

Project fiche 3.6: Strengthening the central and local level capacities for environmental management

1. Basic information

1.1 CRIS Number: 2008/20-311

1.2 Title: Strengthening the central and local level capacities for environmental management

1.3 ELARG Statistical Code: 3.27

1.4 Location: Skopje and additional nationwide project related locations

Implementing arrangements:

1.5. Contracting Authority (EC):

European Commission, EC Delegation, on behalf of the beneficiary

1.6. Implementing Agency:

European Commission, EC Delegation, on behalf of the beneficiary

1.7 Beneficiary (including details of project manager):

Ministry of Environment and Physical Planning (MoEPP) will be the leading beneficiary institution while the Head of Department for Cooperation and Project Coordination will act as a SPO.

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1.8 Overall cost (VAT excluded)¹: EUR 3.100.000

1.9 EU contribution: EUR 3.100.000

1.10 Final date for contracting:

Two years from the date of the signature of the Financing Agreement.

1.11 Final date for execution of contracts:

Two years after the final date for contracting

1.12 Final date for disbursements:

One year after the final date for execution of contract

¹ The total costs of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated.

2. Overall Objective and Project Purpose

2.1 Overall Objective

The overall objective is to contribute to sustainable development in the country by strengthening the administrative capacities to enforce environmental legislation.

2.2 Project purpose

The project purpose is to assist central and local level government to strengthen the administrative capacities for environmental management, through drafting of laws and implementing regulations aligned with the EU Environmental Directives and their implementation, specifically in the fields of ambient air quality, waste management and relevant aspects from the Industrial Pollution Prevention and Control (IPPC), and Environmental Impact Assessment (EIA).

2.3 Link with AP/NPAA/EP/SAA

The programme will contribute towards the implementation of the **Stabilisation and Association Agreement** Article 80 on economic and social policies ensuring that environmental considerations are also fully incorporated from the outset, Article 68 on legal approximation, Articles 85 and 98 on ensuring environmental protection, and Article 103 (Environment and nuclear safety) on combating environmental degradation, with the view to supporting environmental sustainability.

The **Accession Partnership** focuses on continues legislative alignment with the acquis, in particular in the fields of air quality, waste management and water quality, and significant improvement of implementation of legislation and environmental monitoring, as well as strengthened administrative capacity at national and local levels and improved coordination between administrative bodies in charge of environment-related issues, and other issues of relevance to the area of Environment.

The **National Plan for Adoption of Acquis** with regard to environment intends to further pursue legal development and harmonisation with the Acquis, strengthen administrative capacity building of the Ministry of Environment and Physical Planning as well as capacity building of inspectorates in order to strengthen the supervision of the environmental sector.

2.4 Link with MIPD

The **Multi-Annual Indicative Planning Document (MIPD)** 2008-2010 indicates that EU assistance in the area of environment has resulted in further approximation of national legislation to EU standards and in the elaboration of a coherent environmental strategy aiming at sustainable development. With regard to environmental protection, particular attention will be given to the strengthening of administrative capacities, support for the further the adoption of acquis and upgrading the enforcement and inspection capacities for environmental management, both on central and local administration level, and to the incorporation of environmental protection requirements into other sectoral policies, e.g. through the development of environmental impact assessments, including compliance of agriculture and industry with key parts of the acquis in the environmental sector.

2.5 Link with National Development Plan

This project is linked with National Development Plan in the part for improvement of municipal waste management and needed investments in this area. It is important that in the field of environment, NDP deals with the environmental infrastructure and in this regard it indicates concrete needs in the area.

