

Food and Agriculture Organization of the United Nations





Applicant Guidelines for Developing Project Ideas under the Green Climate Fund (GCF)

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Introduction

The Green Climate Fund (GCF) is a new global climate-dedicated fund created by 194 countries, parties in the United Nations Framework Convention on Climate Change (UNFCCC), to support the efforts of developing countries to respond to the challenge of climate change by investing in long-term low-emission and climate-resilient development. The total committed GCF finance currently is USD 10.3 billion and the resource mobilization for recapitalizing the Fund is ongoing.

The Republic of North Macedonia ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1997 and the Kyoto Protocol to the UNFCCC in 2004. The country signed the Paris Agreement in September 2016 and delivered its Intended National Determined Contributions (INDCs) to reduce CO_2 emissions from fossil fuel combustion by 30% i.e. by 36% at higher ambition, by 2030 compared to the business-as-usual scenario. The country ratified the Paris Agreement in October 2017.

As a middle income country that is particularly vulnerable to climate change the Republic of North Macedonia is eligible for GCF financing and for using its support programmes. In this context, technically supported by the Food and Agriculture Organization (FAO) of the UN, the Cabinet of the Deputy President of the Government of the Republic of North Macedonia in charge of economic affairs, has implemented the project "Supporting the management of an effective national coordinative mechanism regarding the Green Climate Fund", funded in the framework of the GCF Readiness and Preparatory support programme.

The project has focused on strengthening the institutional capacities of the National Designated Authority (NDA) to effectively fulfil its GCF-related roles and responsibilities, creating the required national participatory and stakeholder engagement processes, and initiating the preparation of a GCF Country Work Programme, aligned with national adaptation and mitigation priorities, with the Sustainable Development Goals and with the GCF investment criteria.

As a result of the project and in line with its main responsibilities as NDA, the Cabinet of the Deputy President of the Government in charge of Economic Affairs, on behalf of the Government of the Republic of North Macedonia, has announced the first Open call for Submitting Project Ideas (October 2019) that address the challenge of climate change. *In order to facilitate developing and submitting project ideas, the NDA, with technical support by the FAO, has developed* these *Applicant Guidelines which provide:*

- Basic information on the GCF and project proposal development and approval;
- Detailed guidelines for Applicants to generate GCF Project Ideas as a first step in developing GCF project proposals (project generation) answering practical questions on how to start and how to elaborate their ideas responding to national climate-resilient and long-term low-emission development and GCF impact result areas.

Glossary of key terms

Accredited Entity (AE): an entity accredited by the GCF in accordance with the Governing Instrument and relevant Board Decisions for implementing the Fund's resources in developing countries.

Adaptation: adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harms or exploits beneficial opportunities

Climate Change: change in climate attributed directly or indirectly to human activity, which alters the composition of global atmosphere in addition to natural climate variability observed over comparable time periods.

Concept Note: project or programme concept document which provides basic information about a project or programme to seek feedback on whether the concept is broadly aligned with objectives and policies of the Fund.

Environmental and Social Safeguards (ESS): mechanism for supporting the identification, measurement and management of environmental and social risks resulting from project/programme implementation. The GCF ESS is based on the International Finance Corporation's eight performance standards (PS).

Funding Proposal: a fully developed project proposal submitted to the GCF for funding. Accredited entities can access GCF resources to run climate change projects and programmes by submitting funding proposals to the Fund.

Green Climate Fund (GCF): at COP 16 in Cancun in 2010, Governments established the Green Climate Fund (GCF) as an operating entity of the financial mechanism of the Convention under Article 11. The GCF will support projects and programmes, and other preparatory activities in developing country Parties. The Fund is governed by the GCF Board.

Indicator: a measurable characteristic or variable which helps to describe an existing situation and to track changes or trends – i.e. progress – over time.

Mitigation: in climate change, it refers to human intervention for reducing the sources or enhancing the sinks of greenhouse gases. Examples include using fossil fuels more efficiently in industrial processes or for generating electricity, switching to solar energy or wind power, improving the insulation of buildings, and expanding forests and other sinks to remove greater amounts of carbon dioxide from the atmosphere.

National Designated Authority (NDA): a government institution nominated as the core interface and the main communication point between a country and the Fund. The NDA seeks to ensure that activities supported by the Fund, including project proposals, are aligned with national strategic objectives and priorities, and to help advance ambitious action on adaptation and mitigation in line with national needs. By providing letters of no-objection for project proposals, the NDAs ensures that submitted project proposals are in line with national priorities and needs.

Paradigm shift: fundamental shift towards low-carbon and climate-resilient sustainable development, in accordance with the GCF-agreed result areas and consistent with a country-driven approach (Eco Ltd, 2016). The paradigm shift of a project corresponds to the degree to which the proposed activity can catalyse impact beyond a one-off project/programme investment. This can be emphasized by providing further details on the four related factors:

1.Scale-up and replication potential: the proposal should illustrate how the proposed project or programme's expected contributions to global low-carbon and/or climate-resilient development pathways could be scaled-up and replicated, including a description of the steps necessary to accomplish it.

2. Knowledge and learning potential: any potential for creating or strengthening knowledge, collective learning processes or institutions, should be highlighted.

3. Contributing to creating an enabling environment: sustainability of outcomes and results beyond completing the intervention should be highlighted. Proposals should explain how proposed measures will create conditions conducive to effective and sustained participation of private and public sector actors in low-carbon and/or resilient development that go beyond the programme.

4. Contributing to regulatory framework and policies: the proposal should elaborate in which way the proposed project/programme advances national/local regulatory or legal frameworks to systematically drive investment in low-emission technologies or activities, promote development of additional low-emission policies, and/or improve climate-responsive planning and development.

Project: a set of activities with collective objective(s) and concrete outcomes and outputs that are narrowly defined in scope, space, and time; and that are measurable, monitorable, and verifiable.

Project Idea Note: a document which provides basic information about a project or programme submitted to the NDA as a first step for GCF proposal development.

Programme: a set of interlinked individual sub-projects or phases, unified by an overarching vision, common objectives and contributing to strategic goals, which will deliver sustained climate results and will impact the GCF result areas efficiently, effectively and on a large scale.

Vulnerability: the degree to which a system is susceptible to, or unable to cope with, adverse climate change effects, including climate variability and extremes.

Aim of the Guidelines

This document provides practical guidelines for Applicants seeking to learn about the GCF and the financial resources available to support climate-resilient and low-emission project proposals; the process of project development including improved understanding of <u>the steps and criteria</u> required for developing a Project Idea and submitting it to the NDA in The Republic of North Macedonia in response to the first Open Call for Project Ideas.

The objective of these guidelines is to assist interested legal entities (potential Applicants) in The Republic of North Macedonia to understand the national CC context in the country, its national strategic policy, climate-resilient and low-emission objectives and priority actions, in line with GCF requirements.

The quality of the Project Idea and the capacity of entities facilitating the initiation of proposals are very important factors for guaranteeing further partnership with Accredited Entities in developing more detailed Concept Notes resulting in developing high-quality Project proposals to be submitted to the GCF.

Being aware that the process to develop a Project idea itself, at the level of detail and amount of "brief, but very concise and detailed enough" information and data is not so easy, and also considering that this is a First Call for Proposals to be submitted to the GCF, these Guidelines have been developed to address the challenges expected by Applicants during the process.

The Guidelines will answer the following questions:

- What is the mission of the GCF and what type of support does the GCF provide?
- Who can receive GCF funding and how to access these resources?
- How much and what type of funding is available?
- What are the roles of different actors in accessing GCF resources?
- What is accreditation and why Accredited Entities play a crucial role in developing and implementing proposals?
- What is the GCF project cycle?
- How to put together a GCF Project Idea: a stepwise approach
- How to get started/How to Submit an Application?

This document has been drafted as a supporting document for the first Open Call for submitting Project Ideas to the GCF and any change in future calls (e.g., changes in national priority sectors, priority mitigation/adaptation actions, etc.) will result in developing new updated Guidelines.

The electronic version of these Guidelines can be found at <u>www.</u> <u>greendevelopment.mk</u>

1. Must-Know Essentials before Developing a GCF Project Idea

1.1 GCF in brief: About the Green Climate Fund

The GCF is a financial mechanism established in the United Nations Framework Convention on Climate Change (UNFCCC), and acting as the operating entity for implementing the 2015 Paris Agreement.

The GCF is designed to support developing countries *in achieving paradigm shift to low-emission and climate-resilient pathways.* This is achieved by funding innovative and transformative low-emission (mitigation) and climate-resilient (adaptation) projects and programmes developed by public and private sectors to contribute to implementing national climate change priorities in developing countries.

