



**GEF-6 REQUEST FOR Climate Change ENABLING ACTIVITY
PROPOSAL FOR FUNDING UNDER THE GEF Trust Fund**

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PART I: PROJECT IDENTIFIERS

Project Title:	Second Biennial Update Report on Climate Change		
Country(ies):	Former Yugoslav Republic of Macedonia	GEF Project ID: ¹	
GEF Agency(ies):	UNDP (select)	GEF Agency Project ID:	5751
Other Executing Partner(s):	Ministry of Environment and Physical Planning (MoEPP)	Submission Date:	22 December 2015
GEF Focal Area (s):	Climate Change	Project Duration (Months)	20
Type of Report:	Biennial Update Report (BUR)	Expected Report Submission to Convention	Feb 2017

A. PROJECT FRAMEWORK*

Project Objective: To assist the Former Yugoslav Republic of Macedonia in the preparation of its Second Biennial Update Report (SBUR) for the fulfilment of the obligations under the United Nations Framework Convention on Climate Change (UNFCCC)				
Project Component	Project Outcomes	Project Outputs	(in \$)	
			GEF Project Financing	Confirmed Co-financing ²
National Circumstances, institutional arrangements and level of support received to enable the preparation of the SBUR	1. National circumstances and institutional arrangements relevant to the preparation of the national biennial update reports revised and updated	1.1 Information on features of population, natural resources, climate and economy relevant to mitigation and adaptation to climate change updated; 1.2 National development objectives, priorities, circumstances and specific needs and requirements elaborated taking into account the outcomes of the COP 21 in Paris, as well as the new global sustainable development framework, and relevant sustainable development goals; 1.3 Institutional arrangements relevant to the preparation of the Biennial Update Reports on a continuous basis reviewed and specific recommendations for	10,000	10,000

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submission.

² Co-financing for enabling activity is encouraged but not required.

		<p>ensuring sustainability provided;</p> <p>1.4 Mechanisms for stakeholder involvement and participation strengthened to enable preparation of the biennial update reports</p>		
GHG inventory	<p>2. GHG inventory for 2013-2014 prepared, using the UNFCCC recommended 2006 software and previous series improved by introduction of higher Tier to the extent possible</p>	<p>2.1 GHG Inventory for 2013-2014 developed according to 2006 IPCC guidelines;</p> <p>2.2 Inventory for 2012 recalculated to fine-tune the data by use of official data from the State Statistical Office published after the submission of the FBUR;</p> <p>2.3 Quality of the GHG Inventory improved by introduction of higher Tier to the extent possible and following the recommendations of the technical review of the FBUR;</p> <p>2.4. Emission Monitoring from Industry sector (EMI) software upgraded and the software incorporated into the National Environmental Information System;</p> <p>2.5 Innovative tools for collection of data from other sectors than industry, particularly data needed for LULUCF sector developed;</p> <p>2.6 Nationally adopted emission factors revised and fuel-specific and combustion-specific emission factors for the transport sector developed;</p> <p>2.7 Capacities of relevant stakeholders increased to ensure regular data collection and sharing, as well as quality control of the national GHG inventory;</p> <p>2.8 Legal framework for GHG data collection and management upgraded;</p>	106,000	20,000

		2.9 National Inventory Report prepared.		
Mitigation actions and their effects.	3. The baseline and mitigation scenarios developed under the FBUR revised/validated, along with detailed assessment of co-benefits of the mitigation scenarios and impact analyses of different policy instruments for GHG emission reduction	<p>3.1. The baseline and mitigation scenarios by 2035 for non-energy sectors revised and validated to ensure alignment with relevant national priorities</p> <p>3.2. Sensitivity analyses concerning the base year and the peak year carried out and mitigation scenarios validated.</p> <p>3.3. Co-benefits of the proposed actions in various mitigation scenarios analyzed (e.g. job creation potential of mitigation actions in non-energy sectors assessed), co-benefits of the proposed actions in various mitigation scenarios analyzed;</p> <p>3.4. Impact analyses of different policy instruments for GHG emission reduction carried out and recommendations provided;</p> <p>3.5 Monitoring and evaluation framework for the Action Plan of the FBUR revised.</p> <p>3.6 National capacities for GHG mitigation strengthened</p>	110,000	23,900
Financial, technology and capacity building needs and support received	4. Constraints and gaps identified; related financial, technology and capacity building needs assessed; and recommendation for addressing the needs provided	<p>4.1 Technology, financial and capacity needs for implementation of mitigation actions on local level assessed;</p> <p>4.2 Specific gender analyses carried out for energy and non-energy sectors and recommendations for gender mainstreaming provided;</p> <p>4.3 Capacities of the key national stakeholders to access private and public climate change funding strengthened;</p> <p>4.4 Information on financial resources, technology transfer, capacity building</p>	10,000	