2.6 Link with national/ sectoral investment plans (where applicable)

The project directly links to the following key strategies and action plans in the sector (see for a more extensive list annex 3):

- National Environmental Action Plan, 2006
- National Plan for Ambient Air Protection
- National Strategy for Environmental Legislation Approximation, 2006
- Operational Programme for Regional Development 2007-2009 (part environment) IPA Component 3, 2007
- National Strategy for Waste management, 2008
- Strategic Coherence Framework IPA Component III and IV, 2007 – 2012, 2007
- (Draft) National Waste Management Plan, 2006
- National strategy for approximation and implementation of the environment acquis, 2008

3. Description of project

3.1 Background and justification

The Government's commitment towards EU accession, the harmonisation of the national legal environment with the EU acquis through the National Plan for Adoption of the Acquis (NPAA) and Action Plan form the background against which the Second National Environmental Action Plan (NEAP) was adopted in 2006. Also several topical strategies for environmental information, data management, and public awareness were adopted. These key documents underpin the accession process in the environmental sector and will define most of the investments to be made.

The Ministry of Environment and Physical Planning (MoEPP) is the principal Central Government authority in the sector. Although presently responsibilities for water-related issues in particular are shared amongst several Ministries, the new law on waters seeks consolidation. In December 2006, the MoEPP adopted a new administrative and organizational structure to fulfil the new competences and responsibilities in the individual environmental sectors in line with the approximated legislation. Attention is given to capacity building and technical staffing on central and local level.

Through the decentralization process, the Municipalities will be key executive players in environmental protection in the future, and will provide most of the utility services. The municipalities (Local Self-Government Units) are responsible for the local environment and nature protection and have the right and obligation to undertake on their territories all measures and activities of environmental protection and improvement which are not under the exclusive competence of state authorities. The responsibilities of the municipalities in the horizontal sector are linked with issuance of B environmental permits relating to location and building of industrial facilities, Strategic Environment Assessments (SEAs) on local strategies, plans and programmes, as well as monitoring, inspection and enforcement within the Municipality. The municipalities may establish a local environment monitoring function as well as manage part of the national monitoring network, have access to environmental

information, and participate in organizing public debate on the adoption of plans, strategies and programs. However, the capacities at the municipal level remain rather weak and are in urgent need of further development. The government is committed to make resources available, but assistance is required to build the necessary capacities. The future relationship and administrative procedures between the MoEPP and the Municipalities regarding environmental protection are presently under development but equally need further support.

Transposition of the basic EU Environmental Directives in the field of environment started with the adoption of the Law on ambient air quality, Law on Nature Protection, and Law on Waste Management in 2004. Framework environmental legislation is in place covering the horizontal legislation (IPPC, EIA, access to justice, environment information), waste, air, nature, noise with a number of sub legislation enacted or under preparation. Presently the draft Law on Waters is in parliamentary procedure. The Law on Genetically Modified Organisms was adopted and published in the Official Gazette (Official Gazette of the Republic of Macedonia No.35/08). For the purpose of transposing of the overall legislation on air protection, waste management and nature protection, MoEPP launched the preparation of secondary legislation based on these laws and their further amendments. In 2005 the Law on environment was enacted while the sector laws as well as the Law on Environment were amended to be aligned with the Law on Misdemeanours. Several sub-legislation acts were prepared and enacted.

The Ministry is closely cooperating with all relevant ministries, mainly through the inter-ministerial working group under the NPAA Chapter 27 Environment, covering the horizontal issues, horizontal legislation, air, waste, waters, nature, industrial pollution, genetically modified organisms, chemicals, noise, and forestry. The Working Group Chapter 27 is headed by the MoEPP while all other institutions including the business sector are represented.

Although the basic set of environmental legislation as a framework for environmental protection and improvement is in place, numerous gaps need to be filled before the environmental management system of the country becomes fully harmonised and sustainable.

The implementation and enforcement of legislation is still at a rather low level and will need significant attention in the coming years to fulfil the obligations and requirements in the process of EU accession.

The present project will therefore focus on further strengthening the national capacities to harmonise legislation with the Environmental Directives and to strengthen the central and local level administrative capacities in prioritised areas of environmental management, while contributing to an appropriate working environment. By the time this project becomes operational, all new and relevant legislative developments in the area of environment will be taken into account.

The prioritised areas for this project are:

- Air Quality
- Waste Management and the related aspects of Industrial Pollution Prevention and Control (IPPC) as well as Environmental Impact Assessment (EIA)

Below, for each sector the present state of affairs is described.