Paradigm shift means a shift away from practices that are incompatible with the challenges of climate change. In terms of mitigation, this means moving away from fossil fuel-based economies, which implies greater long-term changes in our energy, industrial and transport systems, in particular.

Example: If the project intends to make a coal power plant more efficient, it would not be a paradigm shift since the energy system basis (fossil fuels, centralized) would not change. However, changing the entire power generation and distribution system towards renewable energies that are more decentralized and locally controlled, would be a paradigm shift. Paradigm shifts may cover one or several economic sectors, or even a whole local or national economy.

Responding to climate change challenges requires collective action from all countries, governments, cities, communities, businesses and private citizens. By pledging USD 10.3 billion so far, the GCF is the world's largest fund dedicated to fighting climate change. Designed to be the main financial instrument for mobilizing both public and private sources according to the UNFCCC commitments, the GCF is the centrepiece to address the pressing mitigation and adaptation needs of developing countries.

Figure 1 illustrates the thematic areas in which countries can access GCF funds: adaptation,

mitigation and crosscutting.

GCF was established via the Cancun Agreement at the 16th Conference of Parties (COP) in 2010, to help developing countries respond to climate change by investing in low-carbon-resilient development.



1.2 What does the GCF support?

The GCF finances low-emission (mitigation) and climate-resilient (adaptation) projects and programmes developed by the public and private sectors to contribute to countries' climate change priorities. Cross-cutting projects that deliver co-benefits in terms of both mitigation and adaptation are also eligible for GCF funding. A project applicant will have to demonstrate the climate change impact of their proposed project or programme in terms of mitigation, adaptation or both by:

- Generating direct impact by reducing GHG emissions and/or enhancing resilience;
- Contributing to a paradigm shift towards low-emission and climateresilient development:
- Supporting sustainable development:
- Ensuring the funding meets the **recipient needs**;
- . Maximizing country ownership;
- Selecting projects/programmes that are efficient & effective.

GCF has defined eight impact areas (Figure 2) to deliver major mitigation and adaptation benefits to the country. When developing a GCF project, a project applicant should identify which strategic impact areas their proposed project or programme targets (noting that several may apply for an individual project or programme).



Figure 2: GCF Strategic impact areas (Source: adapted from GCF infographics)

Example: If the project's efforts to invest in climate compatible cities deliver impacts related to emission reductions in low-emission transport as well as in buildings, cities, industries and appliances, it may also support adaptation, particularly by strengthening the resilience of urban people and communities; and by increasing urban infrastructure resilience. In this case, a total of four impact areas could be relevant and should be identified in the application process. Of course, it depends on the project objectives, type of proposed project actions and their connection to and description of the impact potential and paradigm shift.

Learn more about GCF: www.greenclimate.fund \geq

Overview of GCF Portfolio (status as of October 2019):

111 projects funded (42% mitigation, 34% cross-cutting and 24% adaptation projects)

310 million beneficiaries (anticipated number of people with increased climate resilience)

1.5 Billions tCO, avoided

59% are projects from public sectors

41% are projects from private sectors

- Find an overview on the GCF project portfolio here: www. \geq greenclimate.fund/what-we-do/portfolio-dashboard
- Learn more about GCF-funded projects: www.greenclimate.fund/ \geq what-we-do/projects-programmes

Micro 0-10 million USD 10-50 million USD 50-250 million USD Medium >250 million USD

Project proposals fall into one of the four GCF project size categories:

Sizes of GCF Portfolio projects (status as of October 2019): 41% (46) of 111 approved projects are medium projects 31% (34) are small projects

15% (17) are large projects

13% (14) are micro projects

1.3 How much and what type of finance is available?

AsofMarch2017, the Fundhasraised USD10.3 billion equivalent in pledges from 43 governments. So far, the major contributors have been (in chronological order of contribution): the United States, Japan, the United Kingdom, France and Germany. However, developing countries such as Chile, Colombia, Indonesia, Mexico, Mongolia, Panama, Peru and Vietnam have also pledged funding.

Financial instruments

To finance projects and programmes, the GCF makes use of four financial instruments: grants, loans, equity and guarantees.

Grants include reimbursable grants and non-reimbursable grants. Loans include senior loans and concessional loans. It is important to note that two or more instruments may be blended, with more than one instrument being used by the Fund itself on a particular project, or a Fund instrument or instruments being combined with instruments from other financing sources.

Financial instrument		Definition	
Grants	Reimbursable	Assimilated to loans, reimbursable grants consist of a contribution provided to a recipient institution for investment purposes, with the expectation of long-term reflows at conditions specified in the financing agreement. The investor assumes the risk of total or partial failure of the investment; they can also decide if and when to reclaim their investment	
	Non- reimbursable	Unlike reimbursable grants, non-reimbursable grants are standard transfers made in cash, goods or services for which no refund is required. This amounts to direct aid as opposed to repayable assistance.	

Financial instrument		Definition	
Loans	Concessional	The up-front transfer of resources from one party to another with the agreement that the money will be repaid on conditions more favourable than market terms is known as concessional or soft lending. Concessional lending includes a grant component that can be quantified based on how favourable the lending terms are (the 'grant element' of the loan).	
	Senior	A senior bank loan is a debt-financing obligation that holds legal claim to the borrower's assets above all other debt obligations. The loan is considered senior to all other claims against the borrower, which means that in the event of bankruptcy, the senior bank loan is the first to be repaid before all other interested parties receive repayment.	
Equity		Consists of an investment into a project or asset to leverage debt and achieve better returns.	
Guarantees		Commitments in which a guarantor undertakes the responsibility of fulfilling the obligations of a borrower to a lender in the event of non- performance or default of obligations by the borrower, in exchange for a fee. They can cover the entire investment or just a portion of it (partial guarantee).	

REF. GCF (2013) 'Business Model Framework: Results Management Framework'.¹

The financial instruments could be mixed for a particular project that intends to be financed by GCF.

Example: The GCF-funded Programme "Green Cities Facility" (Nov. 2018) investments will focus on urban infrastructure in six sectors: low-carbon and climate-resilient buildings, water and wastewater, solid waste, urban transport, municipal energy systems (district heating / cooling) and street lighting in 9 countries (including The Republic of North Macedonia - City of Skopje) ensuring green urban development. The GCF supports the programme with a loan (USD 73.9 M) and a grant (USD 25 M) while other funds are co-financed (EBRD - loan USD 398 M, Local contributions USD 68.2 M, loans issued by other donors USD 9.1 M and grants provided by Swedish International Development Cooperation Agency approx. USD 30 M.

¹ REF. GCF (2013) 'Business Model Framework: Results Management Framework'. Meeting of the Board 8-10 October 2013, Paris, agenda item 4(b). https://www. greenclimate.fund/documents/20182/24937/GCF_B.05_03_-_%20Business_Model_Framework_Results_Management_Framework.pdf/d6e50312-fbbf-4cb4-b96ba47e47cc6f4d

Overview of the types of financial instruments in the GCF Portfolio (as of October 2019):

Total 111 funded projects financed, providing:

Grants to 45% of the projects

Loans to 42% of the projects

Equity to 9% of all funded projects

Guaranties to 2% of the projects

Besides the above-mentioned financial instruments, the GCF also provides additional grants for drafting funding proposals and for the countries' readiness and preparatory work for engaging the Fund.

1.2 What are the roles of different actors?

There are three main actors with a role to play in interacting with the GCF; putting a funding proposal together; and, if successfully approved, overseeing and managing the project's implementation and completion.



Source: adapted from GCF infographics.

National Designated Authority

The NDA or Focal Point is the focal agency and point of contact with the GCF. The NDA/Focal Point develops work programmes and oversees the development and implementation of proposals. The list of NDAs and Focal Points is available at www.greenclimate.fund/partners/countries/nda-directory.

NDA of the Republic of North Macedonia

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If you like to know more or you have questions about GCF activities, contact the NDA focal points or visit the NDA web page: <u>www.greendevelopment.mk</u>

Accredited Entity (AE)

The GCF does not implement projects directly. Funding proposals can only be presented to GCF by an Accredited Entity. Once a project/programme is approved, AEs will ensure the project is implemented by working with its Executing Entities. The role of the AEs is to oversee, supervise, manage, monitor and where applicable, execute GCF-approved projects/ programmes. The AEs may be public or private, and are divided into:

Direct access entities, which correspond to subnational, national or regional entities. DAEs may include national ministries or government agencies, national development banks, national climate funds, commercial banks, other financial institutions, etc.;

and

International access entities, which may be bilateral, multilateral or regional entities. They may include bilateral development agencies (e.g. Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ), multilateral development banks (e.g. World Bank, European Bank for Reconstruction and Development), United Nations agencies (e.g. Food and Agriculture Organization of the United Nations), regional development banks (e.g. African Development Bank), intergovernmental organizations (e.g. World Wildlife Fund), etc.

