include 20-25 participants from Ministry of Finance, Ministry of Environment and Physical Planning and Secretariat for European Affairs. Workshops will take place in Skopje.
5	Software for the system to track climate finance in the Republic of North Macedonia. Cost estimates according to initial calculations based on market assessment.
6	Office supplies for 8 months to support the work of different institutions to finalize the system to track, monitor and streamline climate finance in the Republic of North Macedonia. Cost estimate according to FAO experience in the country.
7	Translation of document and materials for the finalization of system to track, monitor and streamline of climate finance in the Republic of North Macedonia. Cost estimate according to FAO experience in the country.
8	1 Travel to Skopje of the international Consultant to participate in a workshop to finalize the system for tracking, monitoring and streamlining of climate finance in the country. Cost estimate includes travel and DSA in line with FAO/UN Travel regulations
9	One International Climate Finance and Sustainable Development Consultant hired for 30 working days to develop curricula and methodology to support strengthening the capacities to access climate finance of the NDA and institutions in the Coordination Mechanism on GCF matters. To be recruited according to FAO honorarium scale.
10	One National Team Leader and Climate Finance expert Consultant to support the NDA in the coordination of capacity development efforts within the NDA and with other institutions. To be recruited for 18 months according to FAO honorarium scale.
11	One National Communication Specialist to support all the communications related activities in the project, hired for 9 months to work (part time) during the 18 months of the project)
12	Project Management Certification for 4 members of the Coordination Mechanism. This certification will be conducted by a recognized higher education institutions to be identified by the NDA in accordance with National Standards. Cost for training and certification per person is estimated based in national experience in similar educational offers.
13	2 Travels to Skopje of the international expert on climate finance and sustainable development to participate in workshops/trainings to strengthen the capacities of the NDA and Coordination Mechanism. Cost estimate includes travel and DSA in line with FAO/UN travel regulations.
14	8 Workshops/Trainings for the NDA staff and institutions participating in the coordination mechanism on GCF matters. Workshops will include 40-50 participants each from different government institutions and other stakeholders. Workshops to take place in Skopje.
15	Printing and materias for the conduction of capacity development workshops with Coordination Mechanism (8 twopagers- 200 copies each)
16	Translation of document and materials for the workshops with NDA and other institutions to increase capacities on climate finance in the Republic of North Macedonia. Cost estimate according to FAO experience in the country.
17	International Consultant hired for 60 days to develop the methodology and lead the conduction of the Readiness Capacity Needs Assessments(RCNA) with institutions in the Coordination Mechanism and to support the development of a Country Work Programme in the Republic of North Macedonia. To be recruited according to FAO honorarium sale
18	One National climate change specialist to lead the conduction of the RCNA and the Country Work Programme in the Republic of North Macedonia. To be recruited for 12 months according to FAO honorarium scale.
19	3 travels to Skopje for the international consultant to support the development of the RCNA and the Country Work Programme. Cost estimate includes travel and DSA in line with FAO/UN travel regulations.
20	6 Local travel for international consultant, national consultant and 2 members of the NDA core team to conduct consultations for the Country Work Programme
21	6 National Consultations for the development of the Country Work Programe and RCNA. Consultations to take place in Skopje, Mavrovo, Ohrid and Veles. Each consultation will include 40-50 participants from Ministries, CSOs and private sector institutions.
22	1 Validation workshop to take place in Skopje in the context of the National Council for Sustainable Development and the Government of Macedonia. The validation meeting will include 100 participants from local governments, Ministries, CSOs, academia and private sector institutions.
23	Translations of all documents related to Country Work Programme into Macedonian and Albanian Languages
24	Office supplies for 5 months to support NDA in the conduction of the country work programme
25	National consultant on adaptation and mitigation technologies, hired for 100 days according to FAO honorarium scale to work with the Fund for Innovation to conduct the identification of adaptation and Mitigation technology solutions in the 9 priority sectors to feed the Country Work Programme.
26	National Climate Change technologies and Private Sector Specialist, hired for 12 months according to FAO honorarium scale to facilitate overall engagement on private sector participation including the conduction of 2 Dialogues with Private Sector, conduction of the mapping of PS actors and the enabling environments for enhanced participation in climate action, facilitation of the discussions to conclude an agreement between the Fund for Innovation, the NDA and the private sector institutions, particularly working with the Fund for Innovation to identify climate technology solutions for private Sector investments in the Republic of North Macedonia and to work with the NDA on the development of a pipeline of PS project ideas to be included in North Macedonia's Country Programme according to Activity 2.5.1 and all activities under sub-outcome 4.5.
27	International Climate technology solutions specialist, hired for 25 days according to FAO honorarium scale to provide advice to the Fund for Innovation for the identification of technology solutions (including for private sector) in line with the Country Work Programme
28	One travel to Skopje for the international consultant to participate in one workshop for the identification of technology solutions for climate change in the Republic of North Macedonia
29	4 one-day workshops for 40-50 participants each, co-organized by the Nda and the Fund for innovation to discuss with National Stakeholders in different sectors (2 sectors per workshop including public and private institutions) potential technology needs and opportunities for the identification of solutions. Workshops will take place in Skopje.
30	One international Consultant to lead the conduction of all activities under outcome 3, including awareness raising, initial analysis of interested institutions, gap analysis of 1 potential entity and support to complete application for accreditation for the nominated DAE. To be recruited for 75 working days according to FAO honorarium scale.
31	One national consultant to support the implementation of all activities under outcome 3 including awareness raising, initial analysis of interested institutions, gap analysis of 1 potential entity and support to complete application for accreditation for the nominated DAE. To be hired for 17 months according to FAO honorarium scale.
32	2 travels to Skopje of the international expert to support the implementation of accreditation related activities under outcome 3. The cost estimate includes travel and DSA according to FAO/UN travel regulations
33	Translation of materials and documents under the accreditation activities
34	2 workshops for 20-25 people on accreditation procedures. Workshop 1 will include potential DAEs in the public and private sector and Workshop 2 will include 15-20 staff from the prioritized potential DAE, according to the decision of the NDA in consultation with the Coordination Mechanism. Both workshops will take place in Skopje.
35	International consultant to lead the development of two priority concept notes and draft pre-feasibility studies. Hired for 72 working days according to FAO honorarium scale.
36	National Consultant climate change specialist for the development of first priority concept note and draft pre-feasibility study. Hired for 4 months according to FAO honorarium scale.
37	National Consultant climate change specialist for the development of second priority concept note and draft pre-feasibility study. Hired for 4 months according to FAO honorarium scale.