Air Quality

The key legislation and secondary legislation that has been enacted in line with the EU Directives are:

- Law on ambient air quality (Official Gazette no. 67/04; 92/07),
- Decree on limit and target values for levels and type of pollutants in the ambient air, alert and information thresholds; dead lines for achieving limit and target values for specific substances; margins of tolerance for limit value and target value and long term objectives for specific pollutants (Official Gazette No. 50/05).
- Rulebook on criteria, methods and procedures for evaluation of the ambient air quality (Official Gazette no.82/06).
- Rulebook on inventory and determination of the levels of the pollutant emissions in the ambient air in tonnes per year, for all types of duties, as well as other data needed for submission of the Program for monitoring the air in Europe (EMEP) (enacted on 30.11.2007).

The national air quality measurement network has been established with EU support. MoEPP operates 15 automatic air quality stations located in the main cities of the country, measuring basic pollutants CO, SO₂, NO₂, O₃, and PM₁₀. A preliminary assessment to define pollutant levels in different part of the country and to divide the country into assessment zones has been carried out. In accordance with the Law on Environment and Law on Ambient Air Quality, a Cadastre for polluters and pollutants for air was prepared.

Initial sporadic meteorological measurements and observations were carried out in Skopje in 1891. Organized systematic hydro-meteorological measurements and monitoring started in the 20s of last century, when network of meteorological and hydro stations was established. At present, atmospheric observations are carried out by the Hydro Meteorological Service (HMS).

The EU funded twinning project Air Quality Improvement assisted with the further implementation of EU air quality directives, improved the air emission inventory methodology, build up the capacity in air quality measurements and laboratory work. In the twinning project also local scale dispersion modelling tools for air quality assessment has been implemented and the basic training in the use of models has been given. Two types of models have been implemented and taken into use in MEPP: dispersion model for traffic emissions and dispersion model for stationary emission sources.

Based among others on the recommendation developed through the twinning project, the present follow-up support will focus on:

- Further development of relevant legislation and regulations;
- Development of a national plan for ambient air quality;
- Further strengthening of institutional capacities in air quality on central (Hydro meteorological Service (HMS), Ministry of Environment & Physical Planning (MEPP) and local level (municipalities);
- Improvement of the co-operation and data exchange between HMS and MEPP.
- Further improvement of the quality and coverage of input data needed in the modelling;
- Further improvement of the quality of meteorological measurements in AQ network (maintenance, calibrations and quality assurance procedures on regular bases);

- Modernization and automation of HMS's meteorological network to provide better real-time data for AQ modelling, assessment and forecasting (Automatic Weather Stations, upper air soundings, data acquisition, database, data quality control, processing and distribution of data & capacity building);

Waste management

The Law on Waste Management was adopted in 2004 and amended in 2007. Several pieces of secondary legislation were adopted during the last two years, which established a good basis for further alignment of the legislation as well as for implementation.

The main challenges in relation to waste management relate to: policy and further legislative alignment; organisation of institutions and human resources on central and local level, cost recovery and financing of services and investments, stakeholder awareness and communications, all phases of technical management from collection to final disposal of waste, existence/remediation of environmental burdens, impact on public health and living/natural environment with the potential impact on the economy.

Tasks and responsibilities on the waste management field are split among several institutions in the country. The competencies are divided between the Central and Local authorities and institution, as well as among different public enterprises. Virtually all institutions inside MoEPP, other ministries, municipalities, and the production/service sector, which are responsible for carrying out the main tasks on waste management, have insufficient human resources, knowledge and experience to develop and implement all the relevant legislation, standards, instruments and investments to establish an integrated waste management system.

There is a lack of an organised system for communications between central level, municipalities, industry and other stakeholders in the society to exchange information and to prepare and implement legislation.

Thus there is a need of strengthening of administrative capacity at central and local level for implementation of waste management legislation.