The term **'Accredited'** means that these entities went through rigorous GCF accreditation and have proved their capabilities to financially manage projects and to safeguard funded projects against environmental and social risks. They get their accreditation based on few criteria: entity type, particular size of project to be implemented and environmental and social risks resulting from project implementation and type of activities they could execute.

GCF Accredited Entities (examples):

World Meteorological Organization is an international entity, it could manage small projects (USD 10-50 M), they have fiduciary standards on project management and key administrative and financial expertise and capacities, and they can manage Category C projects (low environmental and social risks).

Category C projects/programmes are those that include activities with minimal or no environmental and/or social risks and /or impacts. **Examples:** Activities such as education and training, health and family planning, small-scale reforestation, plans and studies, advisory services.

Food and Agriculture Organization of the United Nations (FAO) is an international entity, it could manage medium size projects (USD 50-250 M), they have fiduciary standards on project management and key administrative and financial works and they can manage Category B projects (medium environmental and social risks).

Category B projects/programmes are those that include activities with mild adverse risks and/or impacts that would likely be reversible. **Examples:** Activities such as energy efficiency of industry, adaptation of crops or farming, small-medium renewables, etc.

European Bank for Reconstruction and Development (EBRD) has been accredited by the GCF, it can manage high risks (Category A) and large projects with budget above USD 250 M, the bank has implemented all types of financial instruments).

Category A projects/programmes are those that include activities with potential significant adverse environmental and/or social risks and /or impacts that are diverse, irreversible, or unprecedented.

Examples: Large scale forestry, agriculture or renewable energy projects, projects affecting highly sensitive ecosystems, projects with large resettlements, projects with serious occupational and community health risks, etc

So, it is very important to choose an AE based on its thematic competence and to consider the match between your Project Idea and the type of accreditation criteria to which the AE has been accredited by the GCF in terms of project size, type of financial instruments and risk category. If your institution/organization is not an AE but wants to work with the GCF, you may partner (instead of seeking accreditation) with an AE to implement a GCF project. You will need to ask for partnership with the accredited entity during the Concept Note development phase.

Full list of accredited entities is available at the GCF webpage (<u>https://www.greenclimate.fund/how-we-work/tools/entitydirectory</u>).

While the AEs act as a country's fund programme managers, the **Executing Entities (EEs)** are in charge of executing eligible activities supported by the GCF under the oversight of AEs. EE responsibilities are defined in the proposal and they are accountable to their respective AE. EEs can be anything from international multilateral institutions to small NGOs, depending on the project set-up and activities planned.

AEs can also execute projects themselves. The table below summarizes the main functions of the three actors.

Type of entity	Role
National Designated Authority (NDA)	 Provide strategic oversight of country's priorities
	Ensure GCF proposals align with country's priorities
	 Lead No-objection procedure and issue No- objection letters to GCF project/programme proposals
	Convening national stakeholders
	Providing nomination letters for accrediting national AEs
	Coordinate and approve Readiness programmes
	• Announce call for Project Ideas
	• Disseminate information and raise awareness among stakeholders
	Submit co-financing project proposals to Government
	Develop/Update Country Programme and project pipeline

Type of entity	Role		
Accredited Entity /Implementing	 Develop and submit projects/programme funding proposals 		
Entity/Intermidiates	 Oversee project and programme management and 		
	 Implementation (and execution where applicable) 		
	Monitoring and reporting		
	 Deploying and administering a range of financial instruments (grants, concessional loans, equity and guarantees) 		
	 Mobilizing private sector capital to blend with GCF and/or own resources 		
Executing Entity (AE)	 Develop project/programme funding proposals via AEs 		
	• Execute (implement) funding proposals		
	 Work under AE supervision and overall management (no need for accreditation) 		

In line with the guidelines on GCF Country Ownership and the initial guidelines for NDA nomination and coordination mechanisms, the Republic of North Macedonia has established initial mechanisms for working with the Green Climate Fund and is actively working with different relevant stakeholders to ensure enhanced access to climate finance. The country coordination mechanism was established involving other relevant institutions, with a specific role in the GCF application process and no-objection procedure.

Additional (besides NDA) Macedonian bodies involved in GCF no-objection procedure:

NDA -Strategic Advisory Committee (NDA-SAC) with main roles:

- Contributing in evaluating project eligibility by providing specific expertise on financial and CC issues, including equal opportunity aspects
- Support NDA in assessing Direct Access Entities (DAEs)
- Assisting NDA in coordinating and engaging stakeholders
- Impartially prioritizing projects by assessing their alignment with national priorities
- Technically reviewing all project proposal aspects (consulting SWG if needed), including monitoring the financial and technical aspects during project implementation
- Ensuring no-overlap with other CC related activities/projects and assisting in donor CC coordination

Sectoral Working Group with the roles:

• At the request of NDA-SAC, contributing to technical discussions

and project assessments by providing relevant information (on adhock basis)

 Advising the NDA-SAC on technical and operational issues in specific sectors (transport, energy, water management, waste management, agriculture, forestry, nature & biodiversity, land management health, cultural heritage gender aspects and vulnerable group perspectives, etc.)

National Council for Sustainable Development (NCSD + Technical Working Group of NCSD) and main roles:

- Verifying prioritization process within the Country work Programme
- Assisting the NDA in stakeholder coordination
- Assisting the NDA in CC and SDGs awareness raising

The Government of Republic of North Macedonia

- Final Country Work Programme approval
- Final project proposals approval to issue a no-objection letter
- Final approval of the recommended Direct Accredited Entities to issue a Nomination Letter for DAE

All these bodies support the NDA during the whole GCF application process, prioritization and technical assessments as well as during the final no-objection step before sending the full proposal to the GCF for funding.

2.Submission process

Submitting project ideas will be online at the designated web page.

The first step is registration. Applicants have to be registered in the system by using the registration form. Users have to provide the information required: name, surname, email, phone number. After successful registration, users will receive an email with confirmation link.

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The signup (registration) screen

The applicant must open their E-mail and click on the link to confirm the validity of the e-mail address and to continue the registration process. When the registration process is completed, the applicant can fill in the predefined project/programme forms and submit their idea.

Example of application form

When all required fields have been properly filled, the applicant needs to confirm submitting the project idea by clicking the SUBMIT button. After submission, the project idea will be sent to the NDA and to the applicant and will then be in the process of evaluation. A confirmation e-mail will be sent to the applicant.

When the evaluation process is finalized, regardless the outcome, the applicant will receive an e-mail with an appropriate document/letter confirming or rejecting the Project Idea.

3.The GCF project cycle/proposal development

3.1 How to develop and submit a proposal to the GCF

Funding proposals go through a staged process before they can be implemented. Proposals are submitted by AEs accompanied with the No-Objection Letter issued by the NDA, after which they are assessed by the GCF Secretariat and an independent Technical Advisory Panel and are finally approved by the GCF Board.

Before preparing a full proposal, the GCF recommends that AEs develop a Concept Note; it is a voluntary, but very useful step that allows AEs to seek feedback from the GCF Secretariat on whether their proposal matches the Fund's objectives, mandate and investment criteria.



Source: GCF, <u>www.greenclimate.fund</u>

These Applicant Guidelines focus only on the first step of drafting the proposal – developing and submitting Project Ideas according to the requirements of the Open Call for GCF Project Ideas in the Republic of North Macedonia.

For detailed information on developing Concept Notes and full Project proposals, please visit the official GCF web page and consider the following guidebook and toolkit:

> The GCF 101 guide on how to access the Fund explains in detail

how climate finance ideas are brought to the Fund: www. greenclimate.fund/gcf101/funding-projects/project-funding

The Green Climate Fund Proposal Toolkit 2017 may help you develop a GCF project proposal: <u>www.cdkn.org/wp-content/uploads/2017/06/GCF-project-development-manual.pdf</u>

3.2 Open Call for GCF Project Ideas

The Government of the Republic of North Macedonia, represented by the Cabinet of the Deputy President of the Government in charge of Economic Affairs as an NDA of the GCF announced an Open Call for Submitting Project Ideas (October 2019) that address the challenge of climate change. The Open Call has the aim to identify Project Ideas with climate mitigation/ adaption potential to be considered for submitting to the GCF for financing.

