



Food and Agriculture
Organization of the
United Nations

Green Climate Fund handbook for North Macedonia



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



Republic of North Macedonia
Government of the Republic of North Macedonia



Green development
Republic of North Macedonia

Green Climate Fund handbook for North Macedonia

Project: “Support for the Management of an Effective National Coordination Mechanism regarding the Green Climate Fund”

Required citation:

FAO. 2019. *Green Climate Fund handbook for North Macedonia*. Budapest.

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

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

ISBN 978-92-5-132046-4

© FAO, 2019



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

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

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

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

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

Cover photographs: © Pexels

Contents

Abbreviations.....	V
1. Introduction.....	1
2. What is the Green Climate Fund?	2
2.1 Mission.....	2
2.2 Resources allocation.....	2
3. What is the National Designated Authority, what is its role and how does the coordination mechanism on Green Climate Fund matters work?.....	4
3.1 National Designated Authority's role.....	4
3.2 Country coordination mechanism.....	5
4. How to access Green Climate Fund resources?	9
4.1 Access options.....	9
4.2 Accreditation for direct access	10
4.2.1 Green Climate Fund standards and requirements.....	10
4.2.2 Accreditation process.....	13
5. How to submit project proposals to Green Climate Fund?.....	15
5.1 Green Climate Fund project requirements	15
5.2 Project approval cycle.....	17
5.2.1 Project ideas generation and prioritisation.....	19
5.2.2 Concept note submission.....	24
5.2.3 Funding proposal submission.....	27
5.2.4 Green Climate Fund assessment and decision.....	28
5.2.5 Implementation and sharing lessons learnt.....	29
Annexes.....	30
1. Green Climate Fund fiduciary standards	30
2. Green Climate Fund Environmental and Social Policy.....	32
3. Green Climate Fund investment criteria and sub-criteria.....	34
4. Green Climate Fund Gender Policy.....	37
5. Project idea template.....	39
6. National criteria for prioritisation of project ideas	46
7. National criteria for technical assessment of Concept notes.....	47

Acknowledgements

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

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

The main authors of the report are Ms Kateryna Stelmakh, GCF Procedures consultant, Ms. Olgica Apostolova, Gender Specialist, Mr. Igor Slavkoski, National Team Leader and Ms Carmen Arguello Lopez, FAO GCF Advisor.

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

Abbreviations

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

1. Introduction

This Handbook introduces key facts about the Green Climate Fund (GCF). It aims to provide guidance to stakeholders engaged in the area of climate change and sustainable development on how to access GCF resources and implement GCF-funded projects in North Macedonia.

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

The Paris Agreement brings all nations together by undertaking ambitious efforts to combat climate change and adapt to its effects. The Paris Agreement's aim is to keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. To contribute to this goal, North Macedonia committed to reduce its CO₂ emissions for 30%, that is, for 36% at a higher level of ambition, by 2030 compared to the business as usual (BAU) scenario¹.

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

By providing information and building understanding of GCF and national frameworks and processes, this Handbook is intended to accelerate North Macedonia's engagement with GCF and facilitate investments in the country's low carbon and climate resilient transition. The Handbook provides key facts about GCF processes, its investment areas and requirements and introduces the role of the National Designated Authority (NDA) and key national coordination processes. It also explains national project assessment criteria and procedures and guides the public on how entities in North Macedonia can develop and submit their project proposals for GCF funding.

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

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

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

2. What is the Green Climate Fund?

2.1 Mission

The Green Climate Fund (GCF) is a new global fund created by the countries, parties to the **United Nations Framework Convention on Climate Change (UNFCCC)**, to support the efforts of developing countries to respond to the challenge of climate change.

GCF seeks to **promote a paradigm shift to low-emission and climate-resilient development**, accounting for the needs of nations that are particularly vulnerable to climate change impacts. GCF uses public investment to stimulate private finance and unlock climate-friendly investment for low emission and climate resilient development. The Fund plays an important role in serving the **Paris Agreement** and supporting developing countries in the implementation of NDCs.

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

2.2 Resources allocation

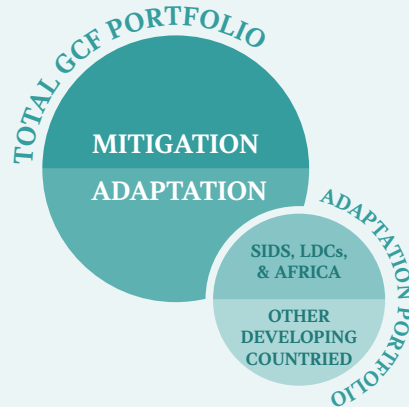
USD 10.3 billion is the total pledged amount to GCF as of January 2019, and the resources mobilisation is on an ongoing basis. GCF resources will be **equally split between mitigation and adaptation** over time. At least half of adaptation finance will be provided to the Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African countries.

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

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

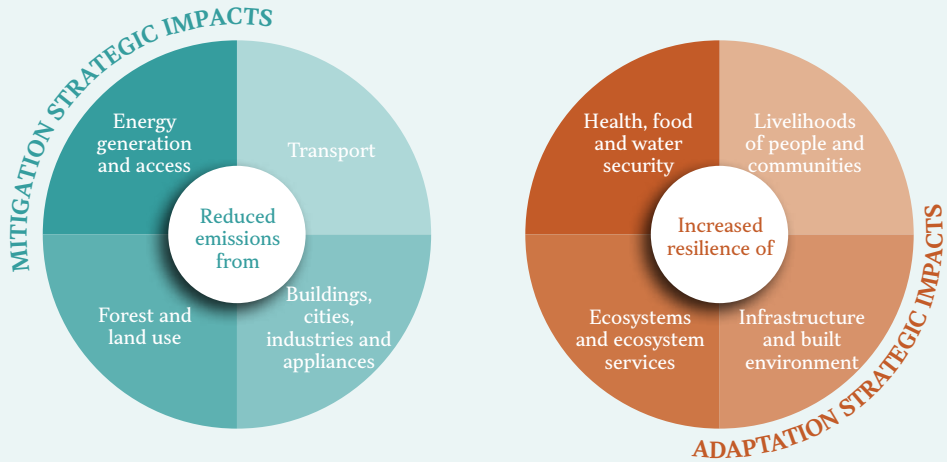
GCF supports projects and programmes in mitigation and adaptation across eight strategic impact areas (Figure 2). Section 5.1 provides descriptions and project examples for each of the impact areas. The Fund engages with **both the public and private sectors** in transformational climate-sensitive investments.

Figure 1. Allocation of GCF resources



Source: GCF, 2019

Figure 2. GCF strategic impact areas



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

GCF offers **grants, concessional loans, guarantees and equity** instruments for funding projects. It also provides additional grants for the preparation of funding proposals (see Box 4) and countries' readiness and preparatory support (see Box 1). The terms of financial instruments for public and private sector are determined on a case-by-case basis. Grants are tailored to incremental cost or the risk premium required to make the investment viable, or to cover specific activities such as technical assistance. The recipient's indebtedness capacity should be considered. The level of concessionality should not displace investments that would have occurred otherwise, including private sector investment.

3. What is the National Designated Authority, what is its role and how does the coordination mechanism on Green Climate Fund matters work?

3.1 National Designated Authority's role

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

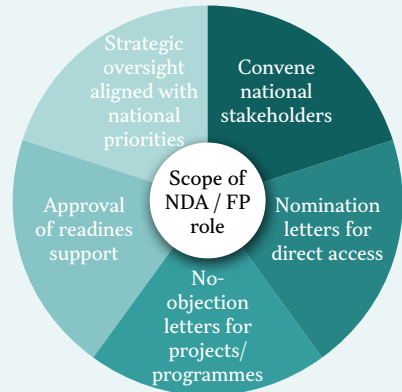
The Cabinet is responsible for the overall coordination of the economic departments within the national institutions for proper alignment with national priorities, strategies and policies. The Cabinet is also responsible for coordinating and implementing activities arising from the Republic of North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

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

The NDA responsibilities include:

- **Provide strategic oversight.** This includes ensuring alignment of GCF-funded projects with national sustainable development and climate objectives, frameworks, strategies and policies.
- **Convene national stakeholders.** To prepare country programmes and identify priorities for GCF funding, the NDA convenes all relevant national and sub-national public, private and civil society entities through multi- and bilateral consultations, and open calls for project ideas.

Figure 3. Scope of NDA role



Source: GCF, 2019

- **Nominate entities for direct access.** One of the NDA responsibilities is to engage with potential public, private sector and non-governmental entities and, through the coordination mechanism, to nominate selected entities for accreditation to the Fund.
- **Implement the No-objection procedure on funding proposals.** Through the No-objection procedure and in coordination with all relevant stakeholders, the NDA checks the consistency of the funding proposals with the national climate change plans and priorities. A No-objection letter is provided by the NDA in conjunction with any submission of a funding proposal to GCF.
- **Lead the deployment of readiness and preparatory support.** Being delivery partners, the NDA and nominated Direct Access Entities seeking accreditation may benefit from the readiness and preparatory support funding either directly or through international, regional, (sub-)national, public, private or non-governmental institutions.

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

3.2 Country coordination mechanism

In its activities, NDA works in close coordination with and support from all relevant public, private and non-governmental entities, (sub-)national and international, which constitute the coordination mechanism in North Macedonia.