IPPC – Industrial Pollution Prevention and Control

In order to improve the procedure on Industrial Pollution Prevention and Control and additional harmonization with the Directive 96/61/EC on Industrial Pollution Prevention and Control, amendments have been made in this respect to the Law on Environment. With two bylaws adopted in 2007 on the level of the compensation to be paid by the operators of installations on which integrated environmental permit is issued (the Decree on the level of the compensation to be paid by the operators of installations carrying out activities on which integrated environmental permit is issued and the Decree on the level of the compensation to be paid by the operators of B installations), the legal framework for the implementation of IPPC is almost complete.

Through the CARDS 2004 Project "Environmental Management Strengthening", Sectoral Guidelines on the Best Available Techniques (BAT) have been developed, relating to different industrial branches: Wastewater and gases treatment; Steel processing; Ferrous metals processing; Non-ferrous metals processing; Monitoring; Cement clinker production; Ceramics production; and Intensive poultry breeding.

Although the improvements in this sector are well underway, support is needed to further strengthen the capacities in terms of specific sector knowledge, data management,

institutional cooperation and further development of the operational environment (guidelines, operational manuals etc.)

Environmental Impact Assessment

The transposition of the EIA directive (85/337/EEC) is in an advanced stage. Seven technical Guidelines concerning the implementation of the EIA procedure have been adopted, with regard to wastewater treatment plants, landfills, dams, slaughtering houses, quarries and stone and sand extraction, abstraction and exploitation of surface water/earth gas.

However, full implementation is hampered mainly because of limited resources and capacities within the IEA Directorate and municipal level. A pool of expertise needs to be built up to meet the requirements related to the EIA, while both the central and local authorities require further training.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

The project will contribute to strengthening of environmental management in the prioritised sectors on central level and local level, thereby strengthening the capacities to enforce enacted environmental legislation and environmental standards.

The improved capacities to develop EU compliant legislation and regulations will have a positive impact on the EU accession process.

Through improved capacities to enforce environmental legislation and standards, a positive impact can be expected on the overall sustainability of development in the country.

Improved capacities to implement and enforce environmental legislation will increase transparency and reduce discretionary decision-making. This will enhance the confidence of the business community to invest in environmental measures.

It can be expected that transparent administrative procedures, improved access to reliable and publicly accessible environmental information as well as involvement in decision making will increase the confidence of the general public and institutions in administrative capacities and procedures. It is expected that strengthening the public administration on local level will improve the capacity to solve local problems and disputes on local level instead of approaching central administration.

Environmental pollution does not stop at borders; therefore strengthening the environmental management capacities is likely to lead to a reduction of cross-border pollution originating from the country.

3.3 Results and measurable indicators²

The project shall provide advisory and material support to the central and local administration and will consist of the following components:

- 1) Strengthening the central and local level administrative capacities, with particular reference to Waste Management and related aspects of Industrial Pollution Prevention and Control, and Environmental Impact Assessment, concerning landfills.

² Please note that some of the indicators have not yet been quantified or been given a benchmark. This will be done during the development of the detailed Terms of Reference.

- 1) Strengthening the central and local level administrative capacities with particular reference to air quality

Component 1 - Strengthening the central and local level administrative capacities, with particular reference to Waste Management and related aspects of Industrial Pollution Prevention and Control, and Environmental Impact Assessment, concerning landfills.

The expected results are:

- Based on the recently approved Strategy for Approximation and implementation of the Environment Acquis, prioritised legislation has been harmonised, in particular with reference to waste management and the related aspects of IPPC and EIA;
- An institutional capacity assessment has been made on both central and local level, and action plan to improve institutional capacities has been made, and prioritised actions are implemented;
- An assessment of actual coordination mechanisms between the local, regional and central level (including public utilities and regional waste management bodies) has been made, an action plan to improve the coordination mechanism has been adopted and prioritised actions are implemented;
- An assessment of present enforcement capacities on local and central has been made, an action plan to improve the enforcement capacities has been adopted and prioritised actions are implemented,
- Defining of technical standards, legal and technical, to regulate methodologies and procedures in the creation, access, protection and uniformity of environmental information in the related institutions and the Country as a whole;
- Training needs assessment has been made, a training action plan has been adopted and prioritised training has been implemented for waste management and the related aspects of IPPC and EIA;
- The MoEPP is endowed with appropriate equipment to exchange and manage information for waste management and the related aspects of IPPC and EIA.