Tips on how to read the Call and to identify priority project ideas

Read the Call very carefully and if you have a Question, write your doubts and considerations to the NDA responsible staff at the E-mail address Daniel.Josifovski@gs.gov.mk @gov.mk, or to www.greendevelopment.mk;

1. Check if your institution/organization is eligible to submit the Project Idea! The Call is open to any legal entity - academic institutions, national/local authorities, public and private enterprises, NGOs and other legal persons. Find the appropriate Partners to work with;

Familiarize yourselves with the GCF rules, mandate, how to access the GCF funds and most importantly, the 6 GCF investment criteria and GCF strategic impact areas/results. Visit the relevant web pages mentioned in these Guidelines, especially the GCF project proposal portfolio to be inspired by successful projects (https://www.greenclimate.fund/what-we-do/projects-programmes);

Read and become more familiar with the national climate-resilient and lowemission strategies, policy and institutional framework (what is our national climate change strategy, what type of strategic documents have been developed and adopted so far, what priority sectors with relevant mitigation/ adaptation objectives have been defined and the type of priority mitigation/ adaptation actions. Your Project Idea must be in line with the National strategic documents (Third National Communication on climate change and the Second Biannual update Report on climate change) and must follow GCF strategic impact areas (www.greendevelopment.mk);

Review the Project Idea Note and try to understand what type of information/ data you need to provide. Always have in mind that the Project Idea Note needs to be only a 5-page document (no details needed, write in short, use available data or mention the methodology how you plan to obtain data for your next steps – Concept Note and/or Project proposal);

The Project Idea Note should be completed correctly, please follow the instructions included. Do not forget to attach all required supporting documents;

Consider seriously the two types of criteria mentioned in the Call that will

be used during the Eligibility check of your Project Idea and during strategic prioritization. The eligibility and prioritization criteria will be applied on your fulfilled Project Idea Note, so try to respond to each criterion. You can use them also as a Checklist if you answer each of the cells in the Project Idea Note appropriately;

Pay attention to the deadlines for submitting the Project Idea Note (15th of December 2019 – 16:00 h) and make the necessary preparation yourself to submit it electronically in time (create your profile at <u>www.greendevelopment.</u> <u>mk</u> previously and do not wait to submit the document on the last day or, even worse, in the last hour).

Search the GCF link for second phase AEs – developing Concept Note/ Project Proposal taking into account GCF templates, recommendations and successful projects.

3.3 How to complete the Project Idea Note

These Guidelines will help you understand what type of information and data are required of you as Applicant, in order to develop your Project Idea.

The Project Idea Note includes the following sections:

- I. Project general information
- II. Project climate focus and result areas
- III. Project description
- IV. Financial aspects of the project
- V. Applicant information
- VI. Supporting documents

I. **Project general information**

Project general information	
Project title:	
Project or Programme	Project
Project of Programme	Programme
Duration of the project (months):	
Geographic location of project activities (please, enclose the map in the Annex):	

Implementation Entity/ies (tit/e,	Title:
contact persons)	Type of organization:
Please, provide in an Annex a List	Address:
of employees dedicated to project	Contact person:
and education) for each entity	Phone/e-mail address:
Previous experience in implementing similar projects (similar in terms of complexity, costs and duration)	Please, list at least two finalized 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
	Full Project proposal
Status of the project:	□ Concept note
	□ Project idea note

1. Usually, the name of the project/programme comes at the end of drafting the Project Idea, so highlight the main "key words" that reflect your idea to create the Project/programme title;

Examples: Irrigation Development and Adaptation of Irrigated Agriculture to Climate Change; Renewable Energy Financing Framework programme in......; Water Conservation project in.....; Financial Instruments for Energy Efficient Cities, Scaling-up Investment in Low-Carbon Public Buildings, Integrated Climate Risk Management for Food Security and Livelihoods in

2. Identify the type of your Project idea (if it is a project or a programme)

Project or Programme

A project is a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget (European Commission, 2004).

Example: The installation of one particular wind park or the construction of irrigation infrastructure in a specified area.

A programme is a group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually (PMI, 2013).

Programmes may include different types of elements, for example investments, policy formulation and capacity building.

Example: Initiatives that aim to enhance generating renewable energy by combining the formulation of incentive schemes and legal framework with investment in grid infrastructure and training for technicians would be regarded as programmatic approaches.

Keeping in mind the goal to enable a paradigm shift towards low-carbon and climate-resilient development, programmatic approaches are likely to be better suited to contribute to this, tackling a number of barriers in a coordinated way.

- 3. Define how long you propose your planned activities to last. The time period should be realistic and should correspondent to the type of activities, knowledge of national/regional circumstances (e.g., how long the decision or policy document could be reviewed by authorities), willingness by stakeholders to participate, etc. It is better to avoid short duration of activities which depending on various stakeholders.
- 4. The geographic location of project/programme activities should be elaborated and the map (macro and micro locations) should be enclosed as an Annex.
- 5. The List with all implementing/executing entities that will implement the project/programme should be prepared with main aim to present their team, type of organization (e.g., private company, university department, municipality or public communal enterprise, etc.), address and contact persons with contact information (phone number, e-mail, etc.). In the Annex, you should list all planned persons who intend to work in the project/programme disaggregated by sex and education. This List should cover each entity involved.
- 6. Each implementing entity should prepare a list of information on already implemented (or ongoing) projects similar in complexity, costs and duration similar to the proposed Project idea. At least the following data/information in brief should be included in the list: title of the project/programme, duration of project, goal and main objectives, main beneficiaries and main results, but also the project/programme costs. You can provide all this information in the Reference list as an Annex including more relevant data on previous similar experiences. In the Project Idea Note, you can write only the link to the Annex explaining the content of the Reference List.

Tip: Develop only one Reference List including previous experience of all implementing entities because the level of experience and skills of the implementing/executing entities would be evaluated based on the whole

implementing consortium – all partners).

7. Tick the type of document you have prepared and you are submitting. The first Call for Project Ideas is dedicated to the Project ideas. However, please note that if any entity has already developed Concept Note or Project Proposal, a summary using the Project Idea Note template (by marking the option Concept Note or Full Project idea) could be submitted as well, to allow the NDA to consider the proposal.

Tip: In this stage, develop only the Project Idea and submit the fulfilled Project Idea Note. It will take you less time and money and you will know if your idea is eligible and if it has been confirmed in the Country Work Programme with GCF potential projects.

The process of preparing a full funding proposal is estimated by the GCF to take 12 to 18 months. A 2016 survey of AEs found that so far proposal development took an average of 6 months, requiring the effort of 2.5 persons/year and around USD 150000 to prepare (Eco, 2016b). However, this may not be sufficient for medium and large projects/programmes: preparing feasibility studies alone can take between 6 and 12 months. The preparation of the actual proposal can take additional 4 to 6 months, making the required total time up to 10 to 18 months. Time and cost requirements strongly depend on the size of the proposal and the nature of the activities.

If you have already developed your Concept Note or even Project Proposal using GCF templates and following GCF investment criteria, you can submit it to the NDA. However, be aware that the NDA will need to receive a summary using the template of Project Idea Note (marking the option Concept Note or Full Project idea) and your project will need to undergo all the quality assurance phases as the Project Idea, regardless of how advanced the development of the proposal is.

Project climate focus and result areas			
		Mitigation	
Focus area of the project:		Adaptation	
		Cross-cutting	

II. **Project climate focus and result areas**

Mitigation

By reducing greenhouse gas emissions:

□ Energy access and power generation

(E.g. access to on-grid, micro-grid or off-grid, where power is generated by renewable energy sources, i.e. solar, wind, geothermal waters, etc.)

□ Low emission transport

(E.g. high-speed rail, rapid bus system, etc.)

Buildings, cities and industries and appliances

(E.g. new and retrofitted energy-efficient buildings, energy-efficient equipment for companies and supply chain management, etc.)

□ Forestry and land use

(E.g. forest conservation and management, agricultural irrigation, water treatment and management, etc.)

Adapting to climate change

By increasing resilience in following spheres:

□ Most vulnerable people and communities

(E.g. mitigation of adverse risks associated with climate change, development of early warning systems, development of insurance services system, etc.)

□ Health and well-being and food and water security

(E.g. providing clean drinking water to population, implementing water-saving technologies, etc.)

□ Infrastructure and built environment

(E.g. mudflow and avalanche protection infrastructures, air-conditioning systems, resilient road networks, etc.)