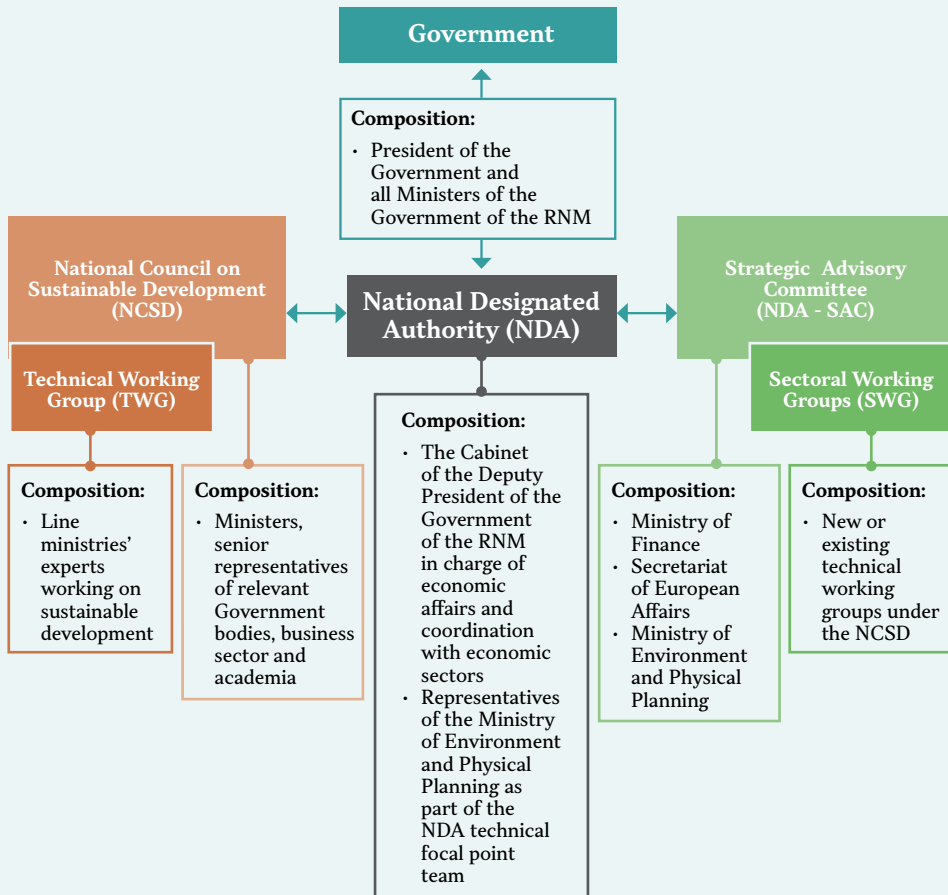
The coordination mechanism ensures the systematisation of stakeholder engagement and the decision-making process. Each of the coordination mechanism bodies supports the NDA within their mandate. They support and endorse the NDA in the effective implementation of its tasks, especially the identification of country priorities for GCF funding and the preparation of the Country Work Programme, the assessment and approval of projects, and nomination of Direct Access Entities.

The country coordination mechanism in North Macedonia consists of:

- National Designated Authority (NDA);
- Strategic Advisory Committee (NDA-SAC);
- Sectoral Working Groups (SWG);
- National Council for Sustainable Development (NCSD);
- Government.

The composition and the roles of the NDA are presented in the previous section 3.1. The responsibilities and the composition of the other members of the coordination mechanism are presented below.

Figure 4. Country coordination mechanism on GCF and climate finance matters in North Macedonia



Strategic Advisory Committee (NDA-SAC)

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

Figure 5. Composition of the Strategic Advisory Committee

Institution	Representatives
Ministry of Finance	<ul style="list-style-type: none"> • State Secretary • State Counsellor from the Budgeting Sector
Secretariat of European Affairs (SEA)	<ul style="list-style-type: none"> • Head of Sector for the Coordination of EU Funds and Other Foreign Assistance • One representative of the Integration Sector
Ministry of Environment and Physical Planning	<ul style="list-style-type: none"> • State Secretary • State Counsellor for Climate Change

The responsibilities of the NDA-SAC are:

- To contribute to evaluating project eligibility by providing specific expertise on financial and climate change issues, including equal opportunity aspects;
- To support the NDA in assessing Direct Access Entities (DAEs);
- To assist the NDA in coordinating and working with stakeholders;
- To perform impartial prioritisation of projects by assessing their alignment with national priorities;
- To do technical review of all aspects of project proposal (consult the SWG if needed), including monitoring the financial and technical aspects during the project implementation phase;
- To ensure there is no overlap with other climate change related activities and projects and to assist in donor coordination on climate change issues.

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

Sectoral Working Groups (SWG)

The Sectoral Working Groups (SWG) may be created at the request of the NDA-SAC on an ad-hoc basis and depending on the sectoral focus. The SWG will include sector experts from the line ministries and public bodies.

The main SWG responsibilities are:

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

For those sectors where ad-hock working groups have already been established in the context of the National Council for Sustainable Development (NCSD), the NDA-SAC will, where possible, cooperate with the existing working groups.

National Council for Sustainable Development (NCSD)

The NCSD creates a broad platform that provides an opportunity to review all aspects of a given investment to be proposed to the GCF and make decisions with consideration of the needs and expectations of all stakeholders. An added value of the NCSD is its being a platform for climate change and Sustainable Development Goals (SDGs) awareness raising.

The National Council for Sustainable Development (NCSD) will:

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

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

The Government

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

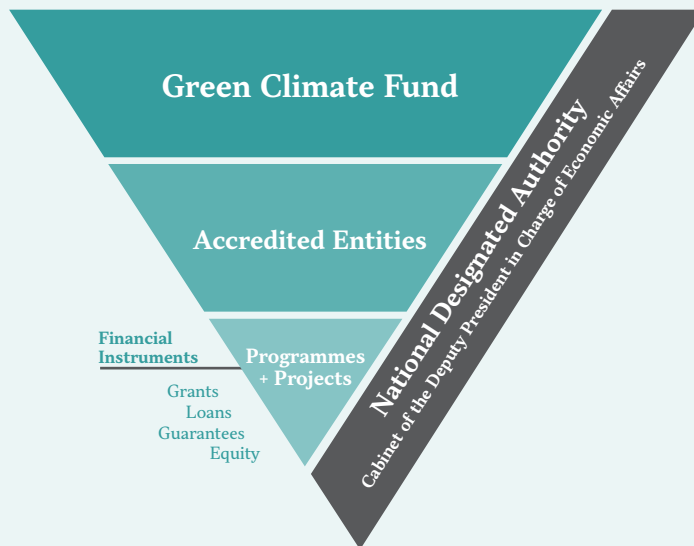
The Government of the Republic of North Macedonia will:

- Approve the final Country Work Programme;
- Approve final project proposals by issuing a No-objection letter;
- Provide a final approval of the recommended Direct Access Entities (DAEs) by issuing a DAE Nomination Letter.

4. How to access Green Climate Fund resources?

4.1 Access options

Figure 6. Scope of NDA role



Source: GCF, 2019

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

There are two types of Accredited Entities:

- Direct Access Entities
- International Access Entities

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

North Macedonia intends to, but still does not have a Direct Access Entity. It works with the **International Access Entities**, which include United Nations agencies, multilateral development banks, public and private international or regional organisations. A full list of all Accredited Entities is available at the GCF webpage.

Accredited Entities (AEs) develop and submit project proposals to the GCF. They work together with the national and sub-national partner institutions on developing

proposals and implementing projects. They are responsible for managing and monitoring projects. Accredited Entities coordinate closely with the NDA on their project pipeline, endorsement of funding proposals and project implementation.

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

- They support the NDA in defining country priorities and project portfolio for GCF funding by participating in the coordination mechanism and stakeholder consultations.
- They identify project ideas and cooperate with AEs on a Concept Note and funding proposal development and implement project activities if approved by GCF (see Box 4 on available GCF project preparation support). Relevant stakeholders can also be engaged as a delivery partner for project implementation depending on the cooperation of the AE and the approved project proposal.
- They can communicate to NDA their interest in direct access accreditation. Nominated by NDA, entities can apply for accreditation and access GCF resources directly (see Box 1 on available GCF readiness support).
- Public entities also provide their input to the NDA on the endorsement of funding proposals as part of the No-objection procedure.
- Relevant stakeholders also oversee and provide feedback on project proposals and implementation of the Fund's activities in North Macedonia.

4.2 Accreditation for direct access

4.2.1 Green Climate Fund standards and requirements

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

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

- ✓ **NDA nomination** – receive a letter of nomination from the NDA.
- ✓ **Fiduciary standards** – fulfil the basic and required specialised fiduciary standards, based on the projects, fiduciary functions and financial instruments they intend to employ (Annex 1).

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

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

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

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

Entities interested in accreditation with the GCF are invited to contact the NDA for more information.

- ✓ **Environmental and Social Safeguards (ESS)** – fulfil the eight safeguards on institutional and project level, depending on the risk and size of the projects they plan to carry out (Annex 2).
- ✓ **Gender policy** – provide evidence of competencies, policies and procedures for implementing the GCF Gender Policy on institutional and project level (Annex 4).

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

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

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

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

- **Project size.** Projects range from micro (up to \$10 million) to large (over \$250 million) in size (Figure 11). Organisations must provide evidence that they have a track record in managing and implementing projects of the size category they intend to carry out with GCF resources. If the entity is accredited for a specific project size, it can implement projects of that size or lower. So, for example, if accreditation was approved for small projects, the entity can carry out small or micro projects.
- **Project risks.** GCF has three categories of environmental and social risks (Figure 7) and eight Environmental and Social Safeguards (ESS) to address them. When entities intend to implement projects of a specific risk category, they must demonstrate a track record and evidence of the Environmental and Social Risk Management System and other ESS to manage the selected risk category. If the entity is accredited for a specific risk level, it can implement projects and activities of that risk level or lower. For example, if accreditation was approved for medium risk projects (category B), the entity can carry out both medium and low risk projects.

