

Conducting Climate Change Administrative Capacity Assessment

POLICY BRIEF

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This document is 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.

Executive Summary

The Climate Change Administrative Capacity Assessment was developed 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. The assignment was carried out by HEAT International team of experts with the objective to advance the climate change agenda and capacity building, by conducting systemic and institutional capacity assessment of the national administrative capacity to fulfil the following obligations:

- commitments as a non-Annex I party of the UNFCCC and a party to the Paris Agreement, and also those that it will assume if it becomes an Annex I party;
- commitments arising as a member of the Energy Community (EnC);
- future commitments as country that is a candidate for accession to the European Union, whereby transposition and implementation of the EU acquis in energy and climate will also be required.

Therefore, the capacity assessment provides an overview on the capacity needed to prepare the country for the obligations that will be imposed as an EU member state, or in the future are likely to be imposed by the Energy Community.

The project team developed a methodology for the capacity assessment which can be also applied in similar assessments in the future. Special attention was given to the desk review, i.e. analysis of existing relevant documents, including relevant national laws and bylaws, EU/EnC acquis, acts for internal organization and systematization of posts, climate change strategic documents, especially the Enhanced NDC. Additionally, questionnaires were completed by the junior associates currently working on climate change related tasks in the MoEPP and MoLSP.

The tasks that will potentially require institutional capacity were identified, primarily on the basis of a detailed analysis of relevant EU/EnC legislation and requirements of the UNFCCC, including the Paris Agreement, but also on the basis of the national context. The summary results of this analysis are given in Table 1. A general conclusion is that UNFCCC and EU reporting is closely interlinked and that the same capacities should support both processes.

Table 1. Tasks for which capacity is needed towards EnC/EU and UNFCCC (including Paris Agreement)

Policy	List of tasks
Emissions monitoring and reporting	<ul style="list-style-type: none"> • Preparation of: NECP, Long-term Strategy, Biannual progress reports, Annual GHG inventories as well as National Communications, BUR/BTR, NDC
EU ETS	<ul style="list-style-type: none"> • Preparation of a bylaw to define the way the national carbon pricing system (emission trading system) will function • Conducting auctions for CO₂ credits (in case there is a greater demand than the allowed credits according to the bylaw). In this case, in Macedonia the already existing public procurement system can be used (e-nabavki.gov.mk) • Establishment of a commission for supervision of the implementation of the auctions for CO₂ credits • Creating and maintaining a register of issued and transferred credits • Monitoring of emissions verification (reported in the Annual Emission Reports by the operators of installations and aircraft operators). The verification itself, should be done by an independent accredited verifier.
Effort sharing	<ul style="list-style-type: none"> • Transpose the Regulation (EU) 2018/842 • Calculate the target of North Macedonia in line with the Decision No 406/2009/EC • Monitor the target achievement

Land-based emissions	<ul style="list-style-type: none"> • Transpose the Regulation (EU) 2018/841 • Verify the fulfillment of North Macedonia to the commitment stated in the Regulation • Development of National forestry accounting plan according to the Regulation
Road transport	<ul style="list-style-type: none"> • Transpose Regulation (EU) 2019/631 and Regulation (EU) 2019/1242 • In order to be able to monitor the implementation of the measures in the Transport sector, and increase the transparency of the implementation of the Enhanced NDC (and other strategic documents), it is necessary to coordinate the MoI system with the new MRV platform, which would work best if a mechanism is found for the MoI to enter this data directly into the MRV platform. • Coordination and monitoring of the implementation of the projects that will be defined in the new Program for realization of the Energy Strategy, which is expected to be ready in 2021 (and is based on all strategic documents such as the Energy Strategy, NDC, NECP, TBUR) by the Ministry of Economy
Energy efficiency and renewable energy sources (RES)	<ul style="list-style-type: none"> • Monitoring, verification of the data that will be entered in the MVP platform, execution of appropriate changes, communication with the entities that enter information • Coordination of MVP and MRV platforms • Monitoring the implementation of RES measures • Input of RES data in the MRV platform • Coordination and monitoring of the implementation of the projects that will be defined in the new Program for realization of the energy strategy by the Ministry of Economy and the Energy Agency
Carbon capture and storage	<ul style="list-style-type: none"> • No tasks envisioned
Ozone layer	<ul style="list-style-type: none"> • No tasks envisioned
Fluorinated greenhouse gases (F-gasses)	<ul style="list-style-type: none"> • Development of detailed study on the analysis of this section, including a list of concrete policies and measures that should be implemented in order to achieve the HFCs reduction
Adaptation	<ul style="list-style-type: none"> • Development and adoption of National Adaptation Strategy • Development of National Adaptation Plan

Responsibilities and coordination of processes among various [public institutions](#) in North Macedonia [related to climate change](#) have been established in the Government of North Macedonia (GoNM), with the MoEPP as the main institution responsible for policies, legislation preparation, planning, regulatory action, and reporting on climate situation and climate action. As climate action is cross-sectoral though, coordination and cooperation with other governmental stakeholders are crucial.

Based on the assessment and elaboration of the requirements, as well as the assessment of the present administrative capacities, it can be concluded that strengthening administrative capacity of several public institutions, above all MoEPP, would be needed.

Having in mind that up to now, the preparation of the documents for monitoring, reporting and verification were done mostly by external experts and were project based, the major question was whether these activities should be [internalized](#) by the public institutions, or whether [external entities](#) should be engaged again. Each option brings benefits and challenges. Heavily relying on external assistance does not contribute towards building the internal administrative capacities, which is a main objective. Applying appropriate administrative arrangement to engage the external entities (tender or long-term cooperation agreement among public institutions or donor supported) might also be faced with uncertainties. On the other hand, completely internalizing the process is not easy due to the fact that the public sector could not attract and employ high-level experts, whose involvement is essential, in sufficient numbers. Therefore, the realistic approach would be to [combine these options](#): the groundwork and the coordination of the entire process would be done internally, but activities that require specialized expertise (such as modelling for climate change mitigation scenarios) and QA/QC processes should be carried out by external experts. External

experts should have rich experience in the preparation of the previous UNFCCC reports, such as MANU, in particular its Research Center for Energy and Sustainable Development (RCESD), the Institute of Agriculture, Faculty of Agricultural Science and Food and Hans Em Faculty of Forest Sciences, Landscape Architecture and Environmental Engineering.

With that considered, the report provides recommendations on the internal administrative capacities needed, such as the number of staff, their educational background and job description, for the institutions identified to have key role in these processes: Ministry of Environment and Physical Planning (MoEPP), Ministry of Economy (MoE) and Energy Agency (EA). For all other institutions/sectors, tasks are identified that each institution should appropriately incorporate in the job description of staff who are internally assigned to work on climate change-related activities.

The project team proposes two options for strengthening internal administrative capacity at MoEPP to address climate change issues. As climate change is a relatively new area because of the ever-growing requirements laid down in various EU and UN documents, it is not recommended at this stage to foresee numerous posts without making them narrowly specialized. In both options, it is considered that the GHG Inventory will be prepared by the MoEPP (which is according to the draft version of the Law on Climate Action). However, the comparative experience from countries in the region shows that there are also cases where external entities prepare national GHG inventories. In this case, it is important to legally define the way this entity is selected.