The measurable indicators are:

- Prioritised legal harmonisation implemented as per plan;
- Number of legal instruments developed without external assistance.
- Training needs assessment and training action plan approved by MoEPP;
- number of training and number of trained staff ;
- Institutional capacity assessment and action plan approved by MoEPP;
- Implemented actions for institutional improvement as per action plan
- increased compliance with relevant directives (as documented through the annual progress monitoring reports);

Component 2: Strengthening the central and local level administrative capacities, with particular reference to air quality

The expected results are:

- Training needs assessment has been made, a training action plan has been adopted and prioritised training has been implemented;
- An institutional capacity assessment has been made on both central and local level, and action plan to improve institutional capacities has been made, and prioritised actions are implemented;

- An assessment of present enforcement capacities on local and central has been made, an action plan to improve the enforcement capacities has been adopted and prioritised actions are implemented, with specific reference to air quality control.
- Improvement of air quality assessment and forecasting capabilities by supporting air quality modelling process and providing the needed meteorological input required by dispersion models in regional scale.
- The MoEPP and Hydro Meteorological Service (HMS) are endowed with appropriate equipment for air monitoring and data management system.

The measurable indicators are:

- Training needs assessment and training action plan approved by MoEPP;
- number of training and number of trained staff ;
- Institutional capacity assessment and action plan approved by MoEPP;
- Implemented actions for institutional improvement as per action plan;
- Strengthen institutional capacities or air monitoring, enabling the future development of effective air quality assessment and forecasting system;
- Capacity building in dispersion modelling (MOEPP and HMI).

3.4 Activities

Component 1 - Strengthening the central and local level administrative capacities, with particular reference to Waste Management and related aspects of Industrial Pollution Prevention and Control, and Environmental Impact Assessment, concerning landfills.

The activities are:

- Harmonise prioritised legislation with the directives, in particular the Waste Framework Directive(75/442/EEC) as amended by Directives 91/156/EEC, 91/692/EEC and Regulation (EC) 1882/2003 as well as by Decision 96/350/EC;
- Implement an institutional capacity assessment on both central, regional and local level, develop an action plan to improve institutional capacities, and implement prioritised actions to improve institutional capacities Waste Management and related aspects of Industrial Pollution Prevention and Control, and Environmental Impact Assessment;
- Implement an assessment of actual coordination mechanisms between the local and central level (including public utilities), develop an action plan to improve the coordination mechanism, and implement prioritised actions to improve the coordination mechanism;
- Implement an assessment of present enforcement capacities on local and central level, develop an action plan to improve the enforcement capacities, and implement prioritised actions to improve the enforcement capacities, for Waste Management and related aspects of Industrial Pollution Prevention and Control, and Environmental Impact Assessment;
- Development of long term training plan, and implementation of priority actions for waste management and related aspects of IPPC and EIA;
- Establishment/support to the regional waste management bodies, including the necessary documents for establishment, organization and operation
- Assess the detailed equipment needs of the MoEPP and procure the prioritised equipment for waste management information system.

All the activities should be done applying the stakeholders' involvement approach, public awareness and consultations.

Component 2: Strengthening the central and local level administrative capacities with particular reference to air quality.