□ Ecosystem and ecosystem services

(E.g. ecosystem conservation and management, ecotourism, etc.)

Green Climate Fund strategic result areas

(Which of the following targeted GCF result areas does the proposed project address?)

Please, mark the most relevant ones

1. Indicate if the proposed project/programme targets mitigation, adaptation

Mitigation: in climate change, a human intervention to reduce the sources or enhance the "sinks" of greenhouse gases. Examples include using fossil fuels more efficiently for industrial processes or electricity generation, switching to solar energy or wind power, improving the insulation of buildings, and expanding forests and other "sinks" to remove greater amounts of carbon dioxide from the atmosphere.

Example: Project idea aiming to promote investments in renewable energy sources (activities leading to reducing greenhouse emissions)

Adaptation: adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.

Example: Project idea aiming to develop early warning system in vulnerable flood areas (the activities will strengthen resilience to flood).

Attention: Your Project Idea should be in line with at least one national priority sector (presented in Annex 1 to this document)

2. Mark all the relevant GCF result areas applicable to the proposed project/programme idea (Please mark the most relevant ones).

Example 1: The Project for scaling-up investment in Low-Carbon Public Buildings in Bosnia and Herzegovina focused only on GCF result area of mitigation, specifically in Buildings, cities, industries and appliances because the main aim of the project and project activities have focused on implementing low-carbon building retrofits in 430 public build EE and RE measures. For more details visit: www.greenclimate.fund/projects/fp051

Example 2: The Project "Supporting climate resilience and transformational change in the agriculture sector in Bhutan" has focused on few GCF result areas: Health, food and water security, Livelihoods of people and communities and Infrastructure and built environment as its main activities will promote climate-resilient agricultural practices, integrate climate change risk data into water and land management to support small holders, and reduce the risk and impact of climate change-induced landslides during extreme events that disrupt market access. For more details visit: www.greenclimate.fund/ projects/fp107

Example 3: The Energy Efficient Consumption Loan Programme in Mongolia has focused on two GCF result areas: Energy generation and access, and Buildings, cities, industries and appliances. This programme will provide loans to energy efficiency heating appliances and housing products, with heating appliances certified to achieve at least 20% reduction in energy usage. The use of grant funding will include disposing of old heating appliances and energy efficient housing, while contributing to a shift in consumer behaviour. For more details visit: www.greenclimate.fund/projects/sap004

I. **Project /Programme description**

Project description (max. 3 pages)	
Project goal:	
Project objectives	(if possible, please define specific objectives related to gender and minorities issues and climate change)
Main project beneficiary	
(direct and indirect) disaggregated by type of vulnerability	
Brief justification of the project (coherence and alignment with the country's national climate priorities and development strategies as well as national SDGs)	
Briefly describe the Mitigation/ Adaptation problem that the proposal intends to address	(please specify issues relevant for gender and vulnerable groups)
List the proposed project activities to address the above problems and identified barriers that will lead to the expected results	(Please mention if the proposed activities/ processes or technologies to be carried out are innovative. Also, explain how women, CSOs, academia, business and other stakeholders will be included during the implementation of project activities)

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Briefly describe expected outcomes and economic (in EUR), social climate/environmental and gender aspect target results	(i.e. number of new jobs created, tons of reduced emissions of CO, eq., estimated adaptation impact - number of direct/indirect beneficiaries as a percentage of total population, How will the project address gender and other vulnerable group issues?)
Indicate if there is a potential for replication of project activities in other region or neighbouring country and use of project results	
Explain why the project requires funding:	(i.e. explain why this is not financed by domestic resources from the public and/or private sector(s))

This section is the core part of the Project Idea Note. It aims to provide the broader context and an overview of the project or programme idea and how it answers the following questions: **why** the project/programme makes sense in the given context, **what** is the problem to be addressed and the expected result of activities, **how** it is intended to achieve its objectives related to impacts and outcomes and related to timing of activities.

Tip: The Project Idea note asks for a brief but sufficient informative description in a structural way. You need to present convincing arguments so the information needs to have a clear line of argumentation how inputs and activities are expected to lead to expected outputs, outcomes and impacts. Please take into account that you have approximately 3 pages to describe this by using realistic qualitative and quantitative (preliminary assumptions).

1. Briefly describe the project/programme goal

Tip: The Project Idea goal needs to be in line with national priority sectors of high mitigation/adaptation potential. A project goal describes the projects impact: the long-term effects that should be triggered. Usually, the goal is described with the words "The project will contribute to improving .../ it will help address the climate change challenges of cities..." and the like, describing the vision.

Please, check if your Project Idea and its goal support climate-resilience or low-emission improvement (or both) in at least one priority sector (more details in Annex 1):

Priority Sectors with high mitigation potential ²	Priority Sectors with high ad- aptation potential ³
Energy - Energy Industries Energy - Manufacturing and construction Energy - Transport	Water Resources
Agriculture and Forestry and other land use (AFOLU) - Livestock/Forest- ry/Land Use	Agriculture - General/viticul- ture/ livestock production
Waste - Solid Waste Disposal	Biodiversity Human health Cultural heritage

2. Define the project/programme objectives and, if possible and appropriate, define specific objectives related to gender and vulnerable group issues and climate change

Tip: Before defining the project/programme objectives, please look at the priority mitigation/adaptation objectives already adopted in the strategic documents presented in Annex 1. You need to be sure that your idea is in line with the national priority sector, with priority mitigation/adaptation objectives and actions. The project/programme could have more than one objective as these GCF-funded proposals are complex, lead to long-term changes and several objectives need to be combined in one.

Example: The good Project Idea belongs to a priority sector (e.g., Energy-Energy industries) whose main goal is to contribute to shifting to low-emission energy sources. The mitigation objective is to increase the domestic generation capacity from renewable energy sources and its main activity is constructing biomass power plants and introducing flexible feed-in premium tariffs to stimulate the construction.

² Second biennial update report on climate change (2017) http://klimatskipromeni. mk/data/rest/file/download/554c445fec036e3de04502b0db60edb04522ec-50e97d2881f1ef56eec77c5090.pdf

³ Third National Communication on Climate change (2013) http://unfccc.org.mk/ content/Documents/TNP_ANG_FINAL.web.pdf

 Provide information and data about main project/programme beneficiaries (direct and indirect) disaggregated by type of vulnerability

Tip: Think about all beneficiaries of the project/programme results. List all of them in broader context and in longer time period and identify who are direct and who could be indirectly impacted by the Project results. Always present the number of beneficiaries as percentage of the whole population on the project location.

Example: The absolute number of beneficiaries has only limited information value. 10000 beneficiaries will be a substantial target group in a population of 100000 but is negligible in a total population of 20 million.

Example: The values should also be provided by gender, and ideally disaggregated by type of vulnerability. The Project for Low-Carbon Public Buildings in Bosnia and Herzegovina has identified the main project beneficiary as 150000 people – occupants and users of public buildings (4%

of the total population), including 80000 women.

Take into account that GCF understands the differences among countries in size, number of population and the scale of climateresilience or mitigation measures applicable in each country. That is why you should always think about the national context and explain the baseline with adequate information for better understanding.

4. Brief justification of the project (coherence and alignment with the country's national climate priorities and development strategies as well as national SDGs).

Tip: Analyse the policy context and elaborate very briefly how the project/programme idea will support the national climate policy and strategies (you can mention the policy documents, priority SDGs and how many SDGs are impacted or triggered by the project implementation. As the Republic of North Macedonia is an EU Candidate country, please, elaborate how many EU negotiation chapters, or EU benchmarks could be supported by implementing the project.

Useful info: The Government of Republic of North Macedonia adopted a decision giving priority to five SDGs in the period 2019 - 2020, while the other SDGs will be subservient to these priority SDGs:

Ending poverty in all forms, everywhere in the country (SDG 1)

- Ensuring inclusive, equitable and quality education and promoting lifelong learning opportunities (SDG 4),
- Promoting inclusive and sustainable economic growth, full and productive employment and decent jobs for all (SDG 8)
- Taking urgent actions to combat climate change and its impact (SDG 13),
- Promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and build effective, accountable and inclusive institutions at all levels (SDG 16).

Example: One project/programme idea in the Water sector whose main activities modify existing water supply and irrigation systems to decrease water losses (drip, microspray, low-energy, measuring devices) is in line with a few strategic policy documents: Third Communication on climate change for Republic of North Macedonia, National Water Strategy, National Energy efficiency strategy. It will directly support SDG 13 and SDG 8. The long-term changes in the water sector/irrigation practice will support also SDG 1 and will be in line with new EU benchmarks (reducing water losses, improving agricultural practice, number of jobs created, etc.