		and technical support received from bilateral and multilateral donors, IFCs, etc. for activities related to climate change updated; 4.5 Information on national resources allocated for climate change upon ratification of the UNFCCC collected; 4.6 Level of implementation of the recommended mitigation measures from the FBUR assessed and recommendations for improvements provided.		
Domestic Measurement Reporting and Verification	5. Establishment of domestic Measurement, Reporting and Verification arrangements supported.	5.1 Detailed analyses of the capacities (human and financial) to implement each of the steps of the domestic MRV system proposed in the FBUR carried out and recommendations to facilitate the establishment of the system provided; 5.2 Support for establishment of an appropriate institutional and legal frameworks for the proposed domestic MRV scheme provided; 5.3 Online MRV platform developed to meet the needs of the UNFCCC and the EU climate change mitigation requirements; 5.4 Terms of Reference for national verification entities developed; 5.5 Capacity of relevant national Gender Focal Points strengthened to ensure that the Measurement, Reporting and Verification (MRV) of mitigation actions is gender-sensitive.	60,000	20,000
Publication and submission of the Second Biennial Update Report	6. Compilation, consolidation of information in tabular format and publication of the Second Biennial Update Report	6.1 Second Biennial Update Report published and submitted in accordance with the guidelines contained in Annex III of Dec.2/CP. 17	14,000	
Monitoring and	7. Monitoring, reporting,	7.1 Project financial and	10,000	

evaluation	and preparing of financial audits	progress reports prepared and submitted 7.2 End of Project report and Lessons learned compiled		
Subtotal			320,000	73,900
Project Management Cost ³ (Including Direct Project Services Cost: 5,000)			32,000	
Total Project Cost			352,000	73,900

* List the \$ by project components. Please attach a detailed project budget table that supports all the project components in this table.

B. SOURCE OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Recipient Government	Ministry of Environment and Physical Planning	In-kind	15,000
Recipient Government	Ministry of Environment and Physical Planning	Grants	15,000
GEF Agency	UNDP	Grants	43,900
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Co-financing			73,900

³ This is the cost associated with the unit executing the project on the ground and could be financed out of trust fund or co-financing sources. For EAs within the ceiling, PMC could be up to 10% of the Subtotal GEF Project Financing.

C. GEF FINANCING RESOURCES REQUESTED BY AGENCY, COUNTRY AND PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
UNDP	GEFTF	Former Yugoslav Republic of Macedonia	Climate Change	(select as applicable)	352,000	33,440	385,440
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total GEF Resources					352,000	33,440	385,440

a) Refer to the Fee Policy for GEF Partner Agencies

PART II: ENABLING ACTIVITY JUSTIFICATION

<p>A. ENABLING ACTIVITY BACKGROUND AND CONTEXT (Provide brief information about projects implemented since a country became party to the convention and results achieved):</p>	<p>The country has been part of the United Nations Framework Convention on Climate Change (UNFCCC) since its ratification in December 1997 and part of the Kyoto Protocol since July 2004. Complying with the commitments towards the UNFCCC the country regularly prepares and submits relevant documents:</p> <ul style="list-style-type: none"> • The Initial National Communication on Climate Change in 2003; • The Second National Communication in 2008; • The Third National Communication in 2014; • The First Biennial Update Report on Climate Change was submitted in February 2015 and • The Intended Nationally Determined Contributions document in August 2015. <p>The European integration has been at the top of Government’s agenda ever since the independence of the country and the membership of the European Union remains a strategic goal of the country.</p> <p>Country’s institutional and policy frameworks to deal with climate change related issues have improved noticeably. Number of national documents that set policies for development of the key sectors has been adopted. Most of the relevant Ministries have nominated Climate Change Focal Points. The Designated National Authority is performing its role in regards to the Kyoto Protocol and the first CDM project has been registered while several others are in an advanced stage of development.</p> <p>Environmental legislation and planning documents</p> <ul style="list-style-type: none"> • The 2005 Law on Environment contains the fundamental environmental protection principles (including climate change), which are basis for determination of the procedures for environment management and which are common for all laws regulating particular environmental media. The Law on Environment contains provisions for National Communications on Climate Change, GHG Inventories, environmental impact assessment (EIA), system of integrated pollution prevention and control (IPPC) permitting primarily through the concept of the Best Available Techniques; it also requires adoption of specific legislation for environmental management plans and environmental audits. Furthermore, the Law on Environment includes eco-labeling which in terms of energy contributes significantly to energy efficiency on the side of consumption. • The legal framework for waste management has been established by the 2004 Law on Waste Management. • The 2008 new Law on Waters introduces the approach of an integrated water management and harmonization of the national legislation with the relevant EU legislation. • The 2005 Law on Nature Protection contains provisions related to nature and forestry. The Law
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also regulates the temporary protection of endangered wild species until their designation, by the adoption of specific act by the Ministry of Environment and Physical Planning (MoEPP).