Figure 7. GCF project risk categories

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

Source: GCF, 2019

- **Fiduciary functions.** All organisations seeking accreditation to GCF must provide evidence of compliance with the basic fiduciary standards. These cover key administrative and financial capacities as well as requirements on transparency and accountability. In addition to that, organisations need to fulfil certain specialised fiduciary standards, depending on what fiduciary function and financial instruments they intent to employ for their projects (Annex 1). Figure 8 provides examples of fiduciary functions and what standards they require. For example, if the organisation plans to award grants as part of its projects, it needs to comply with the specialised fiduciary criteria for grant award and/or funding allocation mechanisms. If the organisation plans to manage credit lines or use GCF resources for guarantees or equity investment, it must fulfil the specialised fiduciary standards on on-lending and/or blending.

Figure 8. GCF fiduciary standards

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

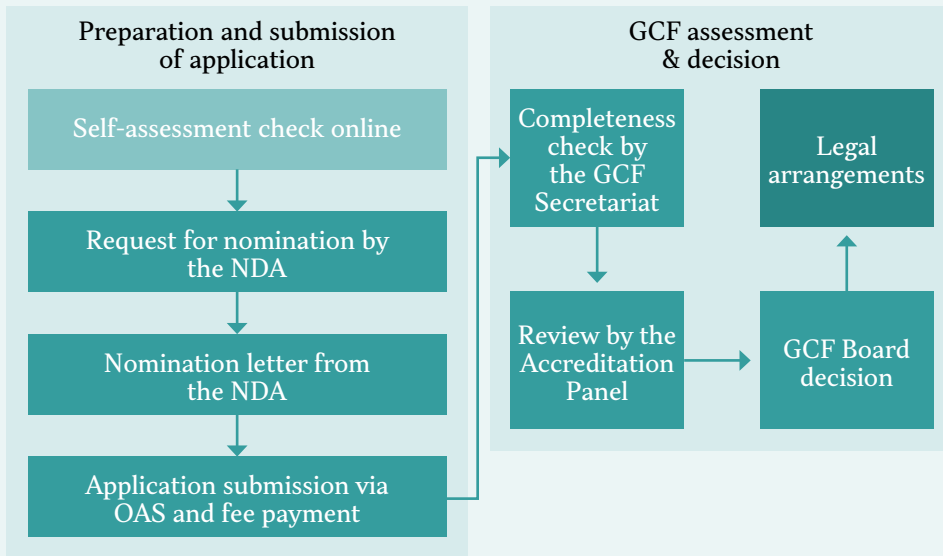
Source: GCF, 2019

4.2.2 Accreditation process

Accreditation to GCF is a rigorous and multi-stage process (Figure 9). It takes place on a rolling basis. As a first step, organisations are encouraged to take an online self-assessment check, which will help them understand better to what extent they comply with the GCF standards and requirements and where the potential gaps are. Applying for direct access accreditation requires that interested organisations be endorsed by the NDA. For this purpose, they should contact the NDA directly to express their interest and receive concrete guidance regarding the process.

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

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

Figure 9. Accreditation process

OAS - Online Accreditation System

The next stage is the review by the Accreditation Panel of technical experts. Depending on the quality and the completeness of the documents submitted, several rounds of questions and iterations may take place to determine whether the applicant can be accredited. After the assessment is finished, the Accreditation Panel will make a recommendation to the GCF Board, which will take a final decision on the accreditation. If approved for accreditation, the process is completed with legal arrangements and signing the Accreditation Master Agreement.

5. How to submit project proposals to the Green Climate Fund?

5.1 Green Climate Fund project requirements

The Green Climate Fund supports mitigation and adaptation projects that will shift the country’s development pathway towards a low-emission and/or climate resilient direction. Projects should fall under at least one of its strategic impact areas (Figure 10). Projects in cross-cutting sectors such as agriculture, forests or cities will cover more than one impact area.

Figure 10. GCF strategic impact areas and project examples

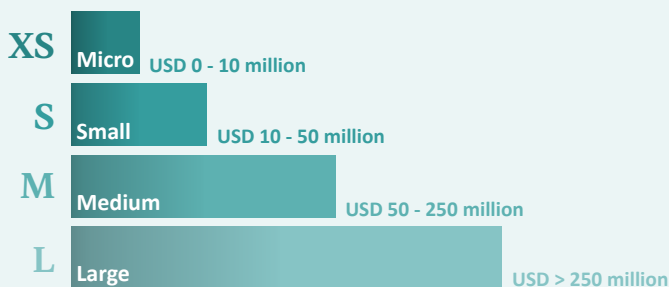
Mitigation	Adaptation
<p>Low-emission energy access and power generation</p> <p><u>Description:</u> reducing emissions in the power sector</p> <p><u>Project examples:</u> development of on-grid, micro-grid or off-grid solar energy, wind, geothermal energy deployment or other investment that facilitates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

Mitigation	Adaptation
<p>Energy efficient buildings, cities and industries</p> <p><u>Description:</u> reducing emissions in buildings, cities and the industry sector</p> <p><u>Project examples:</u> investment in new and retrofitted energy-efficient buildings, energy-efficient appliances and equipment, supply chain management in industry.</p>	<p>Resilient infrastructure and built environment</p> <p><u>Description:</u> increasing the resilience of infrastructure and the built environment to climate change threats</p> <p><u>Project examples:</u> construction of climate resilient coastal infrastructure, e.g. sea walls, climate resilient urban infrastructure and road networks, etc.</p>
<p>Sustainable land use and forest management</p> <p><u>Description:</u> reducing emissions from land use, deforestation and forest degradation</p> <p><u>Project examples:</u> forest conservation and management, emissions reduction in the agriculture sector, e.g. agroforestry, agricultural irrigation, water treatment and management, etc.</p>	<p>Resilient ecosystems</p> <p><u>Description:</u> increasing the resilience of ecosystems and ecosystem services</p> <p><u>Project examples:</u> ecosystem-based adaptation with a focus on coastal ecosystems, wetlands, forests, ecosystem conservation and management, ecotourism, etc.</p>

Source: GCF, 2019

Projects should be aligned with the national climate and development priorities, country-driven and developed in consultation and cooperation with the relevant national stakeholders. Funding proposals can be submitted to GCF only by the Accredited Entities. Entities which are not accredited but interested in developing funding proposals to GCF should partner with international

Figure 11. GCF project sizes



Source: GCF, 2019

Accredited Entities or contact NDA for more guidance on the project cycle and the list of the Accredited Entities (see section 5.2).

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

- ✓ **NDA No-objection** – every funding proposal should be endorsed by the NDA.
- ✓ **GCF investment criteria** – complying with six criteria that guide GCF investment decisions (Figure 12). Each investment criterion includes activity-specific sub-criteria (Annex 3).

- ✓ **Environmental and social assessment** – providing the assessment of the key environmental and social risks and impacts of the project and how they will be avoided, minimised and mitigated in line with GCF Environmental and Social Policy (Annex 2).
- ✓ **Gender assessment and action plan** – providing the gender assessment and project/programme-level gender action plan that is aligned with the objectives of GCF’s Gender Policy (Annex 4).

Figure 12. GCF investment criteria

Criteria	Definition
Impact potential	Potential of the programme/project to contribute to the achievement of the Fund’s objectives and results areas
Paradigm shift potential	Degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment
Sustainable development potential	Wider benefits and priorities, including environmental, social, and economic co-benefits as well as gender-sensitive development impact
Recipients’ needs	Vulnerability and financing needs of the beneficiary country and the population in the targeted group
Country ownership	Beneficiary country ownership of and capacity to implement a funded project or programme (policies, climate strategies and institutions)
Efficiency and effectiveness	Economic and, if appropriate, financial soundness of the programme/project, and for mitigation-specific programmes/projects, cost-effectiveness and co-financing

Source: GCF, 2019

In addition to the GCF requirements, project proposals should correspond to the national eligibility, prioritisation and technical assessment criteria which are to ensure that projects proposed correspond to the national country programming process and strategic prioritisation. They are presented in the next section.

5.2 Project approval cycle

Figure 13 summarises the project cycle for funding proposals. GCF accepts funding proposals on a rolling basis and by issuing requests for proposals. Prior to submitting funding proposals to GCF, there is a national process for generation of project ideas, assessment and endorsement of project proposals by the NDA and the coordination mechanism. Figure 14 summarises the detailed steps at each stage explained in the following sections.