Option 1 (see Figure 1) is the recommended option as it is more realistic to be implemented, knowing how difficult new employments in a public institution is to be approved due to the budgetary constraints. Total of eight posts related to climate change have been proposed with this option. They are systematized in the present Unit for Climate Change. The advantage of such approach is that all matters related to climate change will be dealt in within a single organizational unit under the supervision of a Head of Unit. The disadvantage is that certain posts might fit better in other existing units within MoEPP. This especially refers to posts which only or primary tasks relate to development of GHG Inventory and/or administering the MRV platform, which could be incorporated within the MEIC.

Option 2 (see Figure 2) foresees at least ten posts related to climate change, half of them to be systematized in the existing Unit for Climate Change, while the other half in the newly established Unit for GHG Inventory within MEIC. This option reflects the proposal provided by the team that is conducting the Functional Analysis in the MoEPP.

Both options indicate the existing units and posts within MoEPP where climate change related tasks should be clearly added and specified, as opposed to the option to systematize new posts in these units.

Eventually, Ministry of Economy and Energy Agency are identified as institutions that will have key role in certain processes or climate change data processing. The former has a key role in the development of plans and reports on energy and climate change, while the latter is responsible to manage energy efficiency information systems and platforms. Therefore, for these two institutions very detailed tasks are proposed, which do not imply that new posts must be systematized, but they can be incorporated to the existing posts.

Implementing a national administrative system for climate change requires suitable resources. Establishing and maintaining proper organizational relationships, establishing and adapting data flows, recruiting and retaining expertise, developing and implementing systems and tools, and delivering new outputs all require careful planning and maintaining of resources.

Figure 1. Organogram – Option 1 for Unit for Climate Change Policy in MoEPP

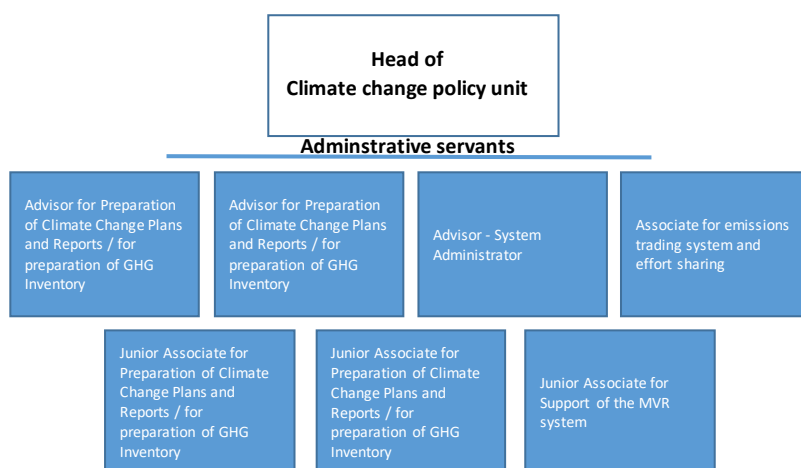
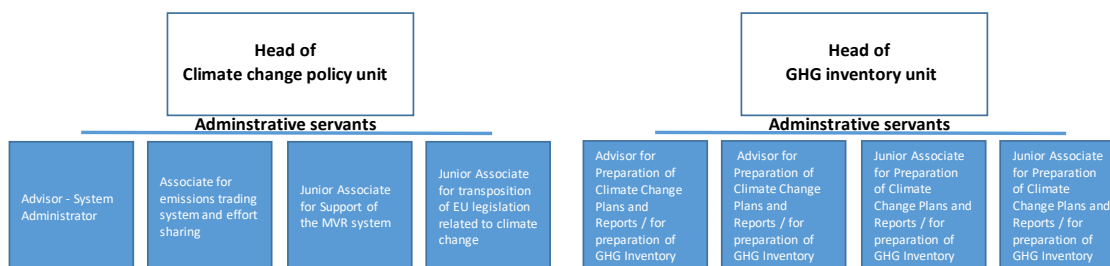


Figure 2. Organogram – option 2 for Unit for Climate Change Policy and Unit for GHG Inventory in MoEPP



The calculations illustrate that the **annual total budget** for the Unit for Climate Change in the MoEPP can be from almost EUR 130,000 to almost EUR 165,000, depending on how internal administrative capacity in relation to climate change is strengthened. The main drivers of costs are human resources and their historical costs in terms of wages and salaries as per the experiences with human and financial resources from the Macedonian state budget. Salaries for junior staff are increased by a factor of 30% to take into account backstopping, succession planning and backup support for busy times as per the Handbook on institutional arrangements to support MRV/transparency of climate action and support.

Action plan

The action plan for implementation of Option 1 is presented in the table 2 below.

Table 2. Action plan for implementation of Option 1

<i>Objective</i>	<i>Action</i>	<i>Timeframe</i>	<i>Responsible entity</i>
Fulfil the Emissions monitoring and reporting requirements under EnC/EU and UNFCCC (including Paris Agreement)	Action 1: Amend the acts for internal organization and systematization of posts in MoEPP	2 months	MoEPP (HR Unit, State Advisor for Climate Change, State Secretary)
	Action 2: Employ additional staff in MoEPP for GHG Inventory preparation: Head of Climate change policy unit + 4 Administrative Servants for Preparation of Climate Change Plans and Reports / for preparation of GHG Inventory (2 advisors and 2 junior associates) for the purpose of which the annual employment plans and budget for 2022 and 2023 should foresee (allocate funds) for these new employments.	- 6 months for preparation of annual employment plan and budget - from 1 to 2 years for new employments	- MoEPP (HR Unit, State Advisor for Climate Change) - Ministry of Finance and Ministry of Information Society and Administration for approvals
	Action 3: Employ additional staff in MoEPP for managing the MRV platform: Administrative Servant – System Administrator (advisor) + Administrative Servant for Support of the MRV system (junior associate) for the purpose of which the annual employment plans and budget for 2022 and 2023 should foresee (allocate funds) for these new employments.	- 6 months for preparation of annual employment plan and budget - from 1 to 2 years for new employments	- MoEPP (HR Unit, State Advisor for Climate Change) - Ministry of Finance and Ministry of Information Society and Administration for approvals