- The 2004 **Law on Ambient Air Quality** sets the system for management of the ambient air quality.
- The 2010 **new Law on Chemicals** establishes system for chemicals management aiming at preparation of the Republic of Macedonia for REACH chemical management system, the Stockholm Convention on Persistent Organic Pollutants; Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer.
- The 2009 **Law on Forests** regulates the management and protection of the country's forests.

Policy documents:

Existing policy documents define the environmental problems and the measures and activities required for their settlement:

- National Strategy for Sustainable Development, 2009-2030;
- Second National Environmental Action Plan, 2006;
- National Strategy for Environmental Approximation, 2008;
- National Environmental Investment Strategy, 2009-2013;
- Second Environmental Performance Review, 2011;
- National Plan for Ambient Air Protection, 2012;
- National Strategy for Clean Development Mechanism, 2008-2012;
- National Implementation Plan for reduction and elimination of POPs in Republic of Macedonia, 2004;
- Plan for Institutional Development of the National and Local Environmental Management Capacity, 2009-2014;
- National Waste Management Strategy, 2008-2020;
- National Waste Management Plan, 2009-2015;
- National Strategy for Waters, 2012-2042;
- Strategy for Regional Development, 2009-2019.

The four sectors: energy, transport, industry and agriculture are significant in relation to environment and climate change policy. Each of these four sectors is a major stakeholder in the development and implementation of environment and climate change policy:

Energy

Energy is sector conducting, on one side, negative impact on the environment and climate change, and offering greatest possibilities for environment and climate change promotion through utilization of renewable energy sources and energy efficiency, on the other. Energy sector contributes the most to environment pollution as close to 90% of primary energy is generated from fossil fuels, mainly lignite and crude oil. Thus, this sector contributes more than 70% to the overall emissions of greenhouse gases with similar contribution to local pollution.

- Strategy For Energy Development In The Republic Of Macedonia Until 2030;
- Strategy for Energy Efficiency in the Republic of Macedonia;
- Strategy of Improvement of Energy Efficiency by 2020;
- Strategy for use of renewable sources of energy in the Republic of Macedonia until 2020.

Transport

Road transport is the second great source of greenhouse gas emissions in the country, with an average of share of 9.15% in overall emissions of greenhouse gases or 12.55% of emissions from energy sector.

- National Transport Strategy 2007-2017 promotes, inter alia, protection of the environment and improvement of public health by building and investing in public transport and other types of efficient and constant transport, reducing emission and consumption of resources and energy.

Industry

Industry holds an important place in the development of the overall Macedonian economy and ensuring its stability, with direct influence on employment increase, export growth, as well as social life of the population. It contributes around 21% to the structure of the overall GDP. The sector of industrial processes is responsible for less than 7% of the overall emission of greenhouse gases, while in energy sector (responsible for around 70% of the overall emission of greenhouse gases), 73% originate from industrial energy processes and 10.7% from production processes themselves.

- Industrial Policy of the Republic of Macedonia (2009-2020) encourages the orientation of the Macedonian industry to create products and services with higher added value based on knowledge, innovation and cooperation.

Agriculture

Agriculture as a key economy sector plays a critical role in the social and economic stability of the country. From the economic perspective, the share of the primary agricultural production in the GDP has amounted from 8.9% to 12.8 %, during the period 2005-2012. Emissions of greenhouse gases from agricultural sector contribute 8-15% to the overall emission.

- National Strategy for Agriculture and Rural Development 2014-2020;
- National Programme for Agriculture and Rural Development for the period 2013 – 2017;
- National Strategy for Organic Agricultural Production (2008-2011).

Other relevant projects:

Climate Risks are among the key one that are priority for the country, and with UNDP's support relevant institutions have started a process of development of specific methodologies for risk assessment on national and local level. In that regards, regional Project: “**Increasing Urban Resilience by use of ICT for Mainstreaming Disaster and Climate Risk Reduction in Armenia, FYR Macedonia and Moldova**” is implemented with main objective to build disaster and climate resilience in the three countries by increasing institutional capacity, mobilizing knowledge and transferring appropriate best-practice innovation technologies.

With support from UNDP a **Roadmap for Introduction of Monitoring Reporting and Verification of GHGs required for participation in the EU Emission Trading Schemes (EU ETS)** was prepared. Based on experience from this roadmap, the MoEPP has initiated the project “**Capacity-building to facilitate the implementation of the EU Emission Trading Scheme in Macedonia**”, setting baseline for introduction of MRV system for EU ETS in the country.

Other UNDP's projects have resulted with development of the “**Economics of Climate Change Adaptation**” including case studies on energy demand for space cooling and heating, one hydropower plant system and two irrigation schemes as well as Climate Change Governance Assessment on local level. UNDP has also supported development of two urban **NAMAs** for the country.