5. Describe the baseline scenario (i.e. emissions baseline, climate vulnerability baseline, key barriers, challenges and/or policies), the outcomes and the impact the project/programme will aim to achieve in improving the baseline scenario.

Example: The project Low-Carbon Public Buildings in Bosnia and Herzegovina aims to reduce emissions from Bosnia-Herzegovina's public sector buildings via better energy efficiency and fuel substitution from fossil fuel to biomass.

Bosnia-Herzegovina has a large stock of high energy-consuming ageing buildings that are heated by high-emission fossil fuels. This is a consequence of neglect and under-investment during and after the Bosnian war (1992-1995), leaving buildings in urgent need of upgrade.

Energy efficiency retrofits and substituting coal and fuel oil with biomass will significantly reduce emissions from public buildings. The project will impact 7-8% of stock, some 450 public buildings. Technical assistance will also help address non-financial barriers and create supportive policies, regulations

and capacities to support the transformations and encourage replication.

3. List the proposed project activities to address the above problems and identified barriers that will lead to the expected results

Tip: Provide a list of activities suitable to national circumstances, based on the analysis of the starting situation (baseline). You can use information from existing assessments for the country/planning region or municipal level, for example, technology needs assessment. Stakeholder consultations as well as research studies for other, ideally similar countries, could support your thoughts. The feasible, sustainable actions should be selected and the environmental and social risks and impacts need to be identified.

Please mention if the proposed activities/processes or technologies to be carried out are innovative. Also, explain how women, CSOs, academia, business and other stakeholders will be included in implementing the project activities.

4. Briefly describe the expected outcomes and economic (in EUR/USD, if available), social climate/environmental and gender target results

Example: The project Low-Carbon Public Buildings in Bosnia and Herzegovina is in line with

BiH National Energy Efficiency Action Plan (NEEAP). This document includes an indicative energy savings target of 9% by 2018 so, by implementing this project, the energy efficiency improvements in buildings are expected to make the single greatest contribution to achieving this target, with an annual reduction in energy consumption of 1,900 GWh., and a total of 2,019,976 tCO₂ in a lifetime.

Expected results from implementing this project are expressed as 100,999 tCO_2 reduced or avoided and 150,000 expected direct beneficiaries. The project will lead to creating over 5,630 new full-time jobs.

The replication of project activities has a potential to be implemented in all municipalities in BiH, but with very low potential in including historical buildings as that will be much more expensive.

Tips: The core indicators agreed under the GCF, one for mitigation and one for adaptation:

- <u>Mitigation:</u> Expected tons of carbon dioxide equivalent (t CO₂) to be reduced or avoided
- <u>Adaptation</u>: Expected total number of direct and indirect beneficiaries, disaggregated by gender (reduced vulnerability

or increased resilience); Number of beneficiaries relative to total population, disaggregated by gender

Mitigation is further divided into two different metrics: a) Annual GHG emission reductions that relate to emission savings per year; b) Lifetime GHG emission reductions. Here, cumulative emission reductions over a period of time are estimated (over the lifetime of the project/programme).

Additional mitigation outcome indicators could be: a) Number of regulations/ policies introduced/adjusted to address low-emission planning and development, b) Number of small, medium and large low-emission power suppliers, c) Number of households, women and men with improved access to low-emission energy sources, d) MWs of low-emission energy capacity installed, generated and/or rehabilitated as a result of GCF support, e) Energy intensity/savings in buildings, cities, industries and appliances, f) Number of additional female and male passengers using low-carbon public transport, h) Hectares of land or forests under improved management contributing to emission reduction.

Additional adaptation outcome indicators could be: Number of key targeted institutions evidencing their strengthened capacity and coordination mechanisms to mainstream climate resilience, b) Number of effective regulations/policies introduced/adjusted to address climate change risks, c) Number of generated climate information products tailored to decisionmakers, d) Extent to which vulnerable households, communities, businesses and public sector services use improved Fund-supported tools, instruments, strategies and activities to respond to climate change and variability, e) Number of early warning systems and other risk reduction measures established/strengthened, f) Number of women and men made aware of climate threats and related appropriate responses

IV. Financial aspects of the project

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	
	Grant
	loon
Type of financial instrument to be requested:	LUan
	Other
Other financing sources that will partially cover total	
project costs:	

In this Section, the financial aspects of the project/programme should be presented. The indicative total costs (expressed in EUR/ USD) for the implementation of the proposed activities (tentative), the requested funding sum from the GCF should be presented, other financial sources that will partially cover the total project/programme costs. The type of financial instrument requested by GCF need to be marked or added.

V. Applicant Information

This section should be also completed correctly with the required details.

Applicant information	
Name of the applicant organization/ institution:	
Type of organization/institution:	
(public (governmental), business, NGO, international organization, academic institution, etc.)	
Address:	
(street, number, postal code)	
Contact Person:	
Position:	
Contact	
(telephone and e-mail):	
Date of submitting the Project idea	
note for review by the NDA	

Useful info: Applicants should use the electronic version of the Project Idea Note and they could complete it online (Online application form) using their own profile and access password. After the registration process, the user will see a panel with a pre-defined form (Project Idea Note). After submitting the Project Idea Note, the applicant will receive an e-mail confirming the successful submission of the Project Idea Note.

Detailed guidelines to complete this template and other information on the Green Climate Fund activities are available at: <u>www.greendevelopment.mk</u>

4.Eligibility check and strategic prioritization of your Project idea

In general, the GCF proposal development is presented according to the following figure where Stage 1 is the Project Idea preparation. Endorsed Project Ideas (administrative and eligibility check, strategic prioritization) are further developed into Concept Notes (with managerial and technical support by the AEs) and after preparing all feasibility studies, gender action plan, environmental and social impact assessment studies, cost-benefit analysis, and other relevant documents, they are developed into a full Project Proposal (official GCF templates should be used, available on the official GCF webpage: www.greenclimate.fund).

Technical assessment is needed for evaluating the quality of the proposal related to GCF investment requirements (impact potential, paradigm shift, sustainable development potential, responsiveness to recipient's needs, promotion of country ownership and efficiency and effectiveness). The NDA will issue a No-objection Letter after the final no-objection check and the AE responsible for the Project proposal will submit it together with the supporting documents to the GCF Secretariat.



4.1 Project Idea Eligibility Assessment

Before you submit your Project Idea Note, please read the Project Idea once again and answer these questions (it is better to ask somebody who was not included in writing the Project Idea to read and to try to answer them):

• Are the Project Idea objectives in line with the objectives of the national climate policy and strategies?

YES / NO

• Is the Project Idea in line with the relevant national development indicators, enabling policy and institutional frameworks?

YES / NO

- Is the Project Idea in line with at least one of the eight strategic result areas of the GCF? YES /NO
- Does the Project Idea address issues relevant to mainstreaming gender and other vulnerable groups and does it describe how climate change resilience/mitigation equally impacts men and women or does it ensure that woman equally benefit from the project activities?

YES / NO

Tips: Before submission, please check if the information provided in your Project Idea Note answers all these questions positively. Only eligible project ideas will be endorsed and included as part of North Macedonia's Country Work Programme for the GCF. Applicants of endorsed Project Ideas will be encouraged to further develop their ideas into Concept Notes according to

GCF templates and in consultation with NDA representatives.

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4.2 Strategic prioritization of project ideas

The following criteria will be used in strategic prioritization for all eligible project ideas:

Criteria	Description of the 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 organizational skills of the implementing entities/ partners for 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 fits 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 the project objectives with 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 mitigation potential (tCO ₂ eq over lifespan of the project). Preliminary estimate of adaptation potential (number of direct beneficiaries and indirect beneficiaries as a percentage of total population). Gender equity and impact potential to women and men separately as well as to vulnerable groups

Very important:

What scores higher?

- Project Ideas with clear, well explained problem statement, climate rationale, well-defined project objectives and expected results (high level of coherence);
- Highly experienced team of implementing entities with more than 5 years' experience in managing similar projects (of similar size and costs) and more than 2 similar projects implemented;
- Long-term Project Ideas (more than 8 years)
- The Project Ideas providing high support to achieving EU benchmarks in more than 3 EU negotiation chapters (e.g. Chapter 27 Environment, Chapter 14 Transport, Chapter 15 Energy, etc...)
- Project Ideas that triggered more than 3 SDGs (e.g., SDG 1 Poverty, SDG 13 – Climate change, SDG 4 – Education and promoting lifelong learning opportunities, etc.)
- Project Ideas fully aligned and coherent with the national climate policy, strategies and priorities (good knowledge of the national climate context, strategies, policy and good preparedness before starting to develop the Project Ideas are essential)
- Project Ideas with very high mitigation/adaptation impact (including gender aspect and vulnerable groups).