	<p>Action 4: Employ additional staff in MoE for preparation and reporting on National Energy and Climate Plan: at list one of the two foreseen posts for administrative servant for plans and reports on energy and climate</p> <p>for the purpose of which the annual employment plan and budget for 2022 should foresee (allocate funds) for the new employee</p>	<p>- 6 months for preparation of annual employment plan and budget</p> <p>- 1 year for new employment</p>	<p>- Ministry of Economy (HR unit, State Secretary)</p> <p>- Ministry of Finance and Ministry of Information Society and Administration for approvals</p>
	<p>Action 5: Employ additional staff in EA to administer and process data in the MVP system:</p> <p>2 employees with tasks related to energy efficiency information systems and platforms</p> <p>for the purpose of which the annual employment plan and budget for 2022 should foresee (allocate funds) for the new employees</p>	<p>- 6 months for preparation of annual employment plan and budget</p> <p>- 1 year for new employments</p>	<p>- Energy Agency (HR specialist, Director)</p> <p>- Ministry of Finance and Ministry of Information Society and Administration for approvals</p>
	<p>Action 6: Incorporate tasks in MoE and MoEPP in post description for communication and cooperation between the two Ministries (including a detailed protocol for cooperation between the two Ministries)</p>	<p>1 year</p>	
	<p>Action 6: Enable external Authority to prepare mitigation analysis (as part of NDC, BTR, NC, Long-term Strategy)</p> <ul style="list-style-type: none"> • Adjust the draft version of the Law on Climate Action • Engage external Authority for preparation of mitigation analysis of the policies and measures, which will be selected by the MoEPP (on an annual basis or in institutionalized cooperation), for the purpose of which the Annual Procurement Plan for 2022 should include procurement of consultancy services in case institution cooperation is not possible 	<p>- 3 months for the legal modifications</p> <p>- 1 year for contracting external entity</p>	<p>- MoEPP (Climate Change staff, Public Procurement Unit)</p> <p>- Contracted entity</p>

Fulfil the ETS and Effort sharing requirements	<p>Action 1: Engage external Authority for preparation of a bylaw to define the way the national carbon pricing system will function and for creating and maintaining a register of issued and transferred credits</p>	1-3 years	<ul style="list-style-type: none"> - MoEPP (Climate Change staff, Public Procurement Unit) - Contracted entity
	<p>Action 2: Engage external Authority for transposing the Regulation (EU) 2018/842 and calculating the target of North Macedonia in line with the Decision No 406/2009/EC</p> <p>for the purpose of these two actions the Annual Procurement Plans for 2022 and 2023 should include procurement of consultancy services</p>		<ul style="list-style-type: none"> - MoEPP (Climate Change staff, Public Procurement Unit) - Contracted entity
	<p>Action 3: Employ additional staff in MoEPP:</p> <p>Administrative Servant for emissions trading system and effort sharing (associate)</p> <p>for the purpose of which the annual employment plan and budget for 2023 should foresee (allocate funds) for the new employee</p>	1-3 years	<ul style="list-style-type: none"> - MoEPP (HR Unit, State Advisor for Climate Change) - Ministry of Finance and Ministry of Information Society and Administration for approvals

Fulfil the land-based emission requirements	Action 1: Engage external Authority (preferably including the existing AFOLU team of experts involved in the preparation of UNFCCC documents) for transposition of the Regulation (EU) 2018/841, verification of the fulfillment of North Macedonia to the commitment stated in the Regulation, development of National forestry accounting plan	1 year	- Ministry of Agriculture, Forestry and Water Economy - Contracted entity
Fulfil the road transport requirements	Action 1: Engage external Authority for transposition of Regulation (EU) 2019/631 and Regulation (EU) 2019/1242	1 year	- Ministry of Transport and Communication - Contracted entity
Fulfil the EE and RES requirements	The actions are already included in the Emissions monitoring and reporting requirements	/	
CCS	No actions are needed	/	
Ozone layer	No additional actions are needed	/	
F-gasses	Action 1: Engage external Authority for development of a detailed study on the analysis, including a list of concrete policies and measures for achieving the HFCs reduction target according to the Kigali Amendment.	1-2 years	- MoEPP (Climate Change staff, Public Procurement Unit) - Contracted entity
Adaptation	Action 1: Engage external Authority for development of National Adaptation Strategy	1-3 years	- MoEPP (Climate Change staff, Public Procurement Unit) - Contracted entity
	Action 2: Engage external Authority for development of National Adaptation Plan	1-3 years	
	Action 3: Engage external Authority for analysing necessary capacity for implementation of NAS and NAP (with further specification of the work responsibilities so that adaptation will become an integral part of the activities in MoEPP)	3-5 years	

	Action 4: Continue building capacity in Adaptation, such as the example of CBIT junior associates	1-5 years	- MoEPP (Climate Change staff, HR Unit)
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Note: This action plan involves implementation of Option 1. Option 2 involves additional actions for employment in MoEPP: Head of GHG Inventory Unit (as there is a separate unit for GHG Inventory) and Administrative Servant for transposition of EU legislation related to climate change (which will facilitate the process of transposition of the EU acquis).

Additionally, tasks for other institutions/sectors are identified which should be incorporated into the current systematization of posts of the corresponding institution (as presented in Table 8).

The cost of MoEPP employment in Option 1 is 128,277 € annually.

1 Annex 1 - Climate change institutional set-up in Slovenia

This annex is addressing the institutional set up under the EU climate Acquis framework in Slovenia which is feeding the institutional set-up at the EU level and which is at national level ensuring both policy making and EU and national policy implementation and fulfilment of all obligations towards the EU and international community.

The annex is in principle structured following the base EU climate set-up, which is at the upper level in principle disaggregated into EU segment and international e.g. UNFCCC segment. Within the specific segment the institutional set up is further disaggregated into institutional set-up for policy making and institutional set-up for policy implementation. While policy making institutional set-up has to be capable of dealing with three levels of policy making (UN level, EU level, and National level), policy implementation is to deal with implementation on national level arising from requirements coming from above mentioned levels. It has to be noted that EU climate legal framework is in constant evolution and therefore it is important that each legislative act is covered by relevant national policy officer.

Regarding the Climate Acquis two institutions in Slovenia are covering policies making process and implementation.

- Ministry of Environment and Spatial planning - Policy making process
- Environment Protection Agency of the Republic of Slovenia¹ - Policy implementation

In addition, policies and measures are implemented through of support of:

- Ecofund - which is an independent legal entity with the Ministry of the Environment and Spatial planning.

Ministry of the environment and spatial planning is organised in

- Directorate for Environment,
- Directorate for Water and Investments and
- Directorate for Spatial Planning, Construction and Dwellings.

Directorate of environment (81 policy officers+ 12 administrative staff) is organised in

- Sector for Environment and Climate Change, (36 policy officers)
- Sector for Strategic Environmental Assessment, (10 policy officers)
- Sector for Nature Conservation and (23 policy officers)
- Sector for Waste Management (12 policy officers)

Sector for Environment and Climate Change is further organised in

- Section for biotechnology (3 policy officers)
- Section for Climate Change (6 policy officers + 7 employees of Climate Change Fund +6 employees for implementation of LIFE+ project CARE4CLIMATE)
- Section for Environment Protection (20 policy officers and legal support)

Work of policy officers within the Sector of Environment and Climate Change is organised in accordance with the EU and UNFCCC organisation of activities.

Environment Protection Agency of the Republic of Slovenia (EARS) is organised as follows.

- Office for Environment and Nature Protection
- Office for the State of Environment
- Office for Environmental Monitoring
- Office for Meteorology and Hydrology
- Office for Seismology

¹ Environment Protection Agency is a body within the Ministry of Environment and Spatial planning

Implementation of EU, International and national policies is located in the Office for Environment and Nature protection in Sector for Air Quality (5 policy officers are allocated to climate (including F-gasses) related implementation activities.