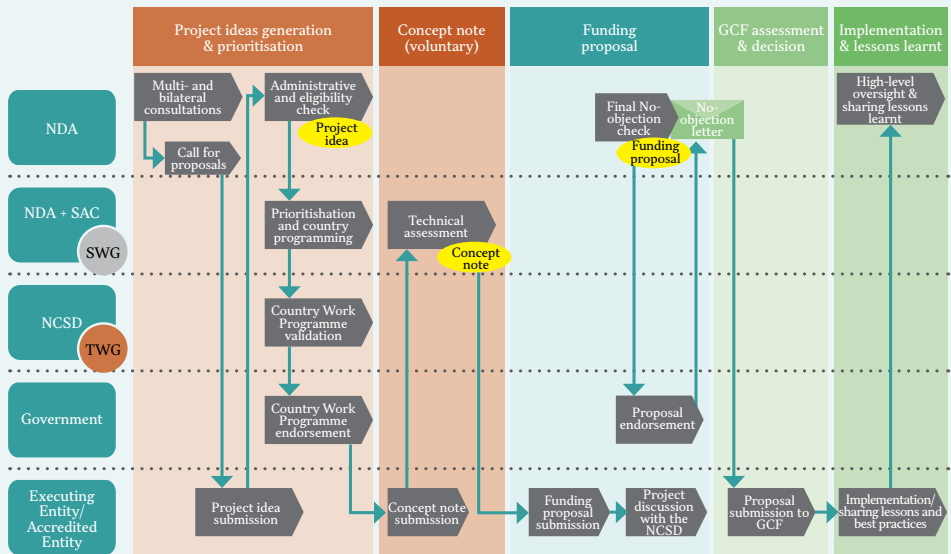
Figure 13. Project approval cycle



The main stages of the project approval cycle are:

- 1 **Project ideas generation and prioritisation.** At this stage, Accredited Entities and national entities develop project ideas and submit them to the NDA responding to the calls for project ideas. Project ideas that pass the eligibility criteria will be endorsed by the NDA and can be developed into Concept Notes or funding proposals. They will also be included in the project portfolio of the Country Work Programme.
- 2 **Concept Note (voluntary).** Accredited Entities in partnership with national partners develop Concept Notes for those project ideas endorsed by the NDA. Even though this step is voluntary and Accredited Entities may submit full funding proposals instead, Concept Note development is strongly encouraged as it ensures that the NDA and GCF feedback is integrated in the project development at early stages. Submitted Concept Notes will be assessed by the NDA, with support from the members of the coordination mechanism. Endorsed Concept Notes will be developed into funding proposals.
- 3 **Funding proposal.** At this stage, Accredited Entities submit funding proposals to the NDA for the final No-objection check. If funding proposal submission is not preceded by the submission of the project idea and a Concept Note, funding proposals will be assessed according to all criteria used in these stages. Conditional to a positive NDA decision, a funding proposal will receive a letter of No-objection from the NDA. The letter of No-objection is a mandatory condition, after which the funding proposal may be submitted to the GCF.
- 4 **GCF assessment and decision.** Once submitted to GCF, funding proposals will be subject to a rigorous review process by the GCF Secretariat, assessment by the Independent Technical Assessment Panel, culminating in a decision by the GCF Board as to whether to support the project. Key GCF investment criteria and requirements are described in section 5.1.
- 5 **Implementation and lessons learnt.** During implementation, Accredited Entities work in close coordination with the executing entities. To ensure capacities at national level are strengthened as a result of the engagement with the GCF and national stakeholders learn from the lessons acquired during the implementation, Accredited Entities should communicate with the NDA on a regular basis on the status of implementation/completion/impact of the project.

Figure 14. Step-by-step project approval cycle

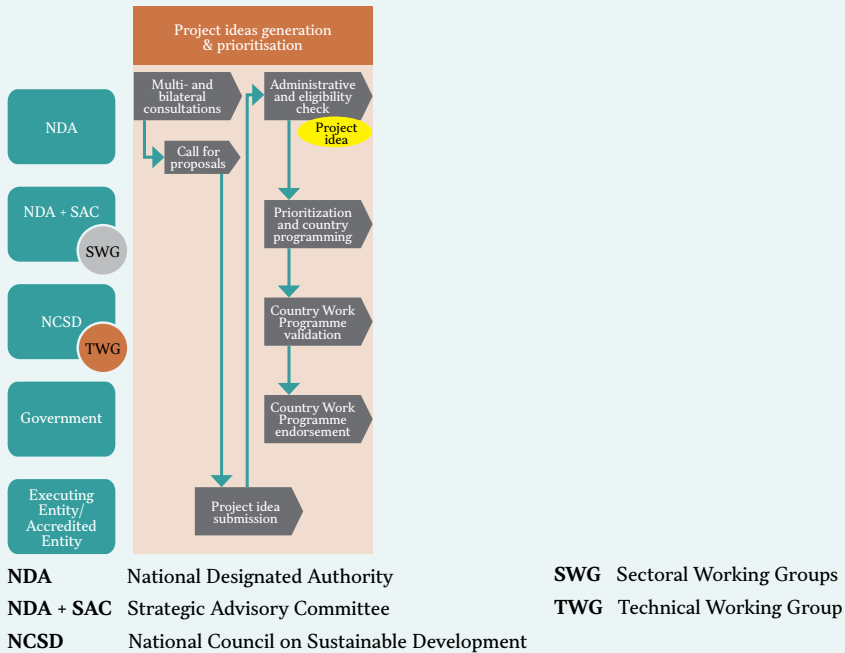


NDA National Designated Authority
NDA + SAC Strategic Advisory Committee
NCSD National Council on Sustainable Development

SWG Sectoral Working Groups
TWG Technical Working Group

5.2.1 Project ideas generation and prioritisation

Accessing GCF resources implies a pipeline of sound and bankable projects that target North Macedonia’s national climate and development priorities. The NDA will facilitate the generation of project pipeline by multilateral and bilateral stakeholder consultations and by biennial call for project ideas. Eligible project ideas will be included in the project portfolio of the Country Work Programme (Box 2). Figure 15 illustrates the main steps in the process of generation and prioritisation of project ideas.

Figure 15. Step-by-step generation and prioritisation of project ideas

Multi- and bilateral consultations

The Cabinet of the Deputy President of the Government and the NDA will look for opportunities to engage with stakeholders at national and local levels, including local and national public institutions, private sector, civil society and academia, to discuss country priorities and needs.

The NDA will regularly organise national/sub-national consultations to collect and systematise the views and expectations on the engagement with the GCF.

These consultations will be particularly relevant for the development and update of the Country Work Programme. The NDA will also make use of the NCSD platform to convene multiple stakeholders and to engage them into this discussion.

Additionally, on demand, the NDA will conduct bilateral meetings with

Box 2. Country Work Programme

Country Work Programme is a strategic framework for the engagement of North Macedonia with GCF.

Country Work Programme builds on the key national development and climate strategies, plans and actions. Its objective is to determine investment priorities and strategic initiatives for the use of the GCF funding.

Country Work Programme includes:

- **Country Profile** - climate change, development and policy profile;
- **Country Agenda for GCF** - institutional arrangements for engagement with GCF, country priorities and project portfolio for the GCF;
- **Monitoring and Evaluation** - process and schedule for reviews and updates of the document.

Country Work Programme is developed via a multi-stakeholder consultation process led by NDA. It will be reviewed and updated every five years, while the project portfolio will be updated every two years.

stakeholders to share the specificities and opportunities for work with the GCF and explore concrete partnership options for the development and implementation of climate investments and, more specifically, to identify potential co-financing contributions for these investments.

Calls for proposals

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

The calls for project ideas will be open for a period of 45 natural days, unless otherwise specified by the NDA. Calls for project ideas will be public and as participatory as possible. The call will be announced at the NDA website (www.greendevopment.mk). It will include description of the requirements, assessment criteria, templates and supporting guidelines and documents to ensure that all project proponents have sufficient and transparent information for the preparation of project ideas.

Project proponents can use the template Project Idea Note for formulation of their proposals (Annex 5). If the project is already more elaborated, project proponents can also submit Concept Notes or funding proposals using the GCF templates. Project Idea Notes should not exceed 5 pages, excluding annexes, and should be submitted in English using the online submission form at www.greendevopment.mk according to the call requirements.

The NDA will accept spontaneous submissions of project ideas, Concept Notes and funding proposals from the Accredited Entities and not accredited national stakeholders in between the calls for project ideas to ensure continuous development of the country project portfolio and facilitate access to GCF resources. Regardless of the submission timing, the NDA assesses all project ideas, Concept Notes and funding proposals against all criteria of the project approval cycle.

Administrative check and eligibility assessment

The NDA will conduct an administrative check of project ideas. This step is to ensure project ideas are compliant with the call requirements and all sections of the Project Idea Note template have been completed with relevant information. This step should take two weeks after the end of the open call for project ideas.

Project ideas should comply with four eligibility criteria:

- ✓ Are the objectives of this project idea aligned with the objectives of the national climate policy and strategies?
- ✓ Is the project idea aligned with the relevant national development indicators, enabling policy and institutional frameworks?
- ✓ Is the project idea in line with at least one of the eight strategic results areas of GCF?
- ✓ Does the project idea address issues relevant to mainstream gender (and other vulnerable groups, if applicable)? Does it describe how resilience/mitigation to climate change equally impacts men and women? Does it ensure that woman will equally benefit from project activities?

Applicants whose project ideas have passed the eligibility criteria will receive a confirmation letter from the NDA. They will be encouraged to establish partnerships with an Accredited Entity (in case they are not accredited themselves) and develop their idea into a Concept Note. Project ideas that have passed the eligibility criteria will be included in the project portfolio of the Country Work Programme.

Proponents of the project ideas that have not passed all eligibility criteria will receive a rejection letter from the NDA, with recommendations for improvement and potential resubmission at later stages or responding to the next calls for project ideas.

Prioritisation and country programming

Project ideas that have passed the eligibility assessment will be further assessed in the prioritisation process by the NDA together with the Strategic Advisory Committee (SAC) and, when needed, the Sectoral Working Groups (SWG). Prioritisation will be performed within two weeks after project ideas have passed the administrative and eligibility check.

The prioritisation process is based on 8 criteria:

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

The aim of the different stages of this procedure is to ensure thorough quality assurance and to assess the level of preparedness and soundness of the project ideas, and their alignment and compliance with the country context and GCF Performance Measurement Framework².