World Bank has developed **The Green Growth and Climate Change Analytic and Advisory Support Program**.

“Milieucontact”, a Civil Society Organization, with financial support from USAID uses the Green Agenda to focus on development of the **Municipal Climate Change Strategies**. USAID implements another project on adaptation technologies and practices in agriculture.

The SBUR would build upon all these projects taking advantage of the currently strong global political momentum to advance promptly with the climate change agenda. It will represent a key tool for decision

	<p>makers at all levels contributing to deepening the understanding of the needs for and results of the implementation of mitigation and adaptation policies and measures. It will further demonstrate their potential contribution to the sustainable development of the different economic sectors in Macedonia. In this new national and international framework, and to fulfill the new obligations arisen from Cancun and Durban COP decisions related to the submission of national communications and biennial update reports, support from the Global Environment Facility is needed to continue to develop and consolidate the existing technical and institutional capacity and to continue the efforts of integrating climate change into national policies, plans and programmes.</p> <p>Macedonia's Second Biennial Update Report will build on the findings and recommendations of First Biennial Update Report, technical review of the FBUR from the UNFCCC, and the Intended Nationally Determined Contributions (i.e. improvement of the methodology in the GHG inventory to Tier 2 to the extent possible; improve reporting related to capacity building and climate finance; explore possibilities for establishment of system for regular collection of data related to climate finance; develop metrics measuring co-benefits to more accurately report on economic and social development etc..).</p>
<p>B. ENABLING ACTIVITY GOALS, OBJECTIVES, AND ACTIVITIES (The proposal should briefly justify and describe the project framework. Identify also key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable. Describe also how the gender dimensions are considered in project design and implementation):</p>	<p>The long term objective of the project is to assist the country in deepening the mainstreaming and integration of climate change into national and sectorial development policies by ensuring continuity to the institutional and technical capacity strengthening process, partly initiated and sustained by the National Communications.</p> <p>The immediate objective of the project is to assist the country in the preparation and submission of its Second Biennial Update Report to the Conference of the Parties to the UNFCCC for the fulfillment of its obligations to the Convention under Dec. 1/CP. 16 par. 60 and Dec 2/CP. 17 par. 41 and it's Annex III.</p> <p>The project is in line with the GEF's climate change mitigation objective CCM3 under GEF-6: Foster Enabling Conditions to Mainstream Mitigation Concerns into Sustainable Development Strategies which provides support to Non Annex I countries at fully agreed cost to prepare their BUR in a timely manner.</p> <p>The project expected outcomes are:</p> <ol style="list-style-type: none"> 1. Revision and update of the national circumstances and institutional arrangements relevant to the preparation of the biennial update reports, especially in terms of implementation of the recommendation from the FBUR. 2. Development of new inventories for 2013-2014 in 2006 software and improving the quality of the whole series 1990-2014. 3. Revision/validation of the baseline and mitigation scenarios developed under the FBUR, along with detailed assessment of co-benefits of the mitigation scenarios and impact analyses of different policy instruments for GHG emission reduction. 4. Assessment of the technology, financial and capacity needs for mitigation and connecting recommendations with government priorities. 5. Support to the process of establishment of the domestic Measurement, Reporting and Verification arrangements. 6. Publication and submission of the Second Biennial Update Report according to the guidelines contained in Annex III of Dec.2/CP. 17 <p>The preparation process of the National Communications and the First Biennial Update Report to the Conference of the Parties of the UNFCCC, has contributed to the institutional strengthening of the Ministry of Environment and Physical Planning, as competent institution for the application of the Convention as well as of other relevant institutions at national level. This project will additionally improve the sustainability for preparation of future Biennial Update Reports and will facilitate the reporting requirements to UNFCCC. Active participation by all stakeholders in the formulation of</p>

mitigation policies and measures will be facilitated to ensure ownership and sustainability.

The project outcomes will facilitate the national mitigation action and planning, will enable recognition of the mitigation efforts in the country, as well as will link the national mitigation action to international support. Moreover, the outcomes would support competent and wise policy making in the field of climate change and will enhance the positions of the country in the climate change negotiation process at international, as well as at European level.

Key Stakeholders:

	Stakeholder	Role
1.	Ministry of Environment and Physical Planning (MoEPP)	<ul style="list-style-type: none"> • Key governmental body responsible for coordinating implementation of the provisions of the UNFCCC and the Kyoto Protocol • Key governmental body responsible for development of climate change policies and strengthening the institutional cooperation in the area of climate change • Coordinates the National Climate Change Committee • Responsible for reporting progress in climate change related progress toward the EU integration • Key governmental body responsible for coordinating climate change related communication activities • National Focal Point to the UNFCCC is the State Advisor on Climate Change in the MoEPP • Designated National Authority for Kyoto Protocol implementation.
2.	Ministry of Economy	<ul style="list-style-type: none"> • Key governmental body responsible for development of energy related policies • Implements many of the policies, activities and projects that directly and indirectly impact climate change mitigation in the energy sector • Key governmental body responsible for reporting towards Energy Community • Key governmental body responsible for mainstreaming climate change into the existing energy related planning processes.
3.	Ministry of Transport and Communication	<ul style="list-style-type: none"> • Key governmental body responsible for development of transport related policies • Implements many of the policies, activities and projects that directly and indirectly impact climate change mitigation in the transport sector • Key governmental body responsible for mainstreaming climate change into the existing transport related planning processes
4.	Ministry of Finance	<ul style="list-style-type: none"> • Key governmental body responsible for approving all financial climate change related implications and instruments in the national budget
5.	Ministry of Agriculture, Forestry and Water Economy	<ul style="list-style-type: none"> • Key partner/beneficiary in all areas related to agriculture (including irrigation), forestry, fisheries and other
6.	National Climate Change Committee (NCCC)	<ul style="list-style-type: none"> • Established by the Government consisting of representatives of all relevant stakeholders: government bodies, academia, private sector and civil society • The NCCC is a participatory platform aimed at providing high-level support and guidance for overall climate change policies in

	<p style="text-align: center;">the country.</p> <p><i>Gender dimensions:</i></p> <p>With respect to the gender dimension, women are meaningfully involved, not only as beneficiaries but also they are actively participating in the decision-making process of climate change related activities. Understanding how the different social roles and economic status of men and women affect, and are affected differently by climate change will improve actions taken to adapt and to mitigate climate change. Following the recommendations of Gender and Climate Change Report produced as part of the FBUR, more in-depth gender analyses will be carried out for energy and non-energy sectors and specific recommendations for gender mainstreaming will be provided (i.e. gender assessments of access to resources to address and respond to climate change, research to close data gaps and improve knowledge about issues such as the gendered effects of various policy instruments, interventions to address poverty and affluence, and decision – making at the household level, gender differences in climate change contributions, adaptation and mitigation). This will ensure that the capabilities, knowledge and experience of all members of society will be mobilized towards addressing climate change challenges.</p>
<p>C. DESCRIBE THE ENABLING ACTIVITY AND INSTITUTIONAL FRAMEWORK FOR PROJECT IMPLEMENTATION (discuss the work intended to be undertaken and the output expected from each activity as outlined in Table A).</p>	<p>Institutional framework</p> <p>The project will be implemented under support to NIM modality where UNDP shall act as a responsible party for the provision of support services to the national implementing partner i.e. the Ministry of Environment and Physical Planning.</p> <p>The Project Implementation Unit i.e. the Climate Change Office will be the executing and operational unit that will coordinate and implement the project activities for the preparation of the Biennial Update Report, in the same role it has now for the Third National Communication.</p> <p>The Government will give support to the project through the use of equipment and premises for conference and meetings. It will also provide the technical support for preparation of GHG inventories through the Informative Center within MoEPP. The Public relations office within MoEPP will provide support in communicating the project outcomes to key stakeholders.</p> <p>The National Climate Change Committee (NCCC) that was established by the Government will continue to be the overarching political platform, providing a high level support for the development and realization of the climate change activities. It comprises of the key stakeholders from national institutions, academia, private sector and civil society and Climate Change Focal points that are appointed in the Ministries. The NCCC will also provide policy guidance to the project strengthening the inter-institutional coordination on climate change thus giving sustainability to the preparation process of national communications and biennial update reports.</p> <p>The UNDP office will provide support services for activities within the Project Document/Annual Work Plan and in accordance with the regulations, rules and procedures of UNDP. The support services the UNDP office shall provide would be: identification and recruitment of programme or project personnel; identification of training activities and assistance in carrying them out; procurement of goods and services, carrying out activities and producing outputs, etc. The nature and scope of these services shall be described in more details in annexes to the project document and the Letter of Agreement which will be signed between the UNDP Resident Representative and the Minister of Environment and Physical Planning. UNDP office will be accountable for the provision of the services required, and their quality and timeliness.</p> <p>This type of implementation modality has been agreed due to the specific situation in the country. Namely, as the EU candidate country, Macedonia is in the transitional process of adjusting its</p>

institutional and regulatory frameworks to the requirements of the EU in all relevant areas. This includes the Ministry of Environment and Physical Planning which is currently in the process of transposing relevant Climate Action package and modifying the existing internal institutional set up. All these processes are engaging significant human and other resources, and require additional capacities that will enable the Ministry to cope with the regular and new responsibilities. Therefore and in order to ensure future sustainability, UNDP and the Ministry shall work out measures to build up the national capacities as part of the project implementation.

Narrative description of the **planned activities and outputs**

1. National circumstances

All thematical components that define the National Circumstances of the Biennial Update Report will be revised as per the new information and data subsequent to the finalization of the First BUR.