The Core team of policy officers responsible for both policy making and policy implementation in Slovenia consists of 15 policy officers. How their responsibilities in the context of EU institutional set up and international obligations are assigned is presented in subsequent paragraphs.

1.1 National institutional set up under EU Climate acquis

1.1.1 EU Negotiations /policy making institutional set-up

In principle EU legislative process can be split to preparation of primary and secondary legislation.

General distinction between primary and secondary legislation is associate with the nature of legislation process and institutions involved in its adoption.

Primary legislation is presented and discussed in the European Council Working Party for Environment² and is through specific procedure at the end adopted by the EU Council and EU Parliament. The same procedure is applied when primary legislation is revised or amended.

1.1.1.1 Primary EU climate legal framework

The following legal framework which is negotiated in the WG Environment is considered as the most important EU Climate primary legislation (Directives and Regulations of the European Parliament and of the Council):

- EU-ETS (Directive 2003/87/EC as amended)
- CO₂ and cars (Regulation 2019/631/EU)
- Heavy duty vehicles (Regulation 2019/1242/EU)
- CO₂ labelling of Cars (Directive 1999/94/EC)
- Effort sharing decision e.g. Binding annual GHG emission reductions by Member States from 2021 to 2030 (2018/842/EU)
- F-gasses (Regulation 517/2014/EU)
- LULUCF opt-in (Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework),
- MRV for Shipping (Regulation 2015/757/EU of the European Parliament and of the Council)
- Limitation of scope for aviation under the EU-ETS (Regulation (EU) 2017/2392 amending Directive 2003/87/EC)
- Carbon Capture and Storage (Directive 2009/31/EC)

It has to be noted that dossiers are predominantly discussed at the Working Party (WP) one at the time (in parallel discussion of more than one dossier at the time at WP for Environment do happen if justified by political circumstances³).

Institutional set up in Slovenia to cover WP on Environment:

1x Policy officer from the Ministry of Environment and Spatial Planning is coordinating expert support and coordinating the preparation of the national position for specific dossier.

² WP for Environment is in principle always meeting in Consilium Building in Brussels. National flag is represented by Brussels based national attaché. Meetings are always chaired by current Presidency. In the meeting room there is a second-row seat for 1 national expert which is as appropriate attending the meeting and providing expert support to national attaché responsible for Environmental dossiers.

³ For example, during the preparation of so-called Energy and Climate packages, more than one dossier is discussed at the time (revision of the EU-ETS directive and Effort Sharing decision are discussed at the same time at the WP on Environment and in addition in parallel Energy efficiency targets are discussed at WP on Energy)

1x National coordination Working group “WG27” – 1 policy officer from relevant institutions (Ministry of Economy, Ministry of Enterprise, Ministry of Foreign Affairs, Governmental Office for EU Affairs). WG27 is chaired by Ministry of Environment and spatial planning.

Purpose of the national working group WG 27:

To discuss the position paper of a specific dossier currently discussed and negotiated in WP Environment in Brussels. Initial position paper is prepared by policy officer responsible for the dossier.

Level of attendance at WG27.

WG27 is represented at the level of Directors of Directorates, however each director can appoint its deputy.

Timing: WG27 is discussing national position before every meeting of the WP for environment in Brussels. When position paper is agreed at the WG27 level it is entered into national EU Electronic System for formal approval by the Government of Republic of Slovenia.

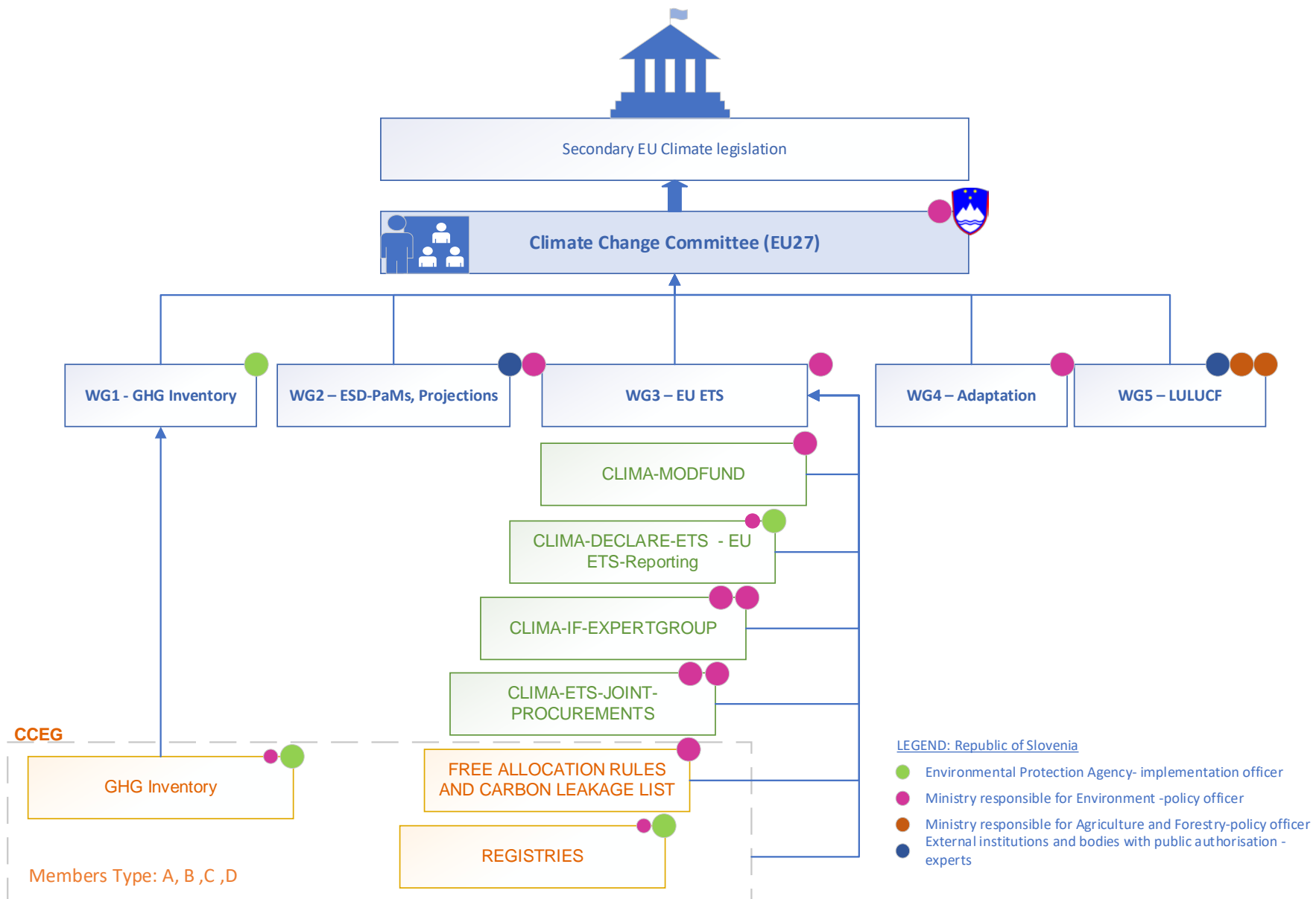
Once approved by the Government the position paper becomes visible to national attaché in Brussels responsible for the dossier and responsible to defend national positions in Brussels.