The activities are:

- Harmonise prioritised legislation with the directives, in particular Framework Directive on the ambient air quality assessment and management (96/62/EC) and subsequent Daughter Directives (1999/30/EC, 2000/69/EC, 2002/3/EC, 2004/107/EC), EIA (85/337/EEC):
- Implement an institutional capacity assessment on both central and local level, develop an action plan to improve institutional capacities and implement prioritised actions to improve institutional capacities;
- Implement an assessment of present enforcement capacities on local and central level, develop an action plan to improve the enforcement capacities and implement prioritised actions to improve the enforcement capacities;
- Implement a training needs assessment; develop a training action plan, and implement prioritised training for strengthening of institutional capacities in air quality;
- Preparation and adoption of the National plan, programs and actions plans for protection of ambient air quality
- Planning and building up meteorological data base with relevant QC methods and data transfer
- Developing data processing methods and datasets to provide needed meteorological information for dispersion modelling
- Review of the detailed emission inventory for dispersion modelling purposes for biggest stationary sources and traffic in major cities
- Assessment of ambient air quality for the previous year and revision of the list of zone and agglomeration
- Assess the detailed equipment needs of the MoEPP and HMI and procure the prioritised equipment for air monitoring and data management system.

Management and contracting arrangements

A separate project steering committee will be established for each of the two components.

Advisory services will predominantly be provided to the Ministry of Environment and Physical Planning and Municipalities involved in the project as well as selected other stakeholders. National project coordinator for each component will be appointed by MoEPP, while for separate activities will be responsibility of task managers.

A team leader/RTA for each component will be responsible for the overall management, representation (co-ordination with the other international bodies), and reporting. The team leader/RTA is responsible for appropriate management of resources. Short and long term expertise will be engaged in the areas of harmonization with the Environmental Directives, capacity development, trainings etc. Some of these experts will address the cross-cutting issues (see below). A pool of short-term expertise will be made available to assist the key experts and to carry out the activities in the remaining areas.

Distribution of responsibilities: The Department for Cooperation and Project Cooperation (DCPC) within the MoEPP will have the overall coordination and reporting role over the implementation of the project, while the relevant bodies and departments within the MoEPP will be responsible to cooperate with and monitor and evaluate related project components.

The bodies include the Administration for Environment (Department for Environment - Division for Waste Management and Department for Industrial Pollution and Risk Management-Division for IPPC) and the Department for EU and *Macedonian Environmental Information Centre*. Those departments will have responsibility for project execution including the overall monitoring over its implementation.

Reporting and progress monitoring arrangements: Regular reports (inception, mission, monthly and mid-term progress reports) will be prepared. Monitoring and approval over the project outcomes will be provided by the Steering committee to be established at the very beginning of the project, composed of high level representatives from relevant institutions.

The detailed project management and implementation structure, with full descriptions of roles and responsibilities will be proposed during the preparation of ToRs.

The expected contracting arrangements are:

Financed through IPA:

- One service contract to be concluded through an international restricted tender procedure, for activities under component 1. The contract will be with duration of 12 to 24 months. Implementation of the Technical Assistance project is to start one month after the contract is signed. The expected date for implementation to start is the 2nd quarter of 2010. The amount for this contract is approx. 1.3 million EUR.
- One Twinning arrangement to be concluded through the necessary procedures, for all activities foreseen under component 2 of the project. The contract will be with duration of 12 to 24 months. The expected date for implementation to start is the 4th quarter of 2010. The amount for this contract is approx. 1.000.000 EUR.
- One or more supply contracts are to be concluded for the supply of prioritised equipment identified under component 1 and 2 of the project. The contracts are expected to have implementation duration of 4 to 8 months supplemented by a warranty period of 12 months, bringing the total duration to 16 to 20 months. The supply contracts are expected to be concluded in the 1st quarter of 2011. The total contract value will be approximately 0,8 million EUR.

3.5 Conditionality and sequencing

The project includes the following conditions:

- 1) Endorsement by relevant key stakeholders of the Terms of Reference, specifications for the individual contracts to be engaged;
- 2) Appointment of appropriate number of counterpart personnel by the beneficiary (central and local level) before the projects start;
- 3) Staffing of units receiving support is sufficient to implement the mandate of the unit (in principle staff should at the minimum be as per formal staff establishment decision)
- 4) Allocation of working space and facilities by the beneficiary for technical assistance before the launch of the tender process;
- 5) Participation by the beneficiary in the tender process as per EU regulations;
- 6) Organization, selection and appointment of members of working groups, steering and coordination committees, seminars by the beneficiary as per work plan of the project;

- 7) Appointing the relevant staff by the beneficiaries to participate in training activities as per work plan;
- 8) Detailed emission inventory for dispersion modelling purposes for biggest stationary sources and traffic in major cities done in due time

Due to the fact that this will be the first project with direct involvement of Local Self Government Units, the implementing arrangements with municipalities as well as with other governmental institutions should be agreed upon before the commencement of the project. Cooperation with LSG Units should include also involvement of association of majors (ZELS). Each LSG Unit should appoint project contact person.

