



Republic of North Macedonia  
Ministry of Environment  
and Physical Planning

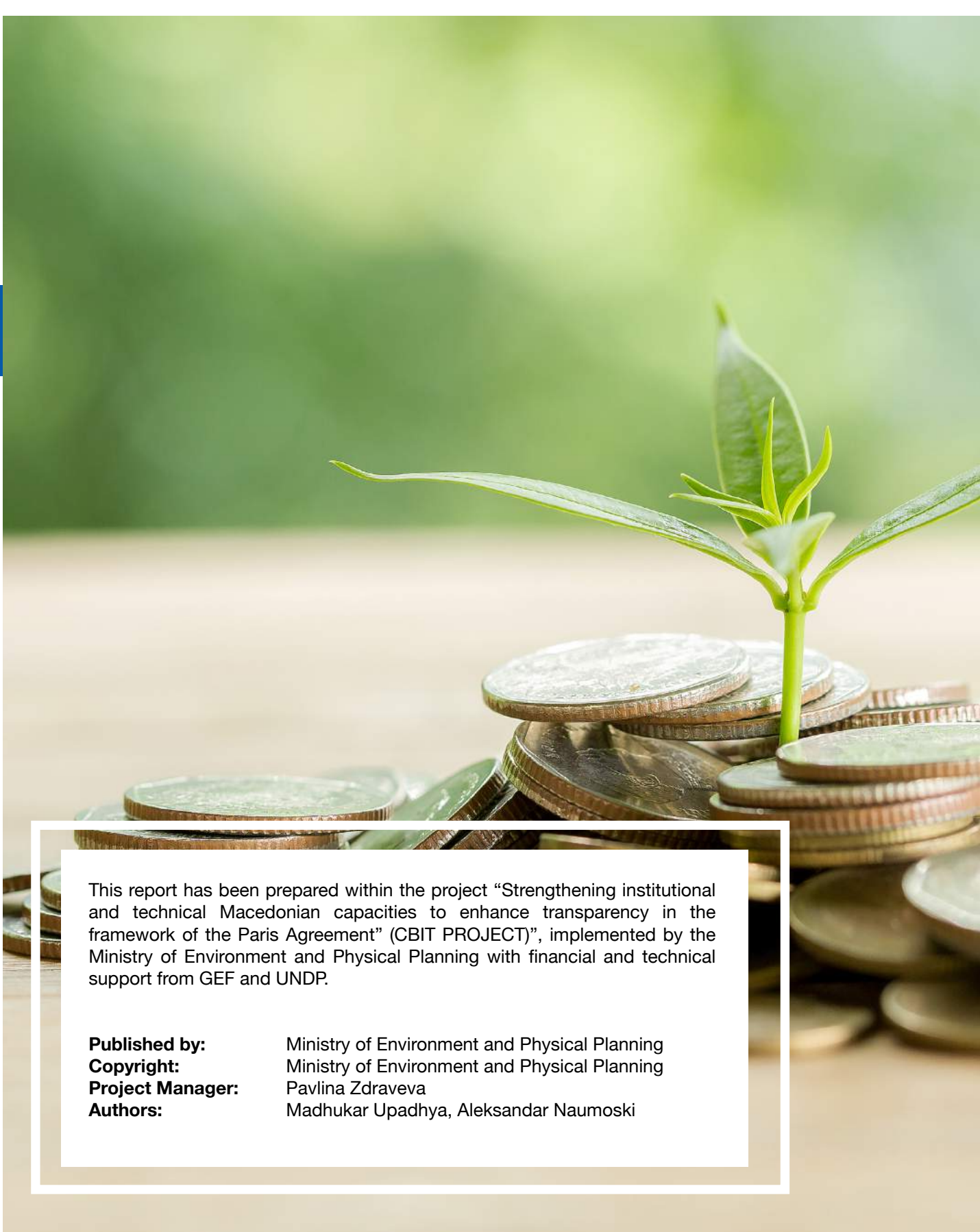


# GUIDELINES

## IMPLEMENTING CLIMATE BUDGET TAGGING IN THE REPUBLIC OF NORTH MACEDONIA

November 2021





This report has been prepared within the project “Strengthening institutional and technical Macedonian capacities to enhance transparency in the framework of the Paris Agreement” (CBIT PROJECT)”, implemented by the Ministry of Environment and Physical Planning with financial and technical support from GEF and UNDP.