38	National Gender and ESS specialist hired for 100 W/Days to support gender mainstreaming into all the activities of the project (including de-conduction of the capacity strengthening of the National Coordination Mechanism under sub-outcome 1.5 and development of Country Programme under sub-outcome 2.1); as well as to particularly support the development of the 2 concept notes(sub-outcome 4.3) according to gender and ESS policies of the GCF.
39	4 travels to Skopje for the international consultant to support the development of Concept notes. Cost estimate includes travel and DSA in line with FAO/UN travel regulations.
40	4 travels for 3 consultants (nationals and international) to the target areas for the development of concept notes and conduction of workshops with beneficiaries.
41	2 two day workshops with local stakeholders for the development of 2 concept notes and one validation workshop with local stakeholders to take place in the concept notes' target areas for 30-40 participants per workshop
42	Translation of documents and materials developed for the development of 2 priority concept notes.
43	Printing and materials for the development of 2 priority concept notes.
44	One international private sector specialist to support the conduction of the 2 Dialogues with Private Sector, Mapping of PS actors and their enabling environments as well as the development of PS portfolio of project ideas, according to activities under sub-outcome 4.5. To be hired for 60 working days according to FAO honorarium scale
45	2 travels to Skopje of the International Consultant to participate in workshops and engage with private sector. Cost estimate includes travel and DSA according to FAO/UN travel regulations
46	2 Dialogues for 30-40 people on private sector engagement. Workshops will include participants from public and private institutions relevant to enable private sector participation and will take place in Skopje
47	Translation of the reports and materials on private sector engagement
48	Printing materials for the private sector engagement events. At least 500 copies of brochures and 25 page report.
49	Office supplies to support the conduction of private sector engagement events
50	National Project Manager for 12 months part time. To be hired according to FAO honorarium scale
51	National Administrative assistant to support the implementation of the project, for 12 months part time. To be hired according to FAO honorarium scale
52	4 international travel of the Coordination team from FAO Budapest to follow up on the Interim Progress Reports and other management issues related to the project.
53	General expenses related to the management of the project, including share of expenses for office in Skopje and others.