3.6 Linked activities

A range of assistance has been provided previously in the environmental sector, through the European Union and other donors and financial institutions. This has granted inputs to legal alignment work, environmental monitoring, information systems and policy as well as general capacity building and institutional reform.

In particular, the PHARE 1999 capacity building project has finalized draft primary legislation relating to water and waste management, nature protection and regulations pertaining to environmental permitting under a new environmental framework law developed under the same programme. These form the platform for improved sector governance and development of empowering secondary legislation. These interventions are flanked by capacity building in the Ministry of Environment and institutions working under its mandate, the development of a rationalized environmental monitoring and integrated data management strategy and infrastructure (PHARE 1997, CARDS 2001) as well as by funding of remedial works mitigating source pollution stemming from environmental hot spots (OBNOVA 2000). Concepts for the management of trans-boundary water resources as evoked in the EU framework water directive (CARDS 2003) and the development of the second environmental action plan (CARDS 2001) with a strong bias on an EU integration roadmap and environmental components of the SAA complete the programme currently in place. The CARDS 2002 and 2003 community infrastructure programme finances small scale waste water collectors and treatment plants.

The CARDS 2004 programme project “Environmental management strengthening” started in June 2005 and had the following components:

- Define emission limit values (ELV) for water and air protection and environmental quality standards for air and water;
- Introduce procedures for reporting and monitoring emissions by polluters;
- Pertain to the enforcement of those ELVs;
- Introduce pollution charges on emissions and fines in case of transgression of ELVs;
- Reinforce policies for the cost recovery of municipal environmental services: primarily waste management (incl. waste collection and separation, data collection/recording etc.), sewerage, and waste water treatment.
- Propose concrete concepts on how to rationalize the fragmented structure of laboratories with environmental monitoring mandates. Training will close gaps in specific analytical techniques. Training will also include management and technical

requirements of ISO 17025 with the aim of establishment of ISO 17025 compliant quality system in the MEPP central laboratory and at least three other self-monitoring laboratories.

The first Twinning project for Improvement of ambient air quality, was realised in the frame of CARDS 2005, where for each component the following complementary activities are identified:

- Guidelines and secondary law
- Emission Inventories
- Preliminary environmental assessment - Developing appropriate skills in the production of a preliminary assessment of ambient air quality - partly supported by an initial emission inventory of major sources of air pollution to be established and by air modelling.
- Air quality measurements and laboratory work
- Dispersion modelling - Air quality modelling to support the issuing of permits is one of the tools to be initiated under the program. However training and supply of models are not included.

Project activities in the field of air protection and improvements are proposed by this current twinning project. Experiences are positive; all project activities are timely and successfully implemented without major delays.

In the field of cooperation with Local Self Government units, the project is related to outcomes of CARDS 2004 project dealing with IPPC, EIA etc as well as with project related to decentralization and preparation of action plan for decentralization, run by Ministry of Local Self Government.

Moreover, the linked activities include work in different projects related to inspection part of the Environmental Compliance and Enforcement Network for Accession - ECENA and The European Union Network for the Implementation and Enforcement of Environmental Law - IMPEL. There is not going to be any overlap between the assistance envisaged under this project and the ECENA/IMPELS Activities.

3.7 Lessons learned

Experiences within the Ministry with various TA project especially with ones financed by EU in the frame of PHARE and CARDS assistance are positive. Although the overall impact of the previous assistance is satisfactory, a number of challenges as documented in progress reviews, monitoring and evaluations reports, remain.