Each criterion is scored from 0 (minimum) to 3 (maximum). The final total maximum points that a project can obtain is 24 points. Annex 6 contains the full description of each criterion. Project ideas/Concept Notes/funding proposals will be part of the project portfolio of the Country Work Programme.

² https://www.greenclimate.fund/documents/20182/239759/5.3_-_Performance_Measurement_Frameworks__PMF_.pdf/60941cef-7c87-475f-809e-4ebf1acbb3f4

Figure 16. Prioritisation criteria

Criteria	Indicator	
PI_C 1	Project approach	Coherence in description of the problem and climate rationale, project objectives and expected results (the level of coherence and relevant data included in the project idea).
PI_C 2	Capacity of project implementing entities	Level of experience and skills of the implementing entities/partners (the indicator is relevant for the whole implementing consortium – all partners)
PI_C 3	Estimated duration of the project	The timeframe presenting the duration of the proposed activities
PI_C 4	Status of the project idea	Current status of the project idea/degree of development
PI_C 5	Potential to support the national EU accession process	Number of EU benchmarks to be achieved with project implementation and its impact
PI_C 6	Project objectives in line with the national priority SDGs	Number of SDGs impacted or triggered by project implementation
PI_C 7	Coherence with national climate change strategies	Coherence and alignment of the project objectives with priorities addressed already in the national climate policy and strategies
PI_C 8	Impact potential (preliminary assessment)	<ul style="list-style-type: none"> • Preliminary estimation of mitigation/adaptation potential • Gender equity and impact potential to women and men separately as well as to vulnerable groups

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

Country Work Programme validation and endorsement

The NDA will present the project portfolio and the draft Country Work Programme to the National Council on Sustainable Development (NCSD) for validation and recommendation for final approval by the Government of the Republic of North Macedonia. The Deputy President of the Government in their

role as NDA and chairman of the NCSD will convene and preside the meeting of the Council where the Country Programme/pipeline will be reviewed and validated.

The Country Work Programme is a living document. It is a flexible framework that is subject to periodic reviews and adjustments to reflect the latest developments. It will be valid for 5 years, while the project pipeline section will be updated by the NDA every 2 years in order to incorporate new proposals received via calls for proposals launched by the NDA or received from the applicants in a spontaneous way at any point.

5.2.2 Concept note submission

Accredited Entities in partnership with national partners develop Concept Notes for the project ideas endorsed by the NDA.

Concept Notes should be first submitted to the NDA for endorsement, and then submitted to GCF. They should be developed in the GCF template and include all supporting documents (available at the GCF webpage).

Smaller-scale projects with minimal environmental and social risks can qualify for a **simplified approval process (SAP)** by GCF. It entails simplified templates and approval steps by GCF. See Box 3 for more details.

Concept Note submission is an optional step, and Accredited Entities may skip it and submit funding proposals straight away. Yet, Concept Note development is strongly encouraged as it ensures that the NDA and GCF feedback is integrated in project development at early stages. In either case, both Concept Notes and funding proposals should be assessed based on the technical assessment criteria (Figure 17).

Following the GCF Indigenous Peoples Policy, the GCF Gender Policy and Action Plan, and other relevant GCF procedures and policies, women and other vulnerable and disadvantaged stakeholders should be consulted in the design or implementation of GCF-funded activities.

Box 3. Simplified Approval Process (SAP)

Smaller-scale projects of up to \$10 million with **minimal environmental and social risks** can qualify for a simplified approval process (SAP) by GCF.

The projects should be ready for scaling up and have the potential for transformation, **promoting a paradigm shift** to low-emission and climate-resilient development.

The SAP templates for concept note and funding proposal **are simplified**.

The GCF review and approval process is streamlined, allowing for **reduced time and effort** required to go from project conception to implementation.

SAP proposals go through all steps of project assessment by the NDA before their submission to the GCF.

Technical assessment of Concept Notes

Once Accredited Entities submit a Concept Note to the NDA, it will conduct a technical assessment, with the support of the Strategic Advisory Committee (SAC) and, when needed, the Sectoral Working Groups (SWGs). Such assessment and endorsement decision will take 3–4 weeks.

Technical assessment of Concept Notes is performed against six criteria:

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

Each criterion has a weight assigned in order to reflect the scale of its importance in the overall assessment and the country's priorities. The weights are outcomes of stakeholder discussions and current national priorities. They can be subject to change to reflect changes in the national investment priorities. Figure 17 summarises all technical assessment criteria and their weight, sub-criteria and maximum scores for each sub-criterion. Annex 7 provides a full list with descriptions and indicators.

Concept Notes/funding proposals will be assessed by the Strategic Advisory Committee (SAC), coordinated and led by the NDA. The maximum score that a Concept Note/funding proposal can obtain after technical assessment is 201 points. After the technical assessment of the Concept Notes/funding proposals, the NDA and SAC can take the following decisions:

- Those proposals with a score between 130–201 points will be considered **endorsed**;
- Those proposals with scores between 80–129 points will receive **specific improvement recommendations** and be requested to resubmit the proposal as soon as possible;
- Those proposals with a score between 0 and 79 points will be requested to **thoroughly review their proposal rationale**.

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

Figure 17. Technical assessment criteria

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

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

5.2.3 Funding proposal submission

The Accredited Entity, together with the executing partners, develops the full funding proposal. It should be completed in the GCF template and include all mandatory supporting documents such as, inter alia, results of feasibility studies, Environmental and Social Impact Assessment, Gender Assessment and Action Plan, and co-financing commitment letters. See Section 5.1 and GCF webpage for more details.

Accredited Entities should integrate the NDA comments and results of the technical assessment of the Concept Note. If funding proposal submission is not preceded by the project idea and Concept Note submission, the proposal will have to go through all previous assessment steps, namely, eligibility criteria and technical assessment.

Accredited Entities, especially Direct Access Entities, can receive GCF support under the **Project Preparation Facility (PPF)** for project preparation, especially for micro-to-small size projects. Box 4 provides more details.

The funding proposal should be submitted to the NDA for final check and issuing of a No-objection letter. GCF will not consider funding proposals not accompanied by the NDA No-objection letter.

Upon submission of a funding proposal, the accredited and executing entities will be required to **deliver a presentation to the National Council on Sustainable Development (NCSD)** on the proposal scope, rationale and financial structure. If no major comments are received by the NCSD, the NDA will proceed with the final No-objection check.

The final No-objection check is the final quality assurance step for the issuance of the No-objection letter by the NDA. The NDA will complete the final No-objection check within two weeks with a recommendation to the Government to endorse the proposal.

Box 4. Project Preparation Facility

GCF Project Preparation Facility (PPF) supports Accredited Entities in project preparation, especially **Direct Access Entities**, and for **micro-to-small size projects**.

Up to \$1.5 million are available for each PPF request. PPF requests are developed and submitted by Accredited Entities.

PPF support can cover:

- (Pre-) feasibility studies, project design;
- Environmental, social, gender studies;
- Risk assessments;
- Identification of project indicators;
- Pre-contract services;
- Advisory services, services to financially structure a proposed activity.

PPF requests require a **No-objection letter** from the NDA.

PPF requests can be submitted either before or after a concept note submission. Often, PPF applications follow the submission of a concept note.

The final No-objection check is performed based on six guiding criteria:

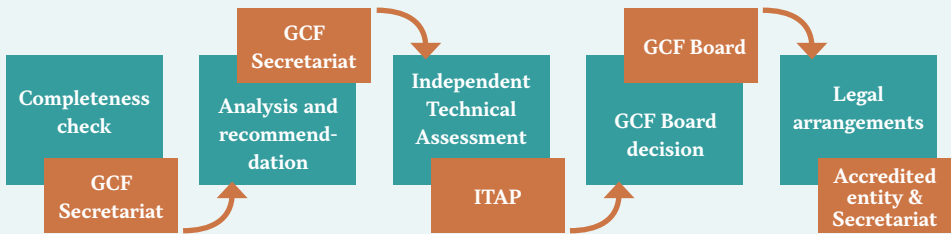
- ✓ Has the proposal been assessed as eligible (according to eligibility criteria)?
- ✓ Is the proposal included in North Macedonia's Country Work Programme?
- ✓ Has the proposal been discussed with the target communities?
- ✓ Has the project received technical clearance?
- ✓ Has the project addressed all the comments received during the technical assessment?
- ✓ Has the Accredited Entity presented the proposal to the NCS D?

The NDA will issue the No-objection letter for the funding proposal if it complies with all six final No-objection check criteria and has received the final approval of the Government of the Republic of North Macedonia. After receiving the No-objection letter, Accredited Entities are responsible for submitting the funding proposal and all supporting documents, including the No-objection letter, to the GCF Secretariat for consideration.

5.2.4 Green Climate Fund assessment and decision

Funding proposals that are submitted to GCF are subject to a rigorous review process, culminating in a decision by the GCF Board as to whether to support the project. The process will include the following key steps:

- **Completeness check.** The GCF Secretariat carries out a receipt and completeness check of the documents submitted. At this stage, the GCF Secretariat may contact the Accredited Entity to discuss the proposal and seek to strengthen the application prior to further, more detailed review.
- **Analysis and recommendation to the Board.** The GCF Secretariat undertakes a more detailed assessment of the project proposal, including assessing how it matches GCF investment criteria. The Secretariat also assesses compliance with GCF policies, including, but not limited to fiduciary standards, risk management, Environment and Social Standards (ESS), monitoring and evaluation criteria, gender policy, and legal standards.
- **Independent technical assessment.** The Independent Technical Advisory Panel (ITAP) assesses the funding proposals against the six GCF investment criteria (Figure 18). ITAP is an independent technical advisory body made up of six international experts: three from developing countries and three from developed countries. ITAP can add conditions and recommendations to the funding proposal at its discretion.
- **GCF Board decision.** The Secretariat will only submit to the Board for its consideration those funding proposals whose approval has been recommended by the ITAP and the Secretariat. The GCF Board meets three times a year. It can choose one of three possible decisions:
 - Approve funding;
 - Approve funding under the condition that modifications should be made to the funding proposal based on the recommendations provided;
 - Reject the funding proposal.