Statistical data gathering, revision, update and analysis: The country description in terms of demography, natural resources, climate and education, social and cultural aspects, as well as macroeconomic parameters, employment, income and services will be updated. The main sources for data and information will be the Annual Reports of the State Statistical Office, Ministry of Economy and the Central Bank. Special attention will be given to new information and data related to those sectors that are largest contributors to the GHG emissions.

Inclusion of disaggregated data: To the extent possible and depending on the availability of information, an effort will be made to present disaggregated data (gender, age, education, urban, rural, etc.) highlighting country's particular aspects.

Collection, revision, update and analysis of policy, legal and institutional aspects: the series of laws, sectoral policies, plans and any other regulatory and/or policy instruments will be compiled, updated, analyzed and included in the country report.

National development objectives, priorities and circumstances will also be updated and specific needs and concerns arising from the outcomes of the CoP 21 in Paris, the new sustainable development framework (SDGs), and requirements related to the EU accession process will be elaborated. Emphasis will be given on analyzing the conditions and particulars which may affect country's ability to fulfill its obligations towards the UNFCCC.

2. GHG National Inventories

Update of the GHG Inventory: Inventory for 2013-2014 will be developed according to 2006 IPCC guidelines, and the Inventory for 2012 will be recalculated using official data for this year from the State Statistical Office (SSO) that were published after the submission of the FBUR. The data used for 2012 in the FBUR were also from the SSO, but were not final as the final data is always published with a delay of 1.5 – 2 years, and the final official data may vary in some cases up to 30% from the initial published data for respective year. The final data for 2012 from SSO were available in March 2014 – and the FBUR was submitted in Feb 2014. Therefore, there is a need to revise the inventory for 2012 to reflect the final official data from the State Statistical Office for the year 2012.

Quality Assurance/Quality Control (QA/QC) shall be ensured through a formalized process along with reviews from the Macedonian Academy of Sciences and Arts (MASA), National Committee on Climate Change, and the Global Support Programme (GSP). Recommendations from the technical reviews from the UNFCCC and the Global Support Programme will be taken into consideration while revising the

inventory.

Improvement of data collection and quality: The quality of the GHG Inventory shall be improved by introduction of higher Tier to the extent possible (eg. inventory for the aviation sector for the period 2010-2014, and for the waste sector) and revision of national emission factors and development of fuel and combustion-specific emission factors for the transport sector. The Emission Monitoring from Industry sector (EMI) software (developed within the FBUR) will be upgraded thus providing for more accurate data from the industry sector. EMI is an operational database developed to ensure linkages and systematize data collection for three inventories required from the industry sector by the Ministry of Environment and Physical planning i.e. GHG inventory, Air Pollutants Cadasters and the Cadaster of Polluters. The database will provide the main input parameters necessary for reporting under three international conventions, as obligation of the country as signatory. Development of this software aims to provide just one user friendly on-line form that nominated representatives from the industries fill only once per year, instead of many questionnaires send sporadically throughout the year. Efforts will be made to incorporate EMI into the National Environmental Information System through adoption of bylaws and regulations. Comprehensive training programmes will be carried out for relevant stakeholders with an aim to ensure regular data collection and sharing, as well as quality control of the national GHG inventory.

Innovation: Innovative tools for collection of data from other sectors than industry, particularly data needed for LULUCF sector shall be developed, and possibilities for using big data and crowdsourcing shall be explored. The work on knowledge sharing and innovation shall be based on the previous results achieved in this area in partnership with the Social Innovation Hub. It was established as a partnership between the [Faculty of Computer Science and Engineering](#) and the [United Nations Development Programme \(UNDP\)](#) in 2013, and since then, several encouraging innovative solutions in the areas of climate change, social and economic development, decentralization, etc. were prototyped/developed. The most relevant one for the climate change portfolio are: EMI software, Skopje Green Route, smart shoes and green roofs and facades that resulted from a climate challenge for innovative solutions generated by the citizens, guerilla campaigns, etc.). The Hub will be used to test/prototype relevant innovative ideas that will facilitate access to information and public participation related to climate change policies and practices.

The main output of this activity will be the National Inventory Report. It will elaborate the results of the analyses carried out, describe trends, and provide recommendations for improvements.

3. Mitigation actions

Mitigation analysis: The activities under this outcome are designed to be complementary with the analyses and recommendations of the Intended Nationally Determined Contributions (INDC) and the FBUR. Three scenarios by 2035 were analyzed within the FBUR, baseline and 2 mitigation scenarios using bottom-up approach. Starting from specific mitigation measures in different sectors, each measure has been modelled individually and its mitigation potential (achievable Greenhouse gas emissions reduction) and the specific reduction cost have been calculated. Given that the INDC was focused only on the analyses of mitigation potential of the energy sectors, the SBUR will have extended focus, including also, to the extent possible, non-energy sectors like agriculture, waste and LULUCF. Given this focus, and taking into account the relevant national and international developments, the mitigation scenarios will be revised and updated. In addition, co-benefits of the proposed actions in various mitigation scenarios will be analyzed e.g. job creation potential of mitigation actions in non-energy sectors.