1.1.1.2 Secondary EU climate legal framework

Secondary legislation (Delegated or Implementing Regulations) is adopted through Comitology procedure. The adoption body under this procedure is Climate Change Committee, which consist of representatives of Member States and where implementing legislation is adopted by qualified majority.

Each of the above-mentioned primary legislation dossiers have one or more implementing or delegated decision which are at the technical level implementing the primary legislation.

Climate Change Committee where such secondary legislation is adopted always meets in Brussels and is always chaired by the European Commission. Due to variety of the primary legislation the Climate change Committee is supported by the working groups which are also chaired by European Commission.



Working Group 1- “Annual Inventories” under the Climate Change Committee

This working group is to assist DG Clima and the Member States to meet its reporting obligations under the EU and UNFCCC legal framework. Issues related to the results of the EU inventory reviews and potential adjustments to the GHG emission inventory are also discussed in this group. WG1 has one cross cutting CCEG⁴ working group

➤ **CLIMA-POLICY-EXPERT-GROUP - CCEG - GHG Inventory**

CCEG Working group under WG1 is addressing the crosscutting issues (such as changes in GWP) between EU-ETS and GHG inventory.

Institutional set-up in Slovenia to cover WG1.

1x Policy officer from the Environment Protection Agency of the Republic of Slovenia responsible for the preparation of the national GHG inventory and

1x Policy officer from the Ministry of the Environment and Spatial Planning (same as appointed to represent Slovenia in the CCC).

Working Group 2 – “Implementation of the Effort Sharing decision, Policies and Measures and Projections” under the Climate Change Committee.

This working group is to assist DG Clima and Member States in implementation of its policies and measures related to implementation of Effort Sharing Decision. Within the scope of this working group climate modelling at the level of EU and each Member state is presented and discussed together with technical options for achieving future EU emission reduction targets.

Institutional set-up in Slovenia to cover WG2.

1x Policy officer from the Ministry of the Environment and Spatial Planning (same as appointed to represent Slovenia in the CCC).

It has to be noted that occasionally the WG2 is also attended by representative of the national institution responsible for climate modelling. 1x Senior advisor from Institut Jožef Stefan (when appropriate) responsible for national Energy and GHG emission modelling and reporting on PAMs.

Working group 3 – “Emission trading” under the Climate Change Committee

This working group is a nucleus for all preparation of technical implementing acts related to EU-ETS and its smooth functioning, mainly related to Monitoring, Reporting and Verification (MRV) for stationary sources, shipping and aviation, benchmarking and other technical issues associated with EU-ETS. Politically sensitive issues or issues with political dimension such as free allocation of allowances, carbon leakage and registry related issues have been discussed under the following thematic CCEG's.

➤ **CLIMA-DECLARE-ETS - EU ETS-Reporting**

This working group is addressing the issue of official submissions (such as submission of National Implementing Measures (NIMs) and reporting by the Member States to the European Commission. Reporting as such is conducted through secured EU IT system.

Institutional set-up in Slovenia

⁴ Commission expert groups on climate change policy (CCEG). The CCEG⁴ assists DG Clima in the implementation of its policies and the preparation of delegated acts, in relation to the legislation adopted for the implementation of the Paris Agreement, i.e. Directive 2003/87/EC (EU Emissions Trading System – ETS) and the impending Effort Sharing Regulation, and to Regulation 525/2013 (Monitoring Mechanism Regulation - MMR). The members of this group are experts from Member States (D Type), other public entities such as authorities from non-EU countries, and type A, B and C members.

1x policy implementation officer from the Environment Protection Agency of the Republic of Slovenia responsible for the EU-ETS Registry

1x Policy officer from the Ministry of the Environment and Spatial Planning (responsible for EU-ETS Directive, which is also the same person as appointed to represent Slovenia in the CCC).

➤ **CLIMA-ETS-JOINT-PROCUREMENTS - Publication procurement - Opening and Evaluation committees**

Working group for joint procurement is dealing with joint procurement for evaluation of provider for EU auctioning platform, preparation of updated and functionalities to the common EU auctioning platform.

Institutional set-up in Slovenia

1x Policy officer from the Ministry of the Environment and Spatial Planning (responsible for public procurement under Climate Change Fund).

1x Policy officer from the Ministry of the Environment and Spatial Planning (responsible for EU-ETS Directive, which is also the same person as appointed to represent Slovenia in the CCC).

➤ **CLIMA-IF-EXPERTGROUP - Innovation Fund application process**

This Working group is dealing with operationalization of the Article 10a point 8 which allocates 450 Mio EUA to support innovation in low-carbon technologies and in specific processes. The activities of the group is to prepare all the necessary documentation and procedures and eligibility criteria for the appointed institution to start with tendering procedures and to prepare a call for submission of eligible projects.

Institutional set-up in Slovenia

1x Policy officer from the Ministry of the Environment and Spatial Planning (responsible for EU-ETS Directive, which is also the same person as appointed to represent Slovenia in the CCC).

1x Policy officer from the Ministry of the Environment (responsible for circular economy and innovations).

➤ **CLIMA-MODFUND - Modernisation Fund**

This Working group is dealing with operationalization of the Article 10d which establishes a fund to support investments proposed by the beneficiary Member States, including the financing of small-scale investment projects, to modernise energy systems and improve energy efficiency, in Member States with a GDP per capita at market prices below 60 % of the Union average in 2013.

Institutional set-up in Slovenia

1x Policy officer from the Ministry of the Environment and Spatial Planning (responsible for EU-ETS Directive, which is also the same person as appointed to represent Slovenia in the CCC).

➤ **CLIMA-POLICY-EXPERT-GROUP - CCEG - FREE ALLOCATION RULES AND CARBON LEAKAGE LIST**

This working group is dealing with operationalization rules for free allocation of allowances (Article 10a) under the EU-ETS and with carbon leakage list (Article 10a and Article 10b). Those

elements are kept under review in the light of climate policy measures in other major economies.

Institutional set-up in Slovenia

1x Policy officer from the Ministry of the Environment and Spatial Planning (responsible for EU-ETS Directive, which is also the same person as appointed to represent Slovenia in the CCC).

➤ **CLIMA-POLICY-EXPERT-GROUP - CCEG - REGISTRIES**

This working group is dealing with implementation of amendments to the Union registry due to amendments to the EU-ETS Directive or changes in the scope of the sectors included in the EU-ETS. The registry keeps track of the ownership of allowances held in electronic accounts, just as a bank has a record of all its customers and their money.

Institutional set-up in Slovenia

1x Policy implementation officer from the Environment Protection Agency of the Republic of Slovenia responsible for the EU-ETS Registry

Working group 4- “Adaptation” under the Climate Change Committee

This working group is dealing with Adaptation related issues and exchange of good practices regarding preparation of national adaptation plans.

Institutional set-up in Slovenia to cover WG4.

1x Policy officer from the Ministry of the Environment and Spatial Planning responsible for adaptation issues.