Figure 18. Green Climate Fund assessment and decision process for funding proposals

Accredited Entities should immediately communicate to the NDA the comments received from the GCF, or when the funding proposal is approved/rejected by the GCF Board. If, as a result of the comments received from the GCF, the scope/scale and rationale of the proposal changes, the Accredited Entity is responsible to develop the new structure/scope of the proposal in consultation with the NDA and target communities.

Following GCF Board approval of a funding proposal, the GCF Secretariat negotiates with the Accredited Entity in order to sign a Funded Activity Agreement. The Funded Activity Agreement lays the groundwork for the implementation phase of the project or programme.

5.2.5 Implementation and sharing lessons learnt

Accredited Entities are responsible for the implementation, monitoring and evaluation of the funded project activities. They are also required to report regularly to GCF and the NDA. This is done in the form of various reports such as Annual Performance Reports (APRs) and Mid-term/Final Evaluation Reports.

The NDA's role is to ensure that GCF-funded projects and activities strengthen capacities at national level and national stakeholders learn from the lessons acquired during the project implementation. For this purpose, the Accredited Entities should share with the NDA the information on the status of implementation/completion/impact of the project by following the next steps:

- Accredited Entities will share with the NDA the interim progress/completion reports as submitted to the GCF, a summary of these reports will be uploaded in the NDA website to illustrate the progress in the respective project.
- Accredited Entities and executing entities will ensure the target communities are informed about the implementation of the proposal, including by convening stakeholder meetings.
- Upon completion of the implementation phase of the project, Accredited Entities will deliver a presentation to the NCSA on the key outputs of the project and the impact achieved as well as lessons learned from the implementation phase.

The NDA will request the Accredited Entities to present a short update on the implementation of the project twice every year (every 6 months). However, if needed, the NDA can request the AEs to provide an update of the implementation of the project at any time. With these actions the cycle is completed and allows for replication of best practices and learning from important lessons gained during the implementation.

Annexes

1. Green Climate Fund fiduciary standards

Basic fiduciary standards

Standard	Description
1.1 Key administrative and financial capacities	<p>Underlying principles:</p> <ul style="list-style-type: none"> a) Financial inputs and outputs are properly accounted for, reported, and administered transparently in accordance with pertinent regulations and laws, and with due accountability; b) Information relating to the overall administration and management of the entity is available, consistent, reliable, complete and relevant to the required fiduciary standards; and c) Operations of the entity show a track record in effectiveness and efficiency. <p>Standards:</p> <ul style="list-style-type: none"> 1.1.1 General management and administrative capacities 1.1.2 Financial management and accounting 1.1.3 Internal and external audit 1.1.4 Control framework 1.1.5 Procurement
1.2 Transparency and accountability	<p>Underlying principles:</p> <ul style="list-style-type: none"> a) Protection and commitment against mismanagement and fraudulent, corrupt and wasteful practices; b) Disclosure of any form of conflict of interest (actual, potential or perceived); and c) Code of ethics, policies and culture that drive and promote full transparency and accountability. <p>Standards:</p> <ul style="list-style-type: none"> 1.2.1 Code of ethics 1.2.2 Disclosure of conflict of interest 1.2.3 Capacity to prevent or deal with financial mismanagement and other forms of malpractice 1.2.4 Investigation function 1.2.5 Anti-money laundering and anti-terrorist financing

Specialised fiduciary standards

Standard	Description
2.1 Project management	Underlying principles: a) Ability to identify, formulate and appraise projects or programmes b) Competency to manage or oversee the execution of approved funding proposals, including the ability to manage executing entities or project sponsors and to support project delivery and implementation; c) Capacity to consistently and transparently report on the progress, delivery and implementation of the approved funding proposal 2.1.1 Project preparation and appraisal 2.1.2 Project oversight and control 2.1.3 Monitoring and evaluation 2.1.4 Project-at-risk systems and related project risk management capabilities
2.2 Grant award mechanisms	2.2.1 Transparent eligibility criteria and evaluation 2.2.2 Grant award decision and procedures 2.2.3 Public access to information on beneficiaries and results 2.2.4 Transparent allocation and implementation of financial resources 2.2.5 Good standing with regard to multilateral funding
2.3 On-lending and/or blending	Additional specialised criteria for on-lending and blending will apply for intermediaries and IEs that wish to use those financial instruments with the Fund's resources.

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

2. Green Climate Fund Environmental and Social Policy

Green Climate Fund Environmental and Social Policy aims to:

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

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

- Avoid, and where avoidance is impossible, mitigate adverse impacts to people and the environment;
- Enhance equitable access to development benefits; and
- Give due consideration to vulnerable³ and marginalised populations, groups, and individuals, local communities, indigenous peoples, and other marginalised groups of people and individuals that are affected or potentially affected by GCF-financed activities.

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

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

The main elements of the policy on activity level are:

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

³ “Disadvantaged or vulnerable” refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project’s benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so.

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

GCF Interim Environmental and Social Safeguards

Standard	Description
<i>Standards applied on entity level</i>	
PS 1. Assessment and management of environmental and social risks and impacts	<ul style="list-style-type: none"> • Identify the funding proposal's environmental and social risks and impacts; • Adopt mitigation hierarchy: anticipate; avoid; minimise; compensate or offset; • Improve performance through an environmental and social management system; • Engagement with affected communities or other stakeholders throughout the funding proposal cycle. This includes communications and grievance mechanisms.
<i>Standards applied on project level</i>	
PS 2. Labour and working conditions	<ul style="list-style-type: none"> • Fair treatment, non-discrimination, equal opportunity; • Good worker–management relationship; • Comply with national employment and labour laws; • Protect workers, in particular those in vulnerable categories; • Promote safety and health; • Avoid use of forced labour or child labour.
PS 3. Resource efficiency and pollution prevention	<ul style="list-style-type: none"> • Avoid, minimise or reduce project-related pollution; • More sustainable use of resources, including energy and water; • Reduced project-related greenhouse gas emissions.
PS 4. Community health, safety and security	<ul style="list-style-type: none"> • Anticipate and avoid adverse impacts on the health and safety of the affected community; • Safeguard personnel and property in accordance with relevant human rights principles.
PS 5. Land acquisition and involuntary resettlement	<ul style="list-style-type: none"> • Avoid/minimise adverse social and economic impacts from land acquisition or restrictions on land use: <ul style="list-style-type: none"> - Avoid/minimise displacement; - Provide alternative project designs; - Avoid forced eviction. • Improve or restore livelihoods and standards of living; • Improve living conditions among displaced persons by providing: <ul style="list-style-type: none"> - Adequate housing; - Security of tenure.

Standard	Description
PS 6. Biodiversity conservation and sustainable management of living natural resources	<ul style="list-style-type: none"> • Protection and conservation of biodiversity; • Maintenance of benefits from ecosystem services; • Promotion of sustainable management of living natural resources; • Integration of conservation needs and development priorities.
PS 7. Indigenous peoples	<ul style="list-style-type: none"> • Ensure full respect for indigenous peoples <ul style="list-style-type: none"> - Human rights, dignity, aspirations; - Livelihoods; - Culture, knowledge, practices; • Avoid/minimise adverse impacts; • Sustainable and culturally appropriate development benefits and opportunities; • Free, prior and informed consent in certain circumstances.
PS 8. Cultural heritage	<ul style="list-style-type: none"> • Protection and preservation of cultural heritage; • Promotion of equitable sharing of cultural heritage benefits.

3. Green Climate Fund investment criteria and sub-criteria

Coverage area	Sub-criteria
<i>Impact potential</i>	
Mitigation impact	Contribution to the shift to low-emission sustainable development pathways
Adaptation impact	Contribution to increased climate-resilient sustainable development
<i>Paradigm shift potential</i>	
Potential for scaling up and replication, and its overall contribution to global low-carbon development pathways being consistent with a temperature increase of less than 2 degrees Celsius (mitigation only)	<ul style="list-style-type: none"> • Innovation • Level of contributions to global low-carbon development pathways, consistent with a temperature increase of less than 2 degrees Celsius • Potential for expanding the scale and impact of the proposed project (scalability) • Potential for exporting key structural elements of the proposed project elsewhere within the same sector as well as to other sectors, regions or countries (replicability)
Potential for knowledge and learning	Contribution to the creation or strengthening of knowledge, collective learning processes, or institutions