Sensitivity and Impact analyses: Sensitivity analyses concerning the base year and the peak year for all sectors will be carried out having in mind the revised mitigation scenarios and analyses carried out as part

of the INDC development process. The main aim would be to assess the implications of different options for selection of a base year and pick year, and propose the option which will be the most appropriate for the country, having also in mind its obligations towards the UNFCCC, and other relevant entities. Moreover, impact analyses of different policy instruments for GHG emission reduction will be carried out and specific recommendations shall be provided. This is very important if the country has to accept mandatory GHG emission reduction in the near future. The ultimate goal of such exercise would be to reach a wide consensus of all relevant stakeholders in order to ensure country's commitment and action towards GHG mitigation.

The scope of the sectoral mitigation assessments will include an analysis of potential barriers to mitigation implementation, related legislation, policies and programmes that facilitate the rapid implementation of mitigation technologies and practices, as well as – to the extent possible – the macro-economic impact of the mitigation options. The EU approximation process and international requirements deriving from UNFCCC as guiding principles for development will be taken into consideration while doing the analyses within the SBUR.

Monitoring and evaluation framework: The M&E framework for assessing the advancement in the implementation of activities in the Mitigation Action Plan of the FBUR will be revised and upgraded in order to enable the Ministry of Environment and other relevant stakeholders to follow the progress and undertake actions to speed the implementation in the sectors that are lagging behind.

4. Financial, Technology and capacity building needs and support received

Needs assessment: Since the process of development of the Fourth National Communication to the UNFCCC will be accompanied with a comprehensive Technology Needs Assessment (TNA) on national level, for both mitigation and adaptation to climate change, the activities within the SBUR will be focused only on a rapid technology, financial and capacity needs assessment for implementation of mitigation actions on local level. In this context, synergies will be established with ongoing USAID project on development of climate change strategies for local municipalities.

Gender analyses: Following the recommendations of Gender and Climate Change Report produced as part of the FBUR, more in-depth gender analyses will be carried out for energy and non-energy sectors and specific recommendations for gender mainstreaming will be provided.

Constraints, Gaps and Needs: Capacities of the key national stakeholders to access private and public climate change funding will be assessed in order to identify the main gaps and constrains. Based on this assessment, specific capacity building programme will be developed aiming at the improvement of national and local capacities to access and utilize the growing networks of private and public climate change financing for realization of the actions and measures foreseen in relevant action plans.

Information and data: Information on financial resources, technology transfer, capacity building and technical support received from bilateral and multilateral donors, IFCs, etc. for activities related to climate change mitigation upon submission of the First BUR will be updated. Information on national resources allocated for climate change upon ratification of the UNFCCC will be collected and systematized to the extent possible. Particular consideration will be given to ensure sustainability of the process for collection of such information by establishment and/or improvement of a current project databases.

5. Domestic Monitoring, Reporting and Verification

Capacity assessment: As part of the preparation of the FBUR a “Conceptual Framework and Pathway for Monitoring, Reporting and Verification (MRV) of Climate Change Mitigation Actions” was developed.

	<p>In addition, a comprehensive list of indicators that will enable MRV-ing even of small-scale projects (e.g., individual projects with disaggregated metrics) was proposed. The pathway for establishing a MRV framework in the country outlines five broad steps. Activities within the SBUR shall be focused on more in-depth analyses of national capacities (financial and human) to put into operation the proposed MRV system.</p> <p><i>Legal and institutional framework:</i> To the extent possible, support for drafting appropriate laws and regulations that will facilitate the establishment and operationalization of the MRV system will be provided.</p> <p><i>MRV Platform:</i> An online platform shall be developed to facilitate the monitoring of climate change actions in the country, and their impact in terms of reduction of GHG emissions. The platform shall be user-friendly and should further contribute to the streamlining of the reporting to the UNFCCC and the EU. Furthermore, the technical and financial capacities of required personnel for MRV shall be continually reinforced to provide long-term stability to the monitoring, reporting and verification process for mitigation.</p> <p><i>Verification entities:</i> In order to support the efforts of the Government to create an enabling environment for establishment of national verification entities, Terms of Reference for verification entities shall be outlined. The ToR should define the accreditation standards for third party verifiers and develop criteria for domestic verifiers.</p> <p><i>Gender aspects:</i> With a purpose of ensuring that the Measurement, Reporting and Verification (MRV) of mitigation actions is gender-sensitive, focal points responsible for MRV will receive training in gender mainstreaming into climate change mitigation. This will be done in the form of an online training course, in-person capacity building workshops, and intra-departmental networks of focal points for climate change and gender.</p> <p>6. Compilation, Publication and Submission of the Second Biennial Update Report</p> <p>Upon completion of all planned analyses and reports, the Second Biennial Update Report document will be compiled in accordance with the guidelines contained in Annex II of Dec. 2. CP 17, and it will be submitted to the Conference of the Parties in the United Nations Framework Convention on Climate Change following the format established by the UNFCCC Secretariat. The SBUR is expected to be submitted to UNFCCC in February 2017.</p>
<p>D. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:</p>	<p>The project will build upon the results of the First Biennial Update Report on Climate Change, Third National Communication to the UNFCCC and the Intended Nationally Determined Contributions. It will also benefit from complementary assessments and studies in the country thus reducing the cost and time for carrying out some of the activities.</p> <p>The project will not repeat the analyses already done as part of recent projects and will focus on sectors which are not analyzed in-depth in the previous documents.</p> <p>The SBUR will be managed by the same Project Manager which is managing two other related UNDP CO climate change initiatives, and she'll be assisted by a Project Assistant who serves as an assistant to all projects in the environmental portfolio.</p>
<p>E. DESCRIBE THE BUDGETED M&E PLAN:</p>	<p>The project monitoring and evaluation will be carried out in accordance with corresponding UNDP policies and procedures.</p> <p>Project start</p> <p>A Project inception meeting will be held within the first two months of project start with the national</p>