4.3 Indicative timetable for Assessing of Project Ideas The indicative timeframe for submitting and assessing/prioritizing



Applicants should submit their fully completed Project Idea Note not later than 15 December 2019 (16:00 h) Any questions? Visit: www.greendevelopmnet.mk

National strategic document	SECOND BIENNIAL UPD	ATE REPORT ON CLIMATE CHANGE (2017)
Link to the document	http://klima download/554c445fec036e3de0450	skipromeni.mk/data/rest/file/ tb0db60edb04522ec50e97d2881f1ef56eec77c5090.pdf
Priority sectors	Mitigation objective	Description of mitigation action
	Reducing losses in electricity and heat distribution networks	Operating and constructive measures necessary for reducing loss, implemented by distribution network operators.
	Increasing the domestic generation capacity from renewable energy sources	Constructing new large hydro power plants
	Increasing the domestic generation capacity from renewable energy sources	Constructing new small hydro power plants and introducing flexible feed-in premium tariffs to stimulate construction
1	Increasing the domestic generation capacity from renewable energy sources	Constructing solar power plants (larger than 10 kW) and introducing flexible feed-in premium tariffs to stimulate construction
Energy - Energy Industries	Increasing the domestic generation capacity from renewable energy sources	Constructing solar rooftop power plant and introducing "net metering"
	Increasing the domestic generation capacity from renewable energy sources	Constructing wind power plants and introducing flexible feed-in premium tariffs to stimulate construction
	Increasing the domestic generation capacity from renewable energy sources	Constructing biogas power plants and introducing flexible feed-in premium tariffs to stimulate construction
	Increasing the domestic generation capacity from renewable energy sources	Constructing biomass power plants (CHP optional) and introducing flexible feed-in premium tariffs to stimulate construction

ANNEX 1 National priority sectors and priority mitigation and adaptation actions

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National strategic document	SECOND BIENNIAL UPD	ATE REPORT ON CLIMATE CHANGE (2017)
Link to the document	http://klima download/554c445fec036e3de0450	skipromeni.mk/data/rest/file/ tb0db60edb04522ec50e97d2881f1ef56eec77c5090.pdf
Priority sectors	Mitigation objective	Description of mitigation action
	Utilizing the waste heat from TPP Bitola	Constructing central heating system in Bitola and utilizing the waste heat from TPP Bitola
	Reducing import dependency and fully utilizing the gas pipeline system	Constructing natural gas power plants (CHP)
	Meeting the targets set in the Energy Efficiency Action Plan and the Renewable Energy Sources Action Plan	Installing solar thermal collectors for hot water
Energy - Energy	Penetration of higher efficiency appliances (classes A++, A+, A, B) and meeting the target set in the Energy Efficiency Action Plan	Labelling electric appliances and equipment to provide relevant information on product energy consumption.
Industries	Making more efficient use of electricity to meet the target set in the Energy Efficiency Action Plan	Phasing out heating devices with resistive heaters and replacing them with EU Climate and Energy Policy-compliant heat pumps
	Raising public awareness about the importance and benefits from buying and using higher efficiency class appliances to meet the target set in the Energy Efficiency Action Plan	Establishing EE info centres in local self-governments or Centres of the planning regions, in which energy advisors will operate and share free advice with interested citizens about the prospects of saving energy and money in their homes
	Retrofitting existing residential buildings to meet the target set in the Energy Efficiency Action Plan	Reconstructing residential buildings including window replacement, initiated by owners and/or supported by commercial banks and funds existing in the Republic of North Macedonia

National strategic document	SECOND BIENNIAL UPD	ATE REPORT ON CLIMATE CHANGE (2017)
Link to the document	http://klima download/554c445fec036e3de0450	tskipromeni.mk/data/rest/file/ 2b0db60edb04522ec50e97d2881f1ef56eec77c5090.pdf
Priority sectors	Mitigation objective	Description of mitigation action
	Retrofitting existing public buildings to meet the target set in the Energy Efficiency Action Plan	Reconstructing existing public buildings (including windows replacement) under jurisdiction of the central government or local self- government.
	Retrofitting existing commercial buildings to meet the target set in the Energy Efficiency Action Plan	Reconstructing existing commercial buildings including windows replacement, initiated by the owners and/or supported by commercial banks and funds existing in the Republic of North Macedonia
Energy - Energy Industries	Constructing new buildings to meet the target set in the Energy Efficiency Action Plan	Constructing new buildings in compliance with the Rulebook on Buildings Energy Performance.
	Meeting the requirement of EU Directive 2010/31/ EU that all buildings constructed after 31st December 2020 should be nearly zero-energy buildings	Constructing new passive residential buildings in compliance with EU Directive 2010/31/EU.
	Meeting the target set in the Energy Efficiency Action Plan	Replacing incandescent light bulbs with halogen ones (at the beginning) and later with compact fluorescent (CFL) and LED lamps
	Replacing existing lamps with sodium and LED lamps	Replacing existing lamps with sodium and LED lamps

Applicant Guidelines for Developing Project Ideas under the Green Climate Fund (GCF)

National strategic document	SECOND BIENNIAL UPD	ATE REPORT ON CLIMATE CHANGE (2017)
Link to the document	http://klima download/554c445fec036e3de0450	tskipromeni.mk/data/rest/file/ 2b0db60edb04522ec50e97d2881f1ef56eec77c5090.pdf
Priority sectors	Mitigation objective	Description of mitigation action
	Applying energy efficiency criteria ("greening") in public procurement procedures	Intensifying activities to ensure public sector entities gain legal and technical knowledge and skills to include and evaluate energy efficiency requirements in public procurement procedures by applying criteria of most economically advantageous tender
Energy - Energy Industries	Enabling access to a new fuel type in residential, commercial and public sectors	Gasifying residential, commercial and public sectors by constructing gasification network
	Reducing local pollution	Increasing the use of existing district heating systems by information campaigns for connecting new consumers, including those who have been disconnected from the system in the past
	Obtaining sanitary hot water by utilizing the heating system in combination with solar collectors	Obtaining sanitary hot water by utilizing the heating system in combination with solar collectors
Energy - Manufacturing and construction	Implementing mandatory energy audits in manufacturing industries and implementing the ISO 50001 standard	Implementing mandatory energy audits in manufacturing industries and implementing the ISO 50001 standard
	Introducing efficient electric motors in manufacturing industries	Introducing efficient electric motors in manufacturing industries

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Priority sectors	Mitigation objective	Description of mitigation action
2 7	deeting the targets set in the Renewable Energy Action Plan (5 % share of biofuels by 2020)	5% share of biofuels by 2020
2 4	4eeting the targets set in the Renewable Energy Action Plan (10 % share of biofuels by 2020)	10% share of biofuels by 2020
- 4 -	ncreasing the use of the railway by raising awareness o use the railway for long-distance traveling and by mproving the conditions of transport companies	Increasing use of the railway by raising awareness to use the railway for long-distance traveling and by improving the conditions of transport companies
0) 42	successively organized and well-planned steps to aster renew the vehicle fleet	Successively organized and well-planned steps to faster renew the vehicle fleet
Energy Transport	ntroducing a regulation to renew the vehicle fleet with light duty and heavy goods vehicles and buses	Introducing a regulation to renew the vehicle fleet with light duty and heavy goods vehicles and buses
	Conducting campaigns/providing subsidies and systems for using new or rented bicycles, walking, and introducing parking policies to reduce the use of cars in the city area	Conducting campaigns/providing subsidies and systems for using new or rented bicycles, walking, and introducing parking policies to reduce the use of cars in the city area
	Connecting the Republic of North Macedonia to the Republic of Bulgaria and extending exports to external markets, not just in neighbouring countries but in southeast Europe and Turkey by using railway transport	Constructing railway to the Republic of Bulgaria
0, 2	successively organized and well-planned steps to faster enew the vehicle fleet, by introducing electric vehicles	Successively organized and well-planned steps to faster renew the vehicle fleet, by introducing electric vehicles

