

Project: Strengthening Integrity in Climate Finance:

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PRESS RELEASE: Monitoring Local Climate Finance in North Macedonia

SKOPJE – The Center for Economic Analyses (CEA) is announcing the launch of its latest initiative, “Strengthening Integrity in Climate Finance: Transparent and Accountable Climate Finance for Corruption Prevention.”

Goal: Enhanced Integrity in Local Climate Finance

As North Macedonia accelerates its transition toward sustainable development, the decentralization of climate-related finance has led to the need for improved financial flows to and from the local level. To mitigate heightened risk of potential mismanagement and absence of robust oversight, this initiative is dedicated to initiate institutionalizing transparency and accountability within LSGUs. By improved governance frameworks and anti-corruption procedures, the project seeks to optimize resource allocation and ensure the fiscal integrity of climate-resilient actions.

The **overall objective** of the project is to strengthen the integrity, transparency, and accountability of climate finance at the local level in North Macedonia, thereby reducing corruption risks and improving local resource allocation.

Specific objectives:

- To improve LSGU adherence to regulatory frameworks and institutionalize the proactive disclosure of climate finance data to mitigate corruption risks.
- To increase awareness and knowledge of local government officials, civil society, and the general public on the specific financial and social risks associated with corruption in local climate initiatives.
- To empower CSOs and citizens with the technical methodologies and digital tools necessary for the rigorous monitoring of financial flows and evidence-based advocacy for improved governance.

Project structure:

The project is structured across four strategic work packages designed to provide a comprehensive framework for oversight and governance:

- **Baseline Research and Risk Mapping:** The initiative will begin with an analytical assessment of climate finance and public financial management at both central and local levels. This phase

includes the identification of specific corruption vulnerabilities and the development of a methodology to quantify governance standards.

- **Institutional Capacity Building:** The project will provide technical assistance to eight pilot LSGUs. Focus areas will include acquaintance and introduction with climate budgeting into municipal workflows and the implementation of risk management protocols. A dedicated transparency e-tool will be developed to provide public access to climate finance data.
- **Civil Society Monitoring and Advocacy:** To ensure external oversight, the project will provide sub-grants and specialized training to 8 CSOs. These organizations will be tasked with establishing formal monitoring mechanisms, utilizing evidence-based methodologies to track financial flows and advocate for institutional improvements.
- **Public Awareness and Civic Participation:** This component will focus on engaging local media, businesses, and citizens, to increase public scrutiny of climate-related decision-making and collaborative environment for anti-corruption efforts.

Strategic Outcome

The initiative is expected to result in enhanced compliance with financial regulations, the establishment of evidence-based policy recommendations. By improving local governance structures, the project aims that climate finance remains a transparent and effective tool for environmental resilience.

Technical Summary

- **Project Reference:** EC 2025/488-600
- **Implementer:** Center for Economic Analyses (CEA)
- **Project Finance:** EC co-funded
- **Project Duration:** 12/2025-5/2028