Working Group 5 "Implementation of the LULUCF Decision and policy development of the land use, land use change and forestry sector" under the Climate Change Committee

This working group is discussing the implementation of LULUCF decision (No 529/2013/EU as amended) which requires that Member States must be able to account for and report the GHG emissions and removals from activities on cropland, grazing land, forests and afforested, reforested and deforested land by 2020. In addition, it obliges Member States to prepare Action Plans setting out measures to limit or reduce emissions, and to maintain or increase removals from the LULUCF sector. Working group is also addressing issues related to progress on implementation of the decisions as well as issues related to accountings and adjustments of removals from above mentioned activities.

Institutional set-up in Slovenia to cover WG5.

1x Senior Advisor from Forestry Institute of Republic of Slovenia

1x Policy officer from Ministry for Agriculture and Forestry – Directorate for Agriculture

1x Policy officer from Ministry for Agriculture and Forestry – Directorate for Forestry

1.1.2 EU Climate Policy implementation

1.1.2.1 Policy implementation and reporting under EU climate acquis

In line with general principle of division of responsibilities general responsibility for EU climate policy implementation is with Environment Protection Agency with the assistance and supervision of its Ministry.

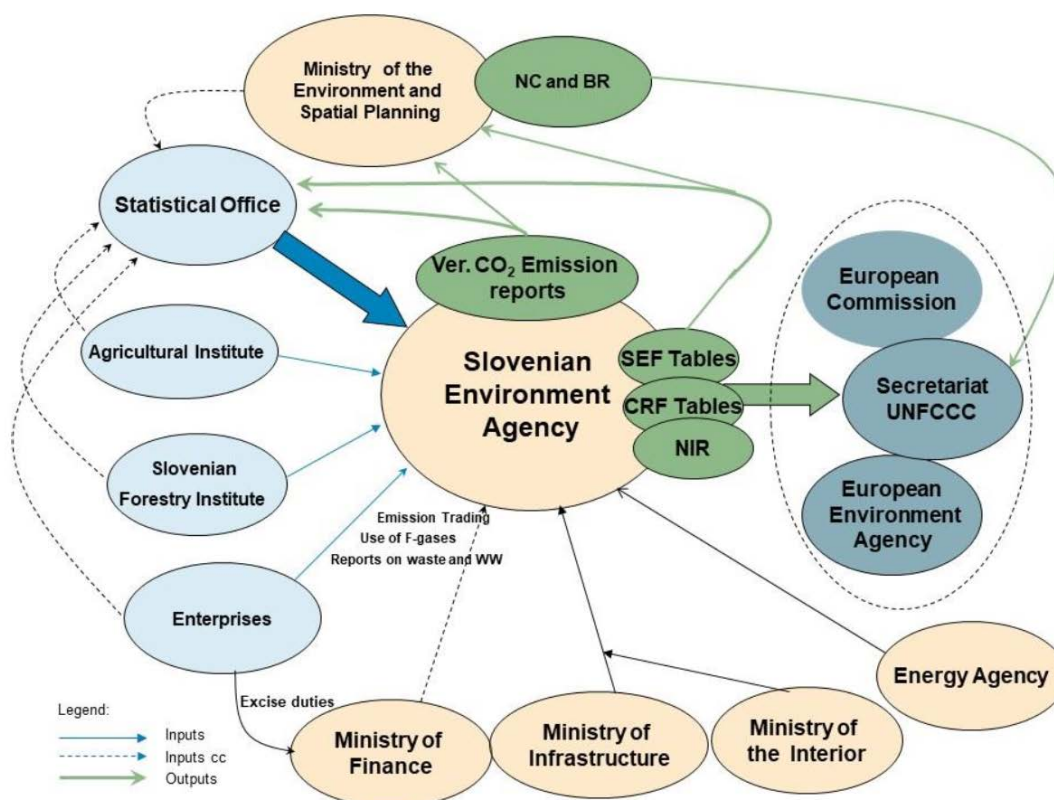
EU Policy implementation is too large extend reflected in different reporting obligations arising from Monitoring Mechanism Regulation⁵ and preparation of deliverables which are as follows:

- R.1 - Reporting on the National Low-Carbon Development Strategy (chap 2 art 4)

⁵ Monitoring Mechanism Regulation 525/2013/EC has been amended by Energy and Climate Governance Regulation (2018/1999/EU), however the reporting obligations have practically not being significantly changed.

- R.2 - Preparation of annual UNFCCC and Kyoto MRV National GHG inventories (reference year to year X-2) by establishing and maintaining a National Inventory System (chap 3 art 5 and 7).
- R.3 - Reporting an approximated GHG inventories (proxy) for the year (X-1) (chap 3 art8).
- R.4 - Reporting for the EU Decision No 529/2013/EU on LULUCF (chap 3 art 7).
- R.5 – Biennial reporting on policies and measures (chap 5 art 13).
- R.6 – Reporting on GHG projections by establishing a related National system (chap 5 art 14).
- R.7 - Reporting on National adaptation actions (chap 6 art 15).
- R.8 - Reporting on financial and technology support provided to developing countries (chap 6 art 16).
- R.9 - Reporting on the use of auctioning revenue and project credits (chap 6 art 17).
- R.10 – Preparation of biennial reports (which is to replace Biennial report (BR) for Annex I countries) - and National communications (chap 6 art 18).

In order to meet all the above-mentioned obligations, the following GHG inventory system (with Environment Protection Agency in its core) was set in place:



For smooth running of the system the above-mentioned structure is supported by

1 x QA/QC manager (heads of sector for Air Quality at EARS)

2 x inventory experts at the EARS (one with general overall responsibility)

1x Agriculture expert from Agricultural Institute of the Republic of Slovenia (expansion of the statue of the institute was introduced by the Government of Slovenia to cover GHG inventory reporting, the technical details are covered by memorandum of understanding)

2x Forestry experts from Forestry Institute of the Republic of Slovenia (Public authorisation for conduction of GHG Inventory and EU related reporting issues was granted to the Forestry Institute of the Republic of Slovenia through public authorisation in accordance with provision of the Article 92 of the Law on environmental protection)

In addition to this core team additional support is ensured by registry administrator when it comes to information on accounting of Kyoto Units or information on changes to the nationally registry.

Some members of the above-mentioned team are engaged in collecting all relevant data regarding the implementation of PAMs from agriculture and forestry sector⁶. The data is streamlined to external public research institution (Institut Jožef Stefan), which is a national institution responsible for Energy/Air Quality/ Climate modelling. This institution is also preparing on biennial basis reporting on policies and measures (R.5 – Biennial reporting on policies and measures). The same institution is also appointed to prepare national Strategic Energy/Air Quality/Climate documents and discussion papers and action plans.

In terms of information that feed into the monitoring of the process regarding the implementation of specific PaMs, the role of public EcoFund (established by the Law on Environment - Article 143) has to be highlighted. EcoFund is supported by rather advance software sweet which allows to collect all relevant information for each project supported by that found (grants to the citizens of numerous energy efficiency/ air quality and climate measures). Access of the Eco fund financing is rather simple and also supported by the EcoFund advisory network (ENSVET) of more than 200 independent energy advisors with have offices all around Slovenia (and are consulting citizens free of charge).