Budget Categories
Audio Visual & Printing
Audit Fee
Consultant - Individual - International
Consultant - Individual - Local
Professional Services – Companies/Firm
IT Equipment
Office Supplies
Travel - International
Travel – Local
Workshop/Training
Other

*Indicate additional budget categories*

## 5.2 Procurement Plan

For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in Section 3, estimated cost, procurement method, relevant threshold, and the estimated dates. Please include the procurement plan for at least the first tranche of disbursement requested below and provide a full procurement plan for the entire duration of the implementation period if available at this stage.

Item	Item Description	Estimated Cost (US\$)	Procurement Method	Thresholds (Min-Max monetary value for which indicated procurement method must be used)	Estimated Start Date	Projected Contracting Date
<b>Goods and Non-Consulting Services</b>						
International Travel	Travel costs	30,135.00	FAO Policy	N/A	as per work plan	7 days from estimated start date
Local Travel	Travel costs	7,200.00	FAO Policy	N/A	as per work plan	7 days from estimated start date
Office Supplies	General Office Supplies	4,800.00	Request For Quotation	\$500- \$5,000	1-Jan-2020	29-Feb-2020
IT equipment	Software for the M&E tool	9,000.00	Invitation to bid (open submission)	\$5,000- \$25,000	1-Jun-2020	1-Sep-2020
Workshops	Venue, refreshments	95,000.00	Request For Quotation	\$ 500-\$ 5,000	as per work plan	30 days from estimated start date
Professional Services	Translation of material and Project Management certification	28,500.00	Request For Quotation	\$ 500-\$ 5,000	as per work plan	30 days from estimated start date
General Operating Expenses	General Operating Expenses	7,000.00	Request For Quotation	\$ 500-\$ 5,001	1-Jan-2020	15-Jan-2020
Professional Services	Audiovisual and printing	18,000.00	Invitation to bid (open submission)	\$ 5,000 - \$ 25,000	as per work plan	30 days from estimated start date
<b>Sub-Total (US\$)</b>		<b>\$ 199,635.00</b>				
<b>Consultancy Services</b>						
International Consultant 1.	International expert on monitoring and evaluation	13,500.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Mar-2019
International Consultant 9.	International climate finance and sustainable development consultant	13,500.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Mar-2019
International consultant 17.	International consultant on Readiness Capacity Needs Assessment	27,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Mar-2019
International Consultant 27	International Climate technology solutions specialist	11,250.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Mar-2019
International Consultant 30.	International expert on GCF accreditation	30,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Mar-2019
International Consultant 35.	International consultant to lead the development of two priority concept notes	32,400.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Mar-2019
International Consultant 44.	International private sector specialist	27,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Mar-2019
National Consultant 2.	National expert on monitoring and evaluation to lead the finalization of the system	22,500.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019
National Consultant 3.	National expert on IT	22,500.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019
National Consultant 10.	National expert - team leader and climate finance expert for capacity development	36,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019
National Consultant 11.	National Communication Specialist	18,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019
National Consultant 18.	National climate change specialist	24,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019
National Consultant 25	National Consultant on Adaptation and Mitigation technologies	15,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019
National Consultant 26.	National Climate Change technologies and private sector specialist (activity 2.5.1 and all sub-outcome 4.5)	24,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019

National Consultant 31.	National consultant for activities under Outcome 3	34,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019
National Consultant 36.	National consultant for development of concept note 1	8,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2020	1-Feb-2020
National Consultant 37.	National consultant for development of concept note 2	8,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2020	Feb-20
National Consultant 38.	National Gender and ESS Specialist	15,000.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2020	Feb-20
National Consultant 50.	National Project Manager	15,600.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019
National Consultant 51.	National administrative assistant	14,400.00	Vacancy announcement / FAO Roster	N/A	1-Jan-2019	1-Feb-2019
<b>Sub-Total (US\$)</b>		<b>\$ 411,650.00</b>				