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Priority sectors	Mitigation objective	Description of mitigation action
	Decreasing CH_{a} emission levels from enteric fermentation in highly productive dairy cows	By modifying feed composition and nutrition practice in dairy cows, ${\rm CH_4}$ emissions can be reduced by 20% as a result of enteric fermentation.
Agriculture, Forestry and Other Land Use -	Decreasing NO ₂ emission level from manure management in highly productive dairy cows	By modifying manure management in dairy cows, NO_2 emission can be reduced up to 30%.
Livestock	Decreasing NO $_2$ emission level from manure management in highly productive swine farms	By modifying manure management in swine farms, $\mathrm{NO}_{\rm 2}$ emission can be reduced up to 50%.
Agriculture, Forestry and	Protecting forest areas by preventing forest fires and damages resulting from forest fires	Protecting forest areas by preventing forest fires and damages resulting from forest fires
Other Land Use - Forestry	Improving the quality of forests by afforesting transitive forest land with higher quality tree species: coniferous, deciduous and mixed forests	Improving the quality of forests by afforesting transitive forest land with higher quality tree species: coniferous, deciduous and mixed forests
	Reducing the intensity of soil erosion and loss of soil organic matter	Cultivating land on sloped terrain causes intensive soil erosion and mineralization of soil organic matter.
Agriculture, Forestry and	Reducing erosion of top soil and conserving soil organic mater	Cultivating downslope cropland usually causes intensive processes of soil erosion
Other Land Use Land Use	Reducing soil erosion and increasing SOM in vineyards and orchards on sloped terrains (5-15% slope)	In vineyards and orchards on downslope-oriented locations, intensive classical system of cultivation results in intensive soil erosion and depletion of SOM occurs, which leads to intensive soil carbon emissions

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Priority vulnerable sectors with high adaptation potential

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Link to the document	http://unfccc.org.mk/content/Documents/TNP_ANG_FINAL.web.pdf
Priority sectors	Description of adaptation action
	Modifying existing water supply and irrigation systems to decrease water losses (drip, microspray, low-energy, measuring devices)
	Implementing water re-use technology (municipal, drainage, waste water)
	Inventory and GIS mapping the existing wells for groundwater use
	Constructing inter-basin water transfer system
Water Resources	Developing river basin management plan, including conjunctive surface and groundwater supply
	GIS hazard events mapping and risk management (drought and flood)
	Monitoring network improvement (surface water, groundwater, water use, water quality)
	Developing flood action plan and introducing Early Flood Warning System

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Priority sectors	Description of adaptation action
	Strengthening and structurally changing Water User Associations and Corporations. Supporting Water communities and changing the system of irrigation water charge (per m³).
	Developing criteria and identifying and delineating localities with specific climatic and soil characteristics for certain varieties (terroir)
	Establishing facilities for processing bio residues of biofuels
	Establishing an early warning system (network of meteorological stations) for improved pest control and water use efficiency
	Supporting the research and innovation for developing and spreading new production systems and measures
Agriculture -	Implementing new training systems, especially in table grape varieties (sun burns protection in grapes) and implementing integrated viticulture production (optimizing pest control and fertilizer use efficiency)
viticulture	Supporting the establishing of facilities and logistics for producing certified seedlings and varieties more resistant to climatic stress.
	Establishing phenological fields in each sub-region of Povardarie and long-term financing programme
	Financially supporting modern adaptation measures, e.g. UV nets, cover crops, sprinkler irrigation
	Financially supporting methods and techniques for increasing water use efficiency, e.g. pressurized irrigation systems, control systems for efficient irrigation scheduling, etc.
	Long-term investments in reconstructing and extending dams and irrigation schemes.
	Financially supporting the dislocation of vineyards on higher altitude and more appropriate/resistant varieties to frosts.
	Financially supporting the intensification of establishing new vineyards (only 2% of vineyards are renewed every year), to improve the age structure of vineyards

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Priority sectors	Description of adaptation action
	Introducing genetically heat-tolerant breeding animals
Acutonition - livetock	Adopting special feed and feeding techniques in periods of excessive heat
Agriculture - investory production	Improving housing conditions by adopting proper ventilation, in-house conditioning and installing cooling systems Introducing continuous monitoring of farm productivity that can be then correlated with heat waves and high temperatures to ensure precise loss calculations
	Monitoring the status of alien (and invasive) plant species
	Monitoring the status of animal species-vectors of diseases
	Elaborating a list of species for which "exsitii" conservation is necessary
	Adopting policy instruments for implementing corridors management plans into national and regional spatial planning Carrying out a case study on implementing the ecological network concept in regional planning based on inter-sectoral approach
Biodiversity	Adapting forestry management plans in main forested bio-corridors to provide their better functionality in terms of CC impacts
	Carrying out a cost-benefit study on the impact of energy production systems based on using alternative energy sources (hydrological systems, solar power, wind) on biodiversity
	Defining possible routes (bio-corridors) for moving and migrating CC-threatened plant and animal species
	Determining ecological minimum for mountain water ecosystems
	Carrying out a hydrologic study on the vulnerability of lowland marshes, mountain mires and glacial lakes

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Priority sectors	Description of adaptation action
	Assessing the impact of periodic natural and induced hydrological fluctuations on biodiversity of glacial lakes in CC context
	Assessing the impact of periodic natural and induced hydrological fluctuations on biodiversity of mountain bogs and springs in CC context
:	Assessing the impact of periodic natural and induced hydrological fluctuations on biodiversity of lowland marshes and bogs in CC context
Biodiversity	Assessing the impact of induced floods on Tamaris shrublands, willow woodlands with poplar and Periploca in the Gevgelija region
	Carrying out a study on the historical and present timber line and modelling future climate-induced changes
	Detailed mapping and modelling of the changes of some mountain pasture types as a CC pilot study
	Detailed revision of the Macedonian protected area system related to CC adaptation.
	Establishing an inter-sectoral body among the administrations responsible for managing water resources and biodiversity, with an activity strategy

II THIRD NATIONAL COMUNICATION ON CLIMATE CHANGE (2013)	the ant	wity sectors Description of adaptation action	Preparing and establishing Regional CC Health Adaptation Strategy	Establishing SE Regional inter-sectoral Committee monitoring CC adaptation	Enhancing the ongoing regional public health activities	Educating and training health professionals for dealing with/managing CC impacts and Capacity building adaptation measures in the health sector	Creating information and data collection research on regional CC health effects emphasized in this study, including st with limited or no data	man health Carrying out research studies on cost of damages and health effects and on the benefit of the Capacity building adar measures;	Establishing integrated CC early warning and monitoring health information system including establishing air pollutio monitoring + creating and maintaining a CC health database	Preventing effects or reducing risks - establishing adaptation and resilience plans in health care institutions + building resilience: To be an upgrade of existing Hospital safety index and disaster contingency plans	Improving drinking water quality (and quantity) especially in rural areas	Establishing/enhancing an efficient food safety control system and implementing the HACCP in all levels of food proc transport and marketing, including a transparent and regularly updated regional food safety database
3)	pdf					bacity building adaptation	d in this study, including stu	the Capacity building adapt	ng establishing air pollution	care institutions + building Is		CP in all levels of food produ y database
THIRD NATIONAL COMUNICATION ON CLIMATE CHANGE (2013)	http://unfccc.org.mk/content/Documents/TNP_ANG_FINAL.web.pdf	Description of adaptation action	tablishing Regional CC Health Adaptation Strategy	tegional inter-sectoral Committee monitoring CC adaptation	igoing regional public health activities	aining health professionals for dealing with/managing CC impacts and Capac nealth sector	tion and data collection research on regional CC health effects emphasized in o data	earch studies on cost of damages and health effects and on the benefit of the	grated CC early warning and monitoring health information system including a ting and maintaining a CC health database	s or reducing risks - establishing adaptation and resilience plans in health car an upgrade of existing Hospital safety index and disaster contingency plans	ng water quality (and quantity) especially in rural areas	ancing an efficient food safety control system and implementing the HACCP i
			Preparing and es	Establishing SE R	Enhancing the or	Educating and tra measures in the h	Creating informal with limited or no	Carrying out rese measures;	Establishing integ monitoring + crea	Preventing effect resilience: To be a	Improving drinkir	Establishing/enhatransport and ma
National strategic document	Link to the document	Priority sectors						Human health		1	I	

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Priority sectors	Description of adaptation action
	Improving the understanding of adverse impacts of climate change on cultural heritage
	Assessing the vulnerability of built and archaeological heritage as well as historical cultural landscapes by rapid impact assessment
Cultural heritage	Establishing a monitoring programme for damages on built and archaeological heritage and historic-cultural landscapes for short-term extreme weather events and long-term climate change
	Identifying tools and adaptation measures for the main categories of cultural heritage
	Limiting damages by implementing long-term management strategies related to adapting CC impacts on heritage