In order to monitor the progress of policy implementation and to avoid the conflict-of-interest relevant NGO is selected through public tendering procedure to assess and evaluate progress made in the implementation of policies and measure as contained in the policy documents. After the assessment the report of such assessment is presented to the public.

- In addition to monitoring mechanism regulation related implementation activities, Environmental Agency of the Republic of Slovenia is also responsible for EU policy implementation in the scope of EU-ETS where the following activities are to be performed:
 - Procedures related to the issuing of the GHG Permit for stationary installations
 - Procedures related to the approval of the monitoring plans
 - Procedures related to the assessment and approval of the improvement plans
 - Procedures related to monitoring of conditions for installations to opt-out and to return to EU ETS is conditions.
 - Procedures related to approval significant changes to the approved monitoring plan
 - Procedures related to the access to the EU registry
 - Procedures related to opening and closing of EU trading accounts
 - Procedures related to the changes in authorisation for the access to the EU trading account
 - Procedures related to the annual reporting with regards to the compliance of surrendering allowances to the EU Registry
 - Reporting of the accounting related information to the GHG inventory team and to the European commissions

The activities as described above are entrusted to two implementation officers at the EARS which are also officially nominated as Registry administrator and as Deputy of the Registry administrator and are subject of special security clearance.

Furthermore, before the introduction of the CO₂ tax, Slovenia introduced voluntary scheme for the enterprises and industry to avoid CO₂ taxation if they agree on contractual obligation to reduce GHG emissions from specific installation where contracting parties agreed that the proposed measures by the operator of the installation will be included in the contractual obligations. Management of those contracts and monitoring of the progress in implementation of measures was also entrusted to the Environment Protection Agency of the Republic of Slovenia.

Since Slovenia is one of the many EU countries that also introduced CO₂ tax (introduced 10 year before joining the EU), it has to be mentioned that the set-up and design of the CO₂ taxation in Slovenia was entrusted to Ministry of the Environment with Ministry of Finance as a partner in the design process, while implementation of CO₂ taxation is solely with the Ministry of Finance as any other taxation with

⁶ Those experts are together with representatives from the Ministry responsible for Agriculture and Forestry also responsible for the reporting under 529/2013/EC (as amended).

the Ministry which still keeps responsibility to set the carbon taxation on yearly basis. One of the purposes of setting taxation on yearly basis is to have flexibility in immediate response in case Slovenia would enter the pathway of not reaching its obligations from the Effort Sharing Decision.

1.2 National institutional set up under the UNFCCC

In principle national institutional set-up under the UNFCCC in Slovenia is still under development, however no major progress has been made in past decade. One of the reasons for such situation is a general EU wide rule when it comes to participation at international bodies such as UNFCCC – “EU speaks in one voice”, which is in principle the voice of the rotating presidency. Therefore, under the UNFCCC the EU Member States are “one family” and each of the “family member” is contributing its share in accordance with its institutional capacities. Therefore, Slovenia is in this “family” represented by limited personal, which is in most cases only with

1x Policy officer from the Ministry of the Environment and Spatial Planning (UNFCCC focal point).

Member states are under the UNFCCC in principle following those agenda items which are of the national interest (such as REDD+, or flexible mechanisms and carbon markets)

1.2.1 Negotiations/policy making institutional set-up

Negotiation and policy making EU-set-up for UNFCCC is structured under the special Working Party for International Environmental Issues – Climate Change (WPIEI CC). Member States are represented in the WPIEI-CC usually by national delegate (not the attachés following WP Environment).

Slovenia is in the WPIEI-CC represented by national UNFCCC focal point.

The WPIEI is then internally split into different thematic expert groups in order to follow the UNFCCC development regarding specific agenda items.

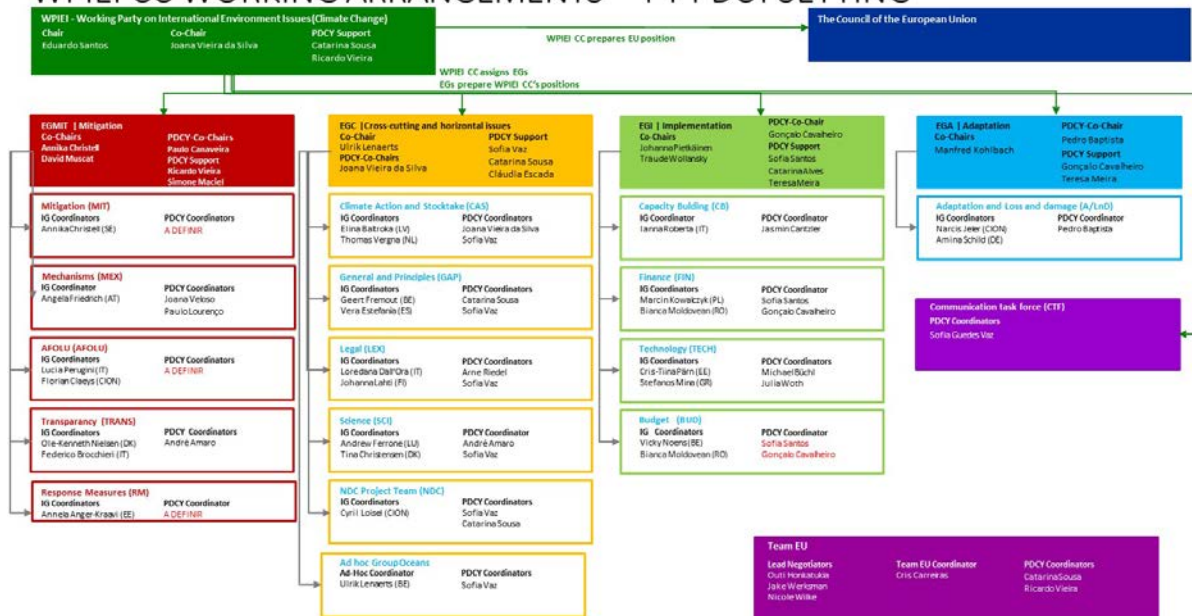
In principle two Policy officers from any Member states that express their interest, are presenting core EU team of specific agenda item, which is supported by working group (provide guidance to the negotiating team) that includes experts from all members states if they are nominated by the Member States and their nomination submitted to the Presidency and European Commission.

The workload under the WPIEI is distributed into four main clusters/ working groups:

- EGMIT – Expert Group for Mitigation
- EGC – Expert group for Cross-cutting and horizontal issues
- EGI – Expert Group for Implementation and
- EGA – Expert group for adaptation.

Then each expert group has further disaggregated to address specific issues. For illustration, under the upcoming Portuguese presidency the EU set-up under the UNFCCC is to be as follows:

WIPEI CC WORKING ARRANGEMENTS – PT PDCY SETTING



From this organisational set-up under the WIPEI-CC it is obvious that individual Member State would need to have like 16 + different policy makers available for the following of the work of the EU under the UNFCCC. When it comes to some bigger EU Member states this is also the case however, usually Member States of a size of Slovenia simply don't have adequate capacity to be able to participate at the work of the EU at this level, which is noted with full understanding.