	<p>partners that have assigned roles in the project organization structure, other key national stakeholders and UNDP country office.</p> <p>Quarterly</p> <p>The Project Manager shall report about the progress made in the quarterly reports in UNDP ATLAS Platform.</p> <p>Bi-annual progress</p> <p>Status Survey Questionnaires to indicate progress and identify bottlenecks as well as technical support needs will be carried out twice a year.</p> <p>Annually</p> <p><u>Annual Report:</u> The Project Manager in collaboration with the project team will prepare an Annual Project Review which will be submitted to the Project Board and the Ministry of Environment and Physical Planning as the key national beneficiary.</p> <p>This Report shall be jointly reviewed during the fourth quarter of the year at the Project Board meeting, with the purpose of analyzing the progress, results achieved. In addition, the Project Board will review and endorsed the Annual Work Plan for the next year.</p> <p>End of Project</p> <p>During the last three months, the Project Manager in collaboration with the project team will prepare the Project Terminal Report, to be submitted and reviewed by the Project Board, the Ministry of Environment and Physical Planning as the key national beneficiary, and UNDP.</p> <p>The Project will be audited at least once in a project life cycle, following applicable UNDP rules and procedures.</p> <p>No evaluation of the project is foreseen.</p>
<p>F. EXPLAIN THE DEVIATIONS FROM TYPICAL COST RANGES (WHERE APPLICABLE):</p>	<p>N/A</p>

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)


A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):

NAME	POSITION	MINISTRY	DATE (<i>Month, day, year</i>)
Vesna Indova	Head of Unit for Coordination and Technical Implementation of IPA Instruments, GEF Operational Focal Point	MINISTRY OF ENVIRONMENT AND PHYSICAL PLANNING	DECEMBER, 17, 2015

B. CONVENTION PARTICIPATION

CONVENTION	DATE OF RATIFICATION/ ACCESSION (mm/dd/yyyy)	NATIONAL FOCAL POINT	
UNCBD	12/02/1997	DANIELA RENDEVSKA - MINISTRY OF ENVIRONMENT AND PHYSICAL PLANNING	
UNFCCC	02/01/1997	TEODORA OBRADOVIC GRNCAROVSKA - MINISTRY OF ENVIRONMENT AND PHYSICAL PLANNING	
UNCCD	03/06/2002	VESNA INDOVA - MINISTRY OF ENVIRONMENT AND PHYSICAL PLANNING	
STOCKHOLM CONVENTION	05/27/2004	MARIN KOCOV - MINISTRY OF ENVIRONMENT AND PHYSICAL PLANNING	
	DATE SIGNED (MM/DD/YYYY)	NATIONAL FOCAL POINT	DATE OF NOTIFICATION UNDER ARTICLE 7 TO THE MINAMATA CONVENTION SECRETARIAT
MINAMATA CONVENTION	07/25/2014	SUZANA ANDONOVA - MINISTRY OF ENVIRONMENT AND PHYSICAL PLANNING	

C. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies ⁴ and procedures and meets the standards of the GEF Project Review Criteria for (select) Enabling Activity approval in GEF 6.					
Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	E-mail Address
Adriana Dinu, Executive Coordinator, UNDP-GEF		December, 21, 2015	Mr. Yamil Bonduki, Programme Manager, UNDP (Green-LECRDs)		Yamil.bonduki@undp.org

⁴ GEF policies encompass all managed trust funds, namely: GEFTF, UNCF, and SCCF