Main mistakes to be avoided and suggested improvements are related to providing conditions and allocation of dedicated administrative staff employed on permanent basis, which will provide a sustainability of the project activities. Involvement of high-level decision making structures from the very beginning of the project is very important and a precondition for success.

4. Indicative Budget (amounts in million EUR)

| | | | SOURCES OF FUNDING | | | | | | | | | |
|----------------------------------|--------|---------|---------------------|----------------------------|------------|---------------------------|-------|-----------------|-------------------------|--------------|----------------------|-------|
| | | | TOTAL EXP.RE | IPA COMMUNITY CONTRIBUTION | | NATIONAL CONTRIBUTION | | | | | PRIVATE CONTRIBUTION | |
| ACTIVITIES | IB (1) | INV (1) | EUR (a)=(b)+(c)+(d) | EUR (b) | %(2) | Total EUR (c)=(x)+(y)+(z) | % (2) | Central EUR (x) | Regional/ Local EUR (y) | IFIs EUR (z) | EUR (d) | % (2) |
| Component 1 | | | | | | | | | | | | |
| Contract 1 - Service contract | X | – | 1.3 | 1.3 | 100 | | | | | | | – |
| Component 2 | | | | | | | | | | | | |
| Contract 2- Twinning arrangement | X | – | 1.0 | 1.0 | 100 | | | | | | | – |
| Components 1 and 2 | | | | | | | | | | | | |
| Contact 3- Supply contract(s) | | X | 0.8 | 0.8 | 100 | | | | | | | – |
| TOTAL IB | | | 2.3 | 2.3 | 100 | | | | | | | |
| TOTAL INV | | | 0.8 | 0.8 | 100 | | | | | | | |
| TOTAL PROJECT | | | 3.1 | 3.1 | 100 | | | | | | | |

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

5. Indicative Implementation Schedule (periods broken down per quarter)

| Contracts | Start of Tendering | Signature of contract | Project Completion |
|--------------------------------|--------------------|-----------------------|--------------------|
| Contract 1 – Service Contract | Qu4 2009 | Qu2 2010 | Qu2 2012 |
| Contract 2 – Supply Contract | Qu3 2010 | Qu1 2011 | Qu3 2012 |
| Contract 3 – Twinning Contract | Qu4 2009 | Qu4 2010 | Qu4 2012 |

6. Cross cutting issues (where applicable)

Around 10 % of the project budget of the individual service contracts for capacity-building may be allocated to assist the various beneficiaries to comply with European standards and best practices, implement relevant Government strategies and develop internal measures to ensure that each cross-cutting issue is appropriately mainstreamed.

Equal Opportunity

The training activities will include a specific component to train municipal and ministerial staff in the implementation of the Government Gender Strategy, while reference will be made to the EC Programme of Action for the mainstreaming of gender equality in community development cooperation (2001-06). An output of this training component will be to assist the beneficiary to implement an ‘internal gender assessment’ to identify areas where it could improve its internal performance vis-à-vis gender.

Minorities

Where the main reference in the country in relation to minority groups is the Ohrid Framework Agreement, in an EU context, reference is made to the “Race directive” of 2000 (2000/43/EC of 29 June), which has an important impact on employment (incl. vocational training, working conditions, social protection etc.) and is also a crucial aspect of the acquis.

The training activities will include a specific component to address equal opportunities of minorities and vulnerable groups through a) training in the implementation of the Equitable Representation Strategy, following up on the Ohrid Framework Agreement, b) assessment of the particular requirements of dealing with minority and vulnerable group issues within the subject matter the beneficiary’s mandate – mainstreaming minority and vulnerable group issues throughout the policy and implementation sequence. (specific reference here is made to construction standards vis-à-vis handicapped persons), and c) assist the beneficiary to implement an ‘internal minority and vulnerable group assessment’ to identify areas where it could improve its internal performance vis-à-vis minorities or other vulnerable groups.

Environment

The project is directly related and contributes to environmental improvement. It affects