Coverage area	Sub-criteria
Contribution to the creation of an enabling environment	<ul style="list-style-type: none"> • Sustainability of outcomes and results beyond completion of the intervention • Market development and transformation
Contribution to the regulatory framework and policies	Potential for strengthened regulatory frameworks and policies to drive investment in low-emission technologies and activities, promote development of additional low-emission policies, and/or improve climate-responsive planning and development
Overall contribution to climate-resilient development pathways consistent with a country's climate change adaptation strategies and plans (adaptation only)	<ul style="list-style-type: none"> • Potential for expanding the proposal's impact without equally increasing its cost base (scalability) • Potential for exporting key structural elements of the proposal to other sectors, regions or countries (replicability)
<i>Sustainable development potential</i>	
Environmental co-benefits	Expected positive environmental impacts, including in other results areas of the Fund, and/or in line with the priorities set at national, local or sectoral level, as appropriate
Social co-benefits	Expected positive social and health impacts, including in other results areas of the Fund, and/or in line with the priorities set at national, local or sectoral levels, as appropriate
Economic co-benefits	Expected positive economic impacts, including in other results areas of the Fund, and/or in line with the priorities set at national, local or sectoral level, as appropriate
Gender-sensitive development impact	Potential for reduced gender inequalities in climate change impacts and/or equal participation by gender groups in contributing to expected outcomes
<i>Responsive to recipients needs</i>	
Vulnerability of the country (adaptation only)	Scale and intensity of exposure of people, and/or social or economic assets or capital, to risks derived from climate change
Vulnerable groups and gender aspects (adaptation only)	Comparably high vulnerability of the beneficiary groups
Economic and social development level of the country and the affected population	The level of social and economic development of the country and target population
Absence of alternative sources of financing	Opportunities for the Fund to overcome specific barriers to financing

Coverage area	Sub-criteria
Need for strengthening institutions and implementation capacity	Opportunities to strengthen institutional and implementation capacity in relevant institutions in the context of the proposal
<i>Promote country ownership</i>	
Existence of a national climate strategy and coherence with existing policies	<ul style="list-style-type: none"> • The objectives are in line with the priorities in the country's national climate strategy • The proposed activity is designed in cognizance of other country policies
Capacity of Accredited Entities or executing entities to deliver	Experience and track record of the Accredited Entity or executing entities in key elements of the proposed activity
Engagement with civil society organisations and other relevant stakeholders	Stakeholder consultations and engagement
<i>Efficiency & effectiveness</i>	
Cost-effectiveness and efficiency regarding financial and non-financial aspects	<ul style="list-style-type: none"> • Financial adequacy and appropriateness of concessionality • Cost-effectiveness (mitigation only)
Amount of co-financing	Potential to catalyse and/or leverage investment (mitigation only)
Programme/project financial viability and other financial indicators	<ul style="list-style-type: none"> • Expected economic and financial internal rate of return • Financial viability in the long run
Industry best practices	Application of best practices and degree of innovation

4. Green Climate Fund Gender Policy

GCF's gender-responsive approach is captured in the GCF Gender Policy and Action Plan⁴, which was adopted by the Fund's governing body in 2015. Six principles of the GCF's Gender Policy are:

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

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

- Country ownership in terms of alignment with national policies and priorities;
- A mandatory initial socioeconomic and gender assessment, to proactively build in a gender-sensitive approach to project planning, design and implementation arrangements;
- Gender equitable stakeholder consultations based on the gender parameters in the policy;
- Determination of how the project/programme can respond to the needs of women and men in view of the specific climate change issue;
- Identification of drivers of change and gender dynamics required to achieve the project/programme adaptation or mitigation goals; and
- Identification and design of specific gender elements to be included in project/programme activities.

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

- **Gender analysis:** to understand the social, economic and political factors underlying climate change-exacerbated gender inequality, and the potential contributions of women and men to societal changes in order to build resilience to and address climate change. Gender analysis is the first and the essential part for identifying and defining gender gaps, issues and constraints in order to respectively reflect them into the project. It helps to identify the differences that women and men are facing in the project context, including the access, participation, involvement, different needs and obstacles of both sexes.

⁴ <https://www.greenclimate.fund/how-we-work/mainstreaming-gender/gender-action-in-practice>

- **Gendered actions:** methods and tools to promote gender equality and reduce gender disparities in climate action. This includes development of objectives and targets addressing gender concerns, and gender responsive actions to address gender issues in the project/program.
- **Gender-sensitive M&E:** measuring the outcomes and impacts of project activities on women and men's resilience to climate change through gender responsive M&E. It contains clear targets, quotas, gender design features and quantitative performance indicators.

5. Project idea template

Project Idea

Title:

Project Idea Note

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

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

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

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

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

Project general information	
Project title:	
Project or programme	<input type="checkbox"/> Project <input type="checkbox"/> Programme
Project duration (months):	
Geographic location of project activities <i>(please enclose a map in the Annex):</i>	
Implementation entity/ies <i>(title, type of organisation, address, contact persons)</i> <i>Please provide in Annex a List of employees dedicated to project implementation (disaggregated by sex and education) for each entity</i>	Title: Type of organisation: Address: Contact person: Phone/e-mail address:
Previous experience in implementing similar projects <i>(similar in terms of complexity, costs and duration)</i>	<i>Please list at least two finalised similar projects providing information on project costs, aim of the projects, main beneficiary and main results. You can provide a Reference list as an Annex with more relevant data on previous similar experience</i>
Project status:	<input type="checkbox"/> Full Project proposal <input type="checkbox"/> Concept Note <input type="checkbox"/> Project Idea Note

Project climate focus and results areas	
Focus area of the project:	<input type="checkbox"/> Mitigation <input type="checkbox"/> Adaptation <input type="checkbox"/> Cross-cutting
Green Climate Fund strategic results areas <i>(Which of the following targeted GCF results areas does the proposed project address?)</i> <i>Please mark the most relevant ones</i>	<p>Mitigation</p> <p>By reducing greenhouse gas emissions:</p> <input type="checkbox"/> Energy access and power generation <i>(E.g. access to on-grid, micro-grid or off-grid, where power is generated by renewable energy sources, i.e. solar, wind, geothermal waters, etc.)</i>
	<input type="checkbox"/> Low emission transport <i>(E.g. high-speed rail, rapid bus system, etc.)</i>
	<input type="checkbox"/> Buildings, cities, industries and appliances <i>(E.g. new and retrofitted energy-efficient buildings, energy-efficient equipment for companies and supply chain management, etc.)</i>
	<input type="checkbox"/> Forestry and land use <i>(E.g. forest conservation and management, agricultural irrigation, water treatment and management, etc.)</i>
	<p>Adaptation to climate change</p> <p>By increasing resilience in the following spheres:</p> <input type="checkbox"/> Most vulnerable people and communities <i>(E.g. mitigation of adverse risks associated with climate change, developing early warning systems, developing insurance service systems, etc.)</i>
	<input type="checkbox"/> Health and well-being, and food and water security <i>(E.g. providing clean drinking water to population, implementing water-saving technologies, etc.)</i>
	<input type="checkbox"/> Infrastructure and built environment <i>(E.g. mudflow and avalanche protection infrastructures, air-conditioning systems, resilient road networks, etc.)</i>
	<input type="checkbox"/> Ecosystem and ecosystem services <i>(E.g. ecosystem conservation and management, ecotourism, etc.)</i>

Project description (max. 3 pages)	
Project goal:	
Project objectives	<i>(if possible, please define specific objectives related to gender and minorities issues and climate change)</i>
Main project beneficiary (direct and indirect) disaggregated by type of vulnerability	
Brief project justification (coherence and alignment with the country's national climate priorities and development strategies as well as national SDGs)	
Briefly describe the Mitigation/ Adaptation problem the proposal intends to address	<i>(please specify the issues relevant for gender and vulnerable groups)</i>
List proposed project activities to address the above problems and identified barriers leading to the expected results	<i>(please mention if the proposed activities/ processes or technologies are innovative. Also, explain how women, CSOs, academia, business and other stakeholders will be included in the implementation of project activities)</i>
Briefly describe expected outcomes and economic (in EUR), social climate/environmental and gender aspects target results	<i>(i.e. number of new jobs created, tons of reduced emissions of CO₂ eq., estimated adaptation impact – number of direct/ indirect beneficiaries as percentage of the total population, how the project will address gender and other vulnerable group issues)</i>
Indicate if there is potential for replicating project activities in other region(s) or neighboring country and describe the use of project results	
Explain why the project requires funding:	<i>(i.e. explain why this is not financed by domestic resources from the public and/or private sector(s))</i>

Financial aspects of the project

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

Applicant information

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

PROJECT IDEA NOTE supporting documents:

ANNEX 1

ANNEX 2

ANNEX 3

6. National criteria for prioritisation of project ideas

Criteria	Description of criteria	Indicator
Project approach	Description of problem statement and climate rationale, project objectives main activities and expected results. Coherence between problem/barriers and expected results.	Coherent description of the problem and climate rationale, project objectives and expected results (the level of coherence and relevant data included in the project idea).
Capacity of project implementing entities	Description of relevant management and organisational skills of the implementing entities/ partners in project implementation	Experience and skills of implementing entities/partners (the indicator is relevant for the whole implementing consortium – all partners)
Estimated project duration	Defined time schedule of the proposed project activities	Timeframe indicating the duration of the activities proposed
Status of the project idea	Identification of the project idea development level (early stage, developed Concept Note/developed full project proposal)	Current status of the project idea/degree of development
Potential to support the national EU accession process	Description how and to what extent the project objectives and planned activities support the national EU accession path and assist in achieving the EU benchmarks	Number of EU benchmarks to be achieved by project implementation and its impact
Project objectives in line with the national priority SDGs	Elaboration how the project objectives fit the SDGs	Number of SDGs impacted or triggered by project implementation
Coherence with national climate change strategies	Description of national country ownership and capacity to implement a funded project or programme (policies, climate strategies and institutions)	Coherence and alignment of project objectives with the priorities already addressed in national climate policy and strategies
Impact potential (Preliminary assessment)	Potential of the project to contribute significantly to reducing emissions or increasing resilience (preliminary assessment). Specify the climate mitigation and/or adaptation impact providing comparable national benchmarks	Preliminary estimate of the mitigation potential (tCO ₂ eq over the lifespan of the project). Preliminary estimate of the adaptation potential (number of direct beneficiaries and indirect beneficiaries as a percentage of the total population). Gender equity and impact potential to women and men separately as well as to vulnerable groups