1.2.2 UNFCCC Policy implementation

1.2.2.1 Reporting obligations as EU member state under the UNFCCC

In principle all the reporting under the UNFCCC is regulated through provisions of the EU climate acquis, mainly through provisions of Monitoring Mechanism Decision (e.g. Energy and Climate Governance Regulation). From the perspective of obligation, the legal framework is duplicated with the clear purpose of ensuring full compliance through the European Commission Infringement procedures. It has to be noted that on the basis of the national submissions to the EU, the EC is preparing EU28 submission to the UNFCCC and any delays or non-compliance with regards to UNFCCC deliverables is not tolerated and alerts from Brussels are activated immediately, therefore the national GHG inventory system as described in this document is to function without any interruptions.

2 Annex 2 - Questionnaire

2.1.1 Questions related to the institutional set-up:

1. As an overall assessment, are transposition and implementation of the EU climate action acquis and UN documents adequately addressed in North Macedonia?
2. In order to perform your functions and tasks properly, does the legal basis of your institution/organizational unit and of your specific work need reformulating or strengthening?
3. In case of shared responsibilities between different institutions, are coordination and cooperation appropriately addressed in legal rules?
4. Is the overall coordination of climate action in government adequate? Are new or additional coordination mechanisms needed?
5. Does your institution cooperate with civil society (organisations)? How do you provide information about climate action to the general public?

2.1.2 Questions related to internal organisation:

1. Are there any gaps or duplication of work between your organizational unit and other units in regard to climate action?
2. Are there any problems of coordination among the different units within the institution in regard to the climate actions?
3. Is the existing internal organisation of your institution adequate or is restructuring needed in order to better address the climate changes issues? Are additional internal structures needed?

2.1.3 Questions related to existing capacity and identification of needed capacity

1. Is the systematized number of staff and type of positions (qualification and work experience required) in your unit adequate to address the climate changes process?
2. Having in mind that filling in all systematized positions in a short period of time is difficult, what position and / or profile of an employee urgently need to be filled-in?
3. Does your job systematization cover the requirements stemming from the climate changes processes? If not, what is missing?
4. Is there any task prescribed in your job position that has not currently been performed? If yes, why?
5. Do you perform only tasks that are described in your job description or you also cover other tasks? If yes, please give us the estimated amount of time (%) of your working hours you dedicate to each group of tasks.
6. Do you consider that you have the right competences to perform the tasks you have been allocated?
7. Have you attended sufficient and relevant trainings? What are your training needs?
8. Do you have sufficient and appropriate tools (hardware, software, etc.) to efficiently perform your tasks?

3 Annex 3 – Relevant documents

Relevant documents which were considered while preparing this report are the following:

1. Capacity building needs identified in the Technical analysis of the second biennial update report of the former Yugoslav Republic of Macedonia submitted on 5 March 2018. Summary report by the team of technical experts (<https://unfccc.int/documents/193401>)
2. Third ECE Environmental Performance Review published in 2019
3. The Self-Assessment Report prepared within the Capacity Building Initiative for Transparency/Global Coordination Platform
4. Handbook on institutional arrangements to support MRV/transparency of climate action and support
5. National Communications to the UNFCCC
6. Biannual Update Reports
7. Nationally Determined Contributions
8. Report on institutional analysis and assessment of administrative capacity needs for climate action (DRAFT)
9. Capacity and Training Needs Assessment for Transparency in Climate Change MRV on individual level
10. Report on Capacity Assessment of Climate Information Services in North Macedonia
11. Climate Budget Tagging relevant institutional capacity assessment

4 Annex 4 - Findings from the completed questionnaires from CBIT junior associates

Among the inputs the team used for formulating the specific proposals for strengthened administrative capacity were the answers from the questionnaires completed by the junior associates who are contracted by the CBIT Project and dedicated to the MoEPP and MoLSP. This annex presents the summarized findings from the answers provided to the questions related to administrative and personal capacities.

Question	Yes	No	Partially	N/A	Conclusions
UN documents adequately addressed in North Macedonia?	7				They all consider UN documents are adequately addressed.
EU obligations adequately transposed in North Macedonia?	6		1		They all consider EU obligations are adequately transposed, with exception for one who indicated a document that still needs to be transposed
Coordination and cooperation appropriately addressed in case of shared responsibilities between different institutions?			6	1	Weak cooperation and coordination based on the experience of the respondents. Better coordination of different nodal points is required.
Cooperation with civil society organisations as part of the work?	2	3	2		Some of the posts do not entail cooperation with NGOs or employees have not experienced such a cooperation so far. Needs to be strengthened so that feedback from specialized NGOs is properly utilized
Provision of information about climate action to the general public?					Web site (www.klimatskipromeni.mk) and social media accounts
Gaps or duplication of work between your organizational unit and other units in regard to the climate action?		4		3	No gaps or duplication of work experienced so far
Issues with coordination among different units within the institution in regards to the climate actions?		4	2	1	In general, no coordination problems with minor exceptions
Additional internal structures (units) or restructuring of the institution needed in order to better address the climate changes issues?	3	1	2	1	Divided opinions, not enough experience among them to provide firm answer
Systematized number of staff and type of posts (qualification and work experience required) in your unit adequate to address the climate changes process?	4	1	1	1	Divided opinions, but general opinion is that number of posts are sufficient, with a few exceptions
There are tasks prescribed for the post that are not currently performed?	2	5			In general, each performs all prescribed tasks, with minor exceptions for justified reasons
Performing tasks that are not described in your job description? Estimated amount of time (%) of your working hours you dedicate to those tasks?	5	1	1		In general, they all perform other tasks that take up to 30% of the working hours, which indicates that job systematization should be improved to reflect the practice
Possessing right competences to perform the tasks you have been allocated?	7				Current staff has the right competences. Perception is of more focus on administrative tasks rather than thematic work.

Attended sufficient and relevant trainings?	3	2	2	Opinions are divided, but in general number of trainings that have been attended is satisfactorily and trainings relevant, however there is a need for more specialized trainings
Having sufficient and appropriate tools (hardware, software, etc.) to efficiently perform your tasks?	7			They all have sufficient and appropriate tools
Rate (1 to 10 at most) for each of the following areas in terms of reporting to the EU and the UNFCCC how much you can help according to your interests and experience:	Average			
a. Inventory	5,0			Apparently challenging area where there is certain knowledge and skills among the staff but not on a high level
b. MRV Platform	6,1			The staff can be utilized for administering and processing data in the MRV platform
c. Mitigation plans	6,1			The staff can be utilized in activities related to mitigation plans
d. Adaptation plans	6,7			The staff can be utilized activities related to adaptation
e. Technical needs assessment	3,4			The staff does not feel that it can assist much in technical needs assessment
f. Capacity building	8,6			The staff can be very much utilized for capacity building related to these areas
g. Gender equality and social inclusion	5,3			Knowledge on these issues is understandably higher among those working in the MoLSP then among the those working in MoEPP
Do you see yourself as an employee of the Ministry in 5 years?	4	1	2	Opinions are divided, but in general they would all like to be Government employees, although still open to other job opportunities