**Published by:** Ministry of Environment and Physical Planning  
**Copyright:** Ministry of Environment and Physical Planning  
**Project Manager:** Pavlina Zdraveva  
**Authors:** Madhukar Upadhya, Aleksandar Naumoski



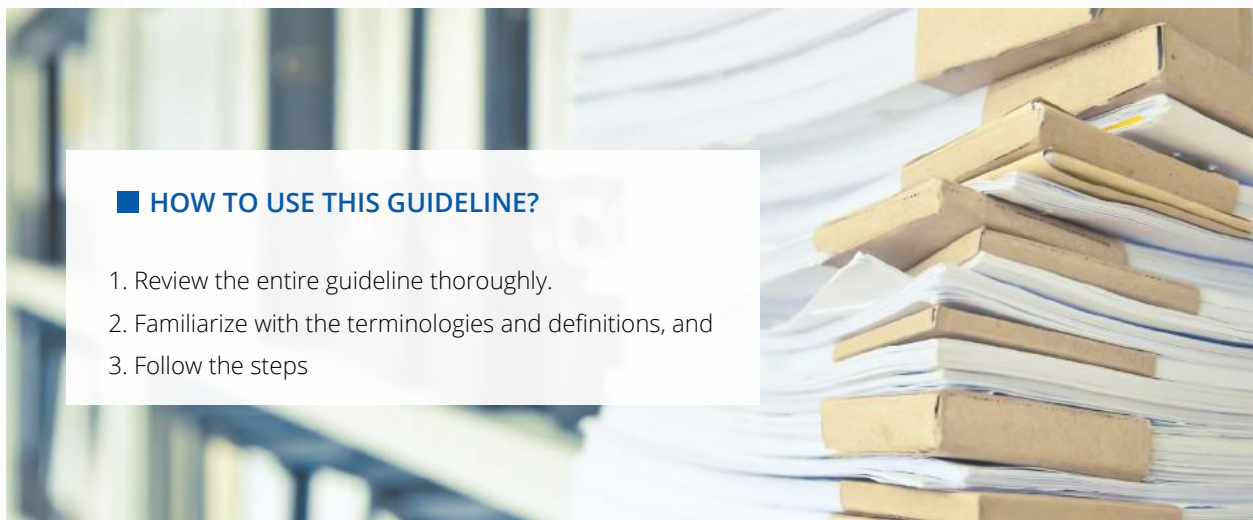
# TABLE OF CONTENTS

01   PURPOSE	4
02   SCOPE	4
03   CONTEXT	4
04   IDENTIFYING CLIMATE CHANGE ACTIVITIES	7
05   STEPS FOR TAGGING	12
06   LINKAGES WITH SDGS	17
ANNEX	18
TERMS AND DEFINITIONS	18
RELATED DOCUMENTS	20
APPROVAL AND REVIEW DETAILS	21

# 1. PURPOSE

---

The purpose of this guideline is to facilitate the officials in various ministries and municipalities that will be responsible for tagging climate budget in the annual budget. The guidelines will provide brief background information about climate budget tagging (CBT), familiarize the officials with various terminologies used in the guidelines along with their definitions and assist them step by step in tagging climate-related budget in the annual plans.



## ■ HOW TO USE THIS GUIDELINE?

1. Review the entire guideline thoroughly.
2. Familiarize with the terminologies and definitions, and
3. Follow the steps

# 2. SCOPE

---

The scope of this guideline is to familiarize the users with defining CC activities, formulation of typology, and the method and criteria of tagging of climate-related activities of the public sector development programmes implemented by ministries and municipalities. The guidelines are expected to enable the users to identify climate related activities within the sector, weigh its level of relevance and tag it accordingly in the budget as per the prescribed method.

# 3. CONTEXT

---

## 3.1 National perspective

The Republic of North Macedonia has accorded high priority to the reduction of the impacts of climate change by reducing greenhouse gas emissions by 51% by 2030 compared to 1990 levels as indicated in its enhanced NDCs under the Paris Agreement. The commitment is in line with the EU's commitment to a reduction of 55% of the GHG emissions by 2030.

Despite being a non-Annex 1 country and a candidate member state to the EU, the Republic of North Macedonia has to adhere to EU Climate and Energy policies which assume the obligations of the UNFCCC Annex I countries to cut down emissions. Further, the country is also a Contracting Party of the Energy Community, which is rapidly advancing

the implementation of EU regulations for monitoring, reporting and verifying greenhouse gases, and taking steps to tackle the climate crisis.

Implementation of enhanced NDCs requires financing strategies that mobilize resources from national and international public and private sectors. Much of the international support received is used to finance projects predominantly to mitigate the effects of climate change. A significant portion of domestic funding is also mobilized to finance climate related activities. Most of the adaptation actions will need to be managed by national and subnational governments through their domestic budget systems. Therefore, a strong performance oriented domestic budget framework which integrates climate risks and reduces GHG emissions is required to provide the enabling environment to align national and international finances.

The change is a cross-cutting issue. The public sector activities relevant to climate change adaptation and mitigation are often scattered across a number of ministries. This dispersion of climate change activities poses challenges for the Public Financial Management (PFM) system to facilitate planning, identifying, and reporting on climate change expenditure.

These challenges can be overcome by introducing CBT, which helps mainstream climate change in the budgetary system in order to address the economic, social, and environmental impacts of climate change by identifying, classifying, weighting, and marking climate-relevant expenditure in the budget system. In addition, the CBT provides an entry point to track resources for sustainable development goals (SDGs), which is closely linked to climate change in achieving most of the SD goals as well as to mitigate activities under the Nationally Determined Contributions (NDCs).

The Republic of North Macedonia is preparing to initiate the process of integration of climate change issues into its budgetary systems and has planned to implement CBT by establishing criteria for identifying climate change related programmes / projects / activities as well as tracking climate-related expenditures in the national budget.



### 3.2 Objective of Climate Budget Tagging

The objective of CBT is to enable the government to make informed investment decision, facilitate better integration of climate change into national and sub-national plans and allow tracking and monitoring of resource allocations that are relevant to climate change in the budget system

### 3.3 The benefits of Climate Budget Tagging

- i) identify Climate Change (CC) budget being mobilized and report on CC-relevant expenditure;
- ii) enable the government to make informed decisions and prioritize climate investments;
- iii) enable public scrutiny on government spending on climate responses in order to improve accountability and transparency;
- iv) mobilise climate-related action across government sectors by providing evidence of on-going climate-related activities; and
- v) raise public awareness about climate change issues and government's climate responses.
- vi) capture all expenditures made through the programmes that are on-budget-on-treasury including projects funded by international sources under Sustainable Development Goals (SDGs), Enhanced Nationally Determined Contributions (ENDCs) and Disaster Risk Reduction (DRR).
- vii) produce separate budget and expenditure information for mitigation, adaptation, and mixed programmes that have both mitigation and adaption functions.

### 3.4 Scoping of the Climate Budget Tagging

Climate Change responses have to be implemented through multiple sectors because it is a cross-cutting issue. Further, climate change related programmes are implemented by both national and subnational governments. Therefore, the scope of CBT covers all climate related programmes including mitigation and adaptation programmes implemented through national budget framework as well as those implemented by municipalities in order to generate more comprehensive information about climate expenditure. Therefore, CBT will be implemented by all climate related line ministries and agencies. The MoF will make provision in the budget template to incorporate climate change dimension. MoF will review sectoral tagging before presenting it to the national assembly for approval.



## 4. IDENTIFYING CLIMATE CHANGE ACTIVITIES

Any activity can be considered climate-change-related activity if it helps reduce and stabilize the levels of greenhouse gases (GHG) in the atmosphere and/or adapt to the impacts of climate change that are already felt. In other words, climate-change-related activities are either mitigation or adaptation activity as defined below.

Mitigation	Adaptation
<p>As per the “Rio Markers” developed by the OECD-DAC, an activity can be classified as climate-change-mitigation related if it contributes to the objective of the stabilization of GHG concentrations in the atmosphere by reducing or limiting GHG emissions or to enhance GHG sequestration. The mitigation activity contributes to: a) limiting anthropogenic emissions of GHGs, including gases regulated by the Montreal Protocol<sup>1</sup>; or b) the protection and/or enhancement of GHG sinks and reservoir.</p>	<p>An activity is defined as climate-change-adaptation-related if it intends to reduce the vulnerability of human or natural systems to the impacts of climate change and climate variability. Adaptation may include increasing resilience through increased ability to adapt to or absorb climate change stresses, shocks and variability and/or by helping reduce exposure to them. This may include a range of other activities from information and knowledge generation, to capacity development, planning, and the implementation of climate change adaptation actions.</p>

### 4.1 Development of typology

Many of the programmes in the annual plan of the Republic of North Macedonia are, to a large extent, relevant to climate change as they address mitigation and/or adaptation. These programmes can be grouped under various typologies. A set of typology, with a more granulated list of climate responses based on the programmes in the annual plan and within the scope of above definitions, has been formulated to help define climate activities under mitigation and adaptation as well as for those horizontal actions that facilitate implement climate responses.

#### 4.1.1 Activity with mitigation as principal objective

Activities with mitigation as principal objectives are those activities that contributes to

- a) the mitigation of climate change by limiting anthropogenic emissions of GHGs, including gases regulated by the Montreal Protocol; or
- b) the protection and/or enhancement of GHG sinks and reservoirs; or
- c) the integration of climate change concerns with development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; or
- d) countries' efforts to meet their obligations under the UNFCCC.
- vii) produce separate budget and expenditure information for mitigation, adaptation, and mixed programmes that have both mitigation and adaption functions.

<sup>1</sup>The Montreal Protocol, ratified by 198 countries, sets binding progressive phase out obligations for developed and developing countries for all the major ozone depleting substances, including chlorofluorocarbons (CFCs), halons and less damaging transitional chemicals such as hydrochlorofluorocarbons (HCFCs).

Table 1: Mitigation typology

No.	Mitigation typology	Relevant programme areas
1	GHG emissions reduction	Phase out of coal, Electric vehicles
2	Improving or building new infrastructures	Reduction of losses in electricity and heat networks, electricity transmission interconnection
3	Energy efficiency measures in buildings	Residential/commercial/public buildings, heat pumps, district heating, efficient lighting systems, efficient street lighting
4	Energy efficiency measures in industry	
5	Energy efficiency measures in transport	Railway, highways, improved mobility, transport modal shift, electric vehicles, charging infrastructure, renewing vehicles fleet
6	Renewable energy	Hydro power plants, biomass power plants, solar, biofuel, on-farm bio-digester, photovoltaic irrigation
7	Gasification	
8	Circular economy	Remanufacturing, refurbishing and recycling, minimizing leakages
9	Waste management	Landfill gas flaring, composting, recycling, waste selection, landfills, mechanical and biological treatment
10	Waste water treatment and management	
11	Reduction of emissions in agriculture	Modification of the feed composition and nutrition practices, manure management, increase of soil organic matter, prevent fields burning
12	Protection and enhancement of sinks and reservoirs of GHGs	Sustainable forest management, forest fires prevention, afforestation and reforestation, rehabilitation of areas affected by drought and desertification, land use change, erosion reduction measures, land restoration, avoided land degradation, biochar

Following horizontal actions can also be considered as mitigation activities if they are related to the areas mentioned above:

Table 2: Horizontal mitigation actions typology

No.	Typology	Relevant programme areas
13	Policy and strategic planning on national/local level	Development of studies, assessments, strategies, plans and programmes, vulnerable groups, gender, biodiversity
14	Legal & Regulatory framework	Development/update of laws, by-laws, rulebooks and similar, green procurement, just transition, Pursue regional electricity market integration, vulnerable groups, gender, circular economy
15	Monitoring, Reporting, Verification and Transparency	Cut across all areas



16	Capacity building	Development of studies, assessments, strategies, plans and programmes, vulnerable groups, gender, biodiversity
17	Transfer and promotion of technologies and know-how	
18	Training	Social programmes, just transition
19	Education	
20	Public Awareness	
21	Communication	
22	Research and Innovation	Energy transition technologies and measures and soil carbon storage
23	Banking and financial services	Credits, loans, insurance
24	Business and other services	Preparing and supporting private investment on a public-private partnership basis
25.	Financial and fiscal measures	Incentives, taxes, feed-in tariff, premiums, co-financing, just transition, vulnerable groups

#### 4.1.2 Activity with adaptation as principal objective

Activities with adaptation as principal objectives are those activities that contributes to

- a) the climate change adaptation/resilience objective as explicitly indicated in the activity documentation; and
- b) the activity contains specific adaptation measures as defined above.

*Table 3: Adaptation typology*

No.	Adaptation Typology	Relevant programme areas
1	Health	Waste management standards
2	Agriculture	Promoting heat and drought resistant crops and water saving irrigation methods to withstand climate change
3	Food	seed bank, pest control
4	Livestock	Veterinary health, improved cattle feed
5	Forestry	afforestation, reforestation, diverse mix of forest management practices and species preservation, watershed management, greenery of highway
6	Biodiversity	Protection of natural environment, protected area

7	Water and sanitation	Water conservation, improving water management, water infrastructure
8	Land management	Landuse plan, rehabilitation of degraded land, soil management
9	Disaster prevention and preparedness	floods, drought, heat/cold waves, flood prevention and management and erosion control
10	Nature based solutions	Resource restoration
11	Tourism	Infrastructure, rehabilitation of premises, home tourism
12	Cultural heritage	
13	Built-in infrastructure	
14	Spatial/Urban planning	Planning activities
15	Urban resilience	Urban flood protection, awareness raising

Following horizontal actions can also be considered as mitigation activities if they are related to the areas mentioned above:

*Table 4: Horizontal adaptation actions typology*

No.	Typology	Relevant programme areas
16	Policy and strategic planning on national/local level	Development of studies, assessments, strategies, plans and programmes, vulnerable groups, gender, biodiversity
17	Legal & Regulatory framework	Development/update of laws, by-laws, rulebooks and similar, green procurement, just transition, pursue regional electricity market integration, vulnerable groups, gender, circular economy
18	Monitoring, Reporting, Verification and Transparency	Cut across all areas
19	Capacity building	Human and institutional
20	Transfer and promotion of technologies and know-how	Railway, highways, improved mobility, transport modal shift, electric vehicles, charging infrastructure, renewing vehicles fleet
21	Training, education	All trainings promoting adaptation activities, development of courses, curriculum
22	Public Awareness Communication	Media campaign
23	Research and Innovation	Meteorological and hydrological observation and forecasting, impact and vulnerability assessments, early warning systems
24	Banking and financial services	Credits, loans, insurance
25	Business and other services	Preparing and supporting private investment on a public-private partnership basis
26	Financial and fiscal measures	Incentives, taxes, co-financing, just transition, vulnerable groups



## 5. STEPS FOR TAGGING

The following flowchart (figure 1) briefly provides the key steps involved in CBT.

Figure1: CBT flow chart



### 5.1.1 Listing of programmes under each typology

Go on listing all climate related programmes under the given typology that is relevant to the annual programme of the ministry in question. There may be several climate-related programmes in the annual plans of the ministry that may fall under these typologies. It is also very likely that some typology may not have any programme.

Four typologies, namely, 1. GHG emission reduction, 2. Renewable energy production, 3. Biodiversity and 4. Sustainable water management have been shown in the following example to illustrate the point (table 5).

Programmes under the GHG emission reduction typology are, i) GHG emission reduction from energy and ii) transport and GHG removal by carbon sequestration. Production and use of renewable energy sources has been identified as a climate-related programme under renewable energy production typology.

Similarly, terrestrial and freshwater biodiversity that are covered by protected areas has been identified under biodiversity typology. Under sustainable water management typology, two programmes have been identified. They are i) Flood control and prevention and ii) Water resource optimization including adopting integrated water resource management, and non-conventional schemes.

### 5.2.1 Climate objective of listed programmes

Following the listing of the programme, note the climate objective of each of the programme, whether the programme helps in climate mitigation or climate adaptation. Some programmes may help in both mitigation and adaptation. Make note of the climate objective of each programme in the adjoining column, where 'M' stands for mitigation, 'A' stands for adaptation and 'B' stands for both mitigation and adaptation (Table 5).

*Table 5: Climate related programmes under each typology*

Typology		Climate related programmes	M	A	B
1	GHG emissions reduction	GHG emission reduction from energy and transport	X		
		GHG removal by carbon sequestration			X
2	Renewable energy production	Production and use of renewable energy sources	X		
3	Biodiversity	Terrestrial and freshwater biodiversity that are covered by protected areas.	X		
3	Sustainable water management	Flood control and prevention		X	
		Water resource optimization including adopting integrated water resource management, and non-conventional schemes		X	

In the above example, GHG emission reduction from energy and transport programme contributes to mitigation while, GHG removal by carbon sequestration contributes in both mitigations by removing carbon from atmosphere and adaptation by helping improve biodiversity or timber and biomass production. The programme under renewable energy typology has a clear contribution to mitigation as it helps reduce GHG emissions. Similarly, protected areas under biodiversity will largely help mitigation, whereas, flood control and integrated water resource management helps adaptation.

This marking of climate objective will help track climate budget according to its contribution to mitigation or adaptation.



### 5.1.3 Identifying the main focus of the programme

In the next step, identify the climate focus of the programme as shown in the table 6 below. Some programmes such as reducing GHG emissions or renewable energy programme are considered having **clear focus** of GHG reduction as stated in the objective of the programme. Whereas, carbon sequestration through reforestation programme helps capture carbon from the atmosphere, but the allocation also accrues other primary benefits besides carbon sequestration. Therefore, it may be considered to have **links to CC**.

The primary objective of a biodiversity promotion programme is usually to reduce vulnerability of natural systems to the impacts of climate change and climate variability. However, it has **indirect links to CC** as it helps sequester carbon. Therefore, the climate focus of a biodiversity programme may be only indirect.

Allocation made to water projects are considered having links to CC as they help reduce vulnerability of humans to the impacts of climate change and climate variability.

*Table 6: Main focus of the climate-related programmes under each typology*

Typology	Climate related programmes	M	A	B	Climate focus
GHG emissions reduction	GHG emission reduction from energy and transport	X			Clear focus
	GHG removal by carbon sequestration			X	With links to CC
Renewable energy production	Production and use of renewable energy sources	X			Clear focus on CC
Biodiversity	Terrestrial and freshwater biodiversity that are covered by protected areas	X			Indirect focus on CC
Sustainable water management	Flood control and prevention		X		
	Water resource optimization including adopting integrated water resource management, and non-conventional schemes		X		With links to CC

### 5.1.4 Assigning weights to climate programmes

Assigning weight to the programme is an important element in CBT as it helps assess how much of the allocated budget of a climate-related programme is actually contributing to climate objectives. It is determined by the climate focus the programme as worked out under.

Examples of assigning weightage are given in table 7 below.

If the programme has a clear and direct link to CC, the programme is given 100 percent weightage.

If the programme has links to CC but it is not the primary objective of the programme, it gets only 50% weightage.

If the programme is indirectly linked to CC, the programme gets only 20% weightages.

Table 7: Assigning weightage to the programme

Typology	Climate related programmes	M	A	B	Climate focus	Weight (%)
GHG emissions reduction	GHG emission reduction from energy and transport	X			Clear focus	100
	GHG removal by carbon sequestration			X	With links to CC	50
Renewable energy production	Production and use of renewable energy sources	X			Clear focus on CC	100
Biodiversity	Terrestrial and freshwater biodiversity that are covered by protected areas	X			Indirect focus on CC	20
Sustainable water management	Flood control and prevention		X			50
	Water resource optimization including adopting integrated water resource management, and non-conventional schemes		X		With links to CC	50

### 5.1.5 Tagging climate programme

The budget is already using gender responsive budget tagging. Tagging for climate budget needs to be compatible to the previously used tagging symbols (markers).

Tagging of the climate programmes in the budget is done according to the climate focus as defined above. Programmes with a clear focus on climate change will be classified as **highly relevant** and weighted at 100 percent. Such programmes will be tagged as '1' in the budget book (table 8). Similarly, programmes that have links to climate change objectives will be considered of **medium relevance** and weighted at 50 percent. They will be tagged as '2' in the budget book. The medium relevant programme may also have both mitigation and adaptation functions. In such case, the weightage can be split between adaptation and mitigation at 25 percent each. Programmes that are indirectly linked to climate change will be considered **low relevant** and weighted at 20 percent (which may be split at 10 percent each between adaptation and mitigation).

Table 8: Tagging in the budget

Level	Weights (%)	Remarks	Budget marker
High relevance	100	Clear primary objectives of contributing mitigation or adaptation	1
Medium relevance	50	Programmes that have linkages to mitigation or adaptation will be considered <b>medium relevance</b> and weighted at 50 percent (which may be split at 25 percent each between adaptation and mitigation if it contributes to both)	2
Low relevance	20	Indirect linkages to mitigation or adaptation will be considered <b>low relevance</b> and weighed at 20 percent (which may be split at 10 percent each between adaptation and mitigation if it contributes to both)	3

### 5.1.6 Climate budget estimation

Climate budget is calculated based on the above weights. Table 9 shows examples of climate budget estimation for selected programmes of 2021. When the programme has both mitigation and adaptation functions, the budget is split into half each.

*Table 9: Climate budget estimation*

Name of the project/activity		Budget 2021	Weights (%)	Budget marker	CC relevant budget	
					M	A
1	Design and printing of educational material on energy efficiency and renewable energy sources	500,000	100	1	500,000	-
2	Preparation of a three-year program for energy efficiency	300,000	100	1	300,000	-
3	Reconstruction and erection of public greenery on highways and parks	100,000,000	50	2	50,000,000	-
4	Public call for financing projects for support and development of entrepreneurship, innovation and competitiveness of SMEs in the area of the City of Skopje	1,000,000	50	2	250,000	250,000
5	Realization of activities from the Gazi Baba Nature Park Management Plan: Development of a Gazi Baba Biodiversity Monitoring Program and its realization	1,200,000	20	3	-	240,000
6	Preparation of spatial and urban plans, reports, documentation, expert commissions, amendment of the GUP	50,000,000	20	3	5,000,000	5,000,000





## 6. LINKAGES WITH SDGS

Once the climate relevant programmes and their level of relevance to climate change have been identified, their linkages with the SDGs can be indicated too. Such linkages will indicate how the SDGs have been supported by the climate budget of climate-related programmes. This will help planning for SDGs budget. When a climate-related programme supports mainly one SD goal, it is easy to link the budget related to that goal. However, some climate programmes may support more than one SDGs, especially in case of adaptation related programmes. In such cases it is difficult to split the budget for each of the goals it supports. Expert judgment can be used to split the budget among different SDGs it supports.

Indicate those goals that will be supported by climate programmes. Some examples are given below.

GHG emission reduction and carbon sequestration are related to SDG-13, which is climate actions. The renewable energy is related to both SDG-7, which is access to affordable, reliable, sustainable and modern energy for all, as well as SDG-13. Biodiversity programmes contribute in achieving goals 6 and 15 (access to water and sanitation, and protect, restore and promote sustainable use of terrestrial ecosystems). Flood control programmes contribute to goal-2 (zero hunger), goal-11 (sustainable cities and communities) and 13 (climate actions). Integrated water resource management will contribute to goals 6 and 11.

*Table 10: Links of climate budget with SDGs*

Typology	Climate related programmes	M	A	B	Climate focus	Weight (%)	SDGs marking
GHG emissions reduction	GHG emission reduction from energy and transport	X			Clear focus	100	13
	GHG removal by carbon sequestration			X	With links to CC	50	13
Renewable energy production	Production and use of renewable energy sources	X			Clear focus on CC	100	7, 13
Biodiversity	Terrestrial and freshwater biodiversity that are covered by protected areas	X			Indirect focus on CC	20	6, 15
Sustainable water	Flood control and prevention		X		With links to CC	50	2, 11, 13
	Water resource optimization including adopting integrated water resource management, and non-conventional schemes		X		With links to CC	50	6, 11

# ANNEX

## Terms and definitions

### **CLIMATE CHANGE**

Refers to change in an average weather condition in addition to natural climate variability observed over a comparable time period, generally of 30 years. Such change is caused, directly or indirectly, by human activities that alter the composition of the global atmosphere. The alteration of the global atmosphere is caused by excessive emission of greenhouse gases as a result of human activities.

### **PUBLIC FINANCIAL MANAGEMENT (PFM)**

Refers to the set of laws, rules, systems and processes used by national (and sub-national) governments, to mobilize revenue, allocate public funds, undertake public spending, account for funds and audit results. A large number of actors engage in this “PFM cycle” to ensure it operates effectively and transparently, whilst preserving accountability.

### **ENHANCED NATIONALLY DETERMINED CONTRIBUTIONS (ENDCS)**

Outline the low carbon pathways developing countries and LDCs are going to take which is significant as NDCs did not have a numerical interpretation of low carbon pathways. eNDCs outline which pathways a country is taking and the sectors the country will be focusing on.

### **SUSTAINABLE DEVELOPMENT GOALS (SDGS)**

Also known as the Global Goals were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated- they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability. The SDGs are designed to end poverty, hunger, and discrimination against women and girls. The creativity, knowhow, technology and financial resources from all of society is necessary to achieve the SDGs in every context.

The 17 SDGs are: 1) No Poverty, 2) Zero Hunger, 3) Good Health and well-being, 4) Quality Education, 5) Gender Equality, 6) Clean Water and Sanitation, 7) Affordable and Clean Energy, 8) Decent work and economic growth, 9) Industry, innovation and infrastructure, 10) Reduced inequalities, 11) Sustainable cities and communities, 12) Responsible consumption and production, 13) Climate actions, 14) Life below water, 15) Life on land, 16) Peace, justice and strong institutions, and 17) Partnerships for the goals

## PARIS AGREEMENT

The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius compared to pre-industrial levels.

The Paris Agreement is a landmark in the multilateral climate change process because for the first time, a binding agreement brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects.

---

## BIENNIAL UPDATE REPORT (BUR)

Are reports to be submitted by non-Annex I Parties, containing updates of national Greenhouse Gas (GHG) inventories, including a national inventory report and information on mitigation actions, needs and support received. Such reports provide updates on actions undertaken by a Party to implement the Convention, including the status of its GHG emissions and removals by sinks, as well as on the actions to reduce emissions or enhance sinks.

---

## UNFCCC

Is the United Nations entity tasked with supporting the global response to the threat of climate change. UNFCCC stands for United Nations Framework Convention on Climate Change. The Convention has near universal membership (197 Parties) and is the parent treaty of the 2015 Paris Agreement. The UNFCCC is also the parent treaty of the 1997 Kyoto Protocol. The ultimate objective of all three agreements under the UNFCCC is to stabilize greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with climate system, in a time frame which allows ecosystems to adapt naturally and enables sustainable development.

---

## ANNEX I COUNTRIES

Annex I Parties include the industrialized countries that were members of the OECD (Organization for Economic Co-operation and Development) in 1992, plus countries with economies in transition (the EIT Parties), including the Russian Federation, the Baltic States, and several Central and Eastern European States.

---

## DISASTER RISK REDUCTION (DRR)

Is a systematic approach to identifying, assessing and reducing the risks of disaster. It aims to reduce socio-economic vulnerabilities to disaster as well as dealing with the environmental and other hazards that trigger them.

---

## TPOLOGY

A typology is the systematic classification of the types of something according to their common characteristics. Typology is the act of finding, counting and classification facts with the help of eyes, other senses and logic.

## CLIMATE-RELATED PROGRAMMES

Climate-related or climate-relevant programmes are those programmes in the annual plans that contribute to climate mitigation or adaptation or both.

---

### MONTREAL PROTOCOL

Is an international agreement made in 1987 to stop the production and import of ozone depleting substances and reduce their concentration in the atmosphere to help protect the earth's ozone layer. This Protocol sits under the Vienna Convention for the Protection of Ozone Layer (the Vienna Convention). The Vienna Convention was adopted in 1985 following international discussion of scientific discoveries in the 1970s and 1980s highlighting the adverse effect of human activity on ozone levels in the stratosphere and the discovery of the "ozone hole".

---

### GREENHOUSE GASES (GHGS)

Are those gases that absorb and emit radiant energy within the thermal infrared range, causing the greenhouse effect. The primary greenhouse gases in the earth's atmosphere are carbon dioxide, methane, nitrous oxide, ozone, and water vapour.

---

### GHG EMISSIONS

Greenhouse gas emissions are greenhouse gases vented to the Earth's atmosphere because of human activities. Carbon dioxide gas is the primary greenhouse gas emitted through human activities. The main human activity that emits carbon dioxide is the combustion of fossil fuels (coal, natural gas and oil) for energy and transportation, although certain industrial processes and land-use changes also emit carbon dioxide. Methane is emitted through agriculture and livestock.

---

### GHG SINK

A sink is a reduction in atmospheric GHGs by storing (sequestering) carbon in another form. Growing trees sequester large amounts of carbon dioxide from the atmosphere through photosynthesis. The carbon is used to build the plant and the oxygen is released back into the atmosphere. An increase in biomass from the growth of forests (both above ground and below ground) provides a carbon sink.

---

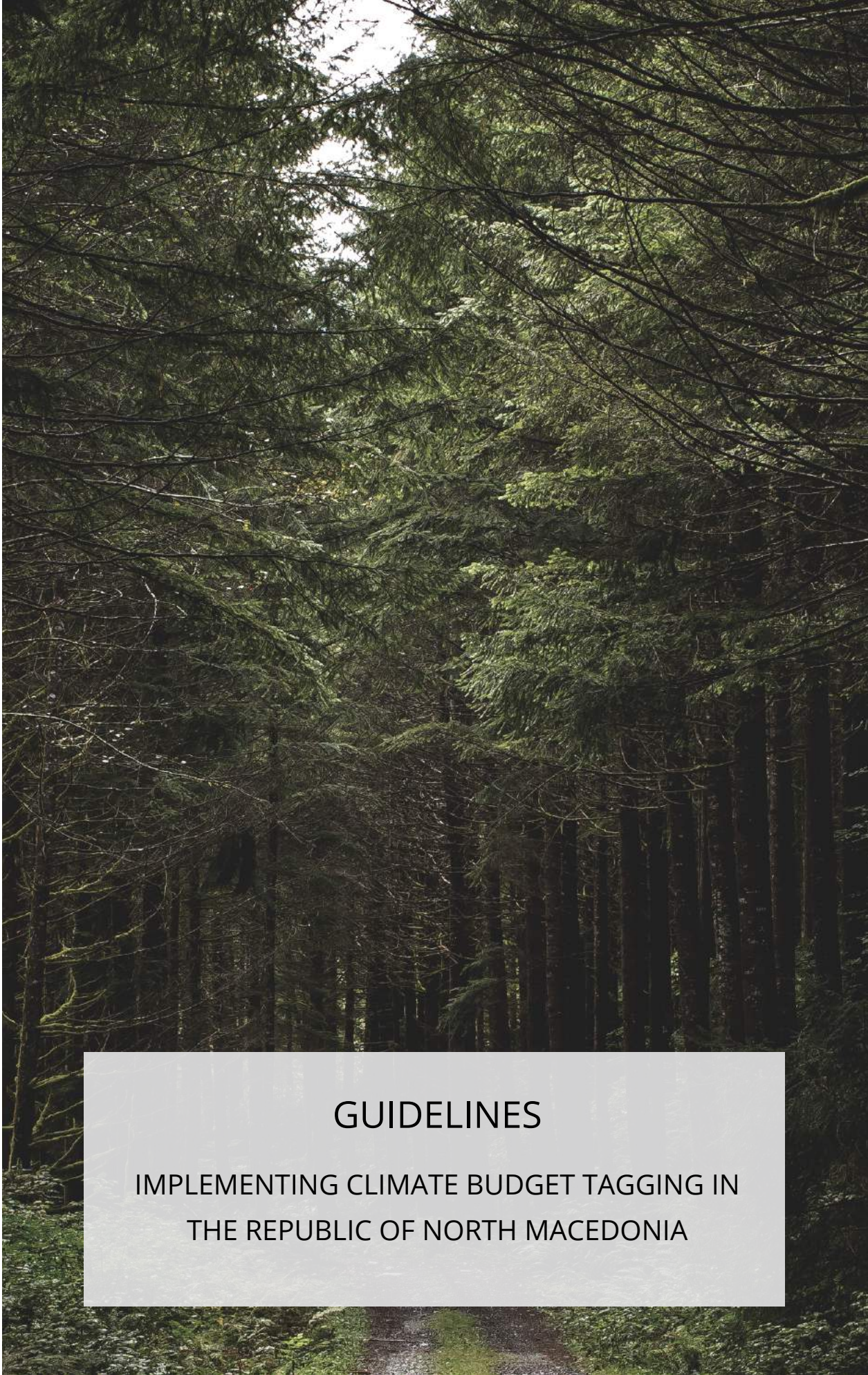
## Related documents

Climate Budget Tagging in the Republic of North Macedonia

---

## Approval and review details

Approval and Review	Details
Approval Authority	
Advisory Committee to Approval Authority	
Administrator	
Next Review Date	



**GUIDELINES**  
IMPLEMENTING CLIMATE BUDGET TAGGING IN  
THE REPUBLIC OF NORTH MACEDONIA



Republic of North Macedonia  
**Ministry of Environment  
and Physical Planning**