7. National criteria for technical assessment of concept notes

No	Criteria	Description of criteria	Indicator	C1 Criteria weight	Rating Criteria
C1	Project impact potential			5	
		Potential of the Programme/project to contribute significantly to reducing emissions or increasing resilience.	1. Estimated mitigation impact (tCO ₂ eq over project lifespan) or expected increase in the number of households with access to low-emission energy.	3	Very high mitigation/adaptation impact
		Specify the climate mitigation and/or adaptation impact by providing comparable national benchmarks	2. Estimated adaptation impact (number of direct beneficiaries and indirect beneficiaries as a % of total population disaggregated by sex and type of vulnerability, changes in loss of lives, value of physical assets, livelihoods and/or environmental losses due to the impact of climate disasters).	2	High mitigation/adaptation impact
C 1.1	Impact potential			1	Medium mitigation/adaptation impact
				0	Very low mitigation/adaptation impact
				3	No substantial risks identified after preliminary ESS screening
				2	Substantial risks identified according to ESS categories and mitigation measures clearly defined
				1	Substantial risks identified according to ESS categories and some mitigation measures defined but they are not comprehensive
C 1.2	Environmental and social risk mitigation	Description of residual risk level related to the introduction of planned mitigation measures to the environmental media and vulnerable groups	Level of residual risks associated with the project and adequate mitigation measures defined to meet Environmental and Social standards (ESS) requirements	0	Substantial risks identified according to ESS categories, but no mitigation measures defined

No	Criteria	Description of criteria	Indicator	C2 Criteria weight	Rating Criteria
C2	Paradigm shift potential			5	
C 2.1	Long-term change at policy/strategic level resulting from project implementation	Degree to which the proposed activities can catalyze impact beyond a one-off project investment and in which scaled project implementation will result in impact on policy changing	Initiate policy changes, new strategic documents to be developed or new regulation The extent to which the new regulation developed will impact gender and vulnerable groups	3 2 1 0	Long-term impact (including gender and vulnerable groups) Medium-term impact (including gender and vulnerable groups) Short-term impact (including gender and vulnerable groups) No impact
C 2.2	Potential for scaling-up and replication for both mitigation and adaptation and potential for knowledge and learning	Specific values for scaling-up and replication and any potential for knowledge sharing or learning at a project or institutional level	Project opportunities for replication in several regions in RNM and degree of sharing lessons learned and experience gained from the project Percentage of time dedicated to gender and vulnerable groups during capacity-building initiatives	3 2 1 0	High potential for replication; knowledge will be shared on national or wider level Medium potential for replication; knowledge will be shared on regional level Low potential for replication; knowledge will be shared on local level No potential for replication; no knowledge shared
C 2.3	Innovative potential	Description of innovative elements and concepts within project activities	Degree of innovation and opportunities for targeting new market segments, developing or adopting new technologies, business models and/or processes Decree to which the activities will change incentives for market participants by reducing costs and risks and open opportunities for low-carbon solutions	3 2 1 0	High innovative approach Innovative approach on national level (based on the adaptation of an innovative idea into the national context) Low potential of innovation No innovation is presented

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

No	Criteria	Description of criteria	Indicator	Rating Criteria	
C 3.2	Economic and social benefits from the project	Economic analyses on project activities and description of economic benefits Description of the improvements in the following areas: health and safety, access to education, social inclusion, improved sanitation facilities, improved access to energy, improved cultural preservation and community values Improvements measured by sex distribution: how many girls, women, and other vulnerable groups will benefit from the improvements. Have their needs been assessed before designing the improvement measures? Different roles of women and men assessed in each of the improvements?	Total number of jobs created (direct and indirect) by project implementation Amount of government's budget deficits reduced Development and support of SMEs competitiveness Types of improvements in social areas (education, social inclusion, access to water supply, health facilities, etc.) in the RNM	3	High level of economic benefits and multiple social improvements cover most of areas (at least 3 areas)
				2	Medium level of economic benefits and social improvements in at least 2 areas
				1	Low level of economic benefits and only few small social improvements will be made by the project implementation
				0	No economic benefits and no social improvements
C 3.3	Gender benefits	Description of how gender equality will be supported by project implementation and how equal the benefits will be Potential for reduced gender inequalities in climate change impacts and/or equal participation by gender groups in contributing to expected outcomes	Improving resilience and climate change gender equality and vulnerability (potential risks in project implementation, but also after project completion) % of female participation in project activities, % of female beneficiaries, % of gender responsive measures provided by the project, type of affirmative measures provided for women	3	High improvement
				2	Medium improvement
				1	Low improvement
				0	No improvement

No	Criteria	Description of criteria	Indicator	Rating Criteria
C4	Recipients' needs			C4 Criteria weight
				4
C 4.1	Level of economic and social benefits of the target population	Description of the level of social and economic development (including socio-economic vulnerable population) of the country and target population	% of socio-economic population that will benefit from the project (disaggregated by sex, income level, etc.)	3
				2
				1
				0
C 4.2	Availability of financial resources	Description of the lack of funding sources for project implementation and why the GCF has been approached	Opportunities for overcoming specific barriers to financing Possibility to ensure funding from other sources	3
				2
				1
				0

No	Criteria	Description of criteria	Indicator	Rating Criteria	
C 4.3	Needs for institutional capacity strengthening	Description of opportunities to strengthen the institutional and implementation capacity of relevant institutions	Specified actions for strengthening the institutional and implementation capacity in RNM To what extent are gender aspects mainstreamed in these capacity strengthening actions?	3	High opportunities to strengthen national institution
				2	Sufficiently described actions that lead to improving institutional capacities
				1	Low opportunities for improvements in relevant institutions
				0	No description of strengthening actions
				C5 Criteria weight	3
C5	Country ownership				
C 5.1	Coherence with the national strategic, regulatory and legal framework on CC	Description of the national context to implement a funded project or Programme (policies, regulations, legislation, climate strategies and institutions)	Coherence and alignment of the project objectives with priorities addressed already in the national climate policy, regulation, legislation and strategies	3	High alignment and coherence with national climate policy, regulation, legislation, strategies and priorities
				2	Partial alignment and coherence with national climate policy, regulations, legislation, strategies and priorities
				1	Improper alignment of the project with national climate policy, regulation, legislation, strategies and priorities
				0	Very low alignment of the project with national climate policy, regulation, legislation, strategies and priorities

No	Criteria	Description of criteria	Indicator	Rating Criteria	
C 5.2	Relevance and alignment with national development indicators, enabling policy and institutional frameworks	Explanation of how the project proposal fits with the national development agenda	Alignment with the relevant national development indicators and/or enabling policy and institutional frameworks	3	Fully in line with already defined development indicators
				2	Partially in line with development indicators
				1	Low alignment with development indicators
				0	No arguments to define how development indicators are met
C 5.3	Stakeholder consultation	Explanation on engaging different stakeholders and the role of the NDA while developing the CN/Project proposal. Engaging civil society organisations and other stakeholders	To what extent the stakeholders are consulted or involved in project activities (relevant stakeholders identified, number of stakeholders, communication channels used, number of events and workshops organised, etc.) Number of events held for women and vulnerable groups (e.g. training, workshops, meetings, consultations) Female and vulnerable groups representation (the percentage of women compared to the percentage of men) participating in capacity building initiatives and events, awareness raising events, informative, consultative events.	3	All relevant stakeholders identified and involved and feedback incorporated
				2	Most stakeholders identified and involved and feedback incorporated
				1	Some stakeholders identified and involved and feedback incorporated
				0	No details on how stakeholder consultation was conducted

No	Criteria	Description of criteria	Indicator	C6 Criteria weight	Rating Criteria
C6	Efficiency and effectiveness			3	3
C 6.1	Project efficiency and effectiveness	Economic and, if appropriate, financial soundness of the Programme/project, and for mitigation-specific Programmes/projects, cost-effectiveness and co-financing	Estimated cost per tCO ₂ eq. (total investment cost/expected lifetime emission reductions), expected volume of finance to be leveraged as a result of GCF financing, disaggregated by public and private sources	3 2 1 0	Low cost of project activities / investments per unit of CO ₂ eq. reduction Medium costs of investment vs. benefits High costs of project activities/ investments per unit of CO ₂ eq. reduction Very high cost, or not properly visible
C 6.2	Capacity of applicant/AE to ensure funding from other sources/leverage co-financing and complementary contributions to this project	Description of possibilities for combining various funding sources and expected volume of finance to be leveraged as a result of GCF financing	Share of total GCF-financing support in the project budget and clear explanation about other financial sources already agreed	3 2 1 0	less than 25% between 25-50% up to 75% between 75-100%

No	Criteria	Description of criteria	Indicator	Rating Criteria	
C 6.3	Best Practice Technologies Applied	Description of proposed best practice technologies and degree of innovative technical solutions in the project	Level of technologies of best practices planned to be applied with the project and the main benefits to be achieved	3	High % of best practice technologies included in the project
				2	Medium % of best practice technologies included in the project
				1	Low % of best practice technologies included in the project
				0	Best practice technologies are not included in the project

Green Climate Fund handbook for North Nacedonia

ISBN 978-92-5-132046-4



9 789251 320464

CA7336EN/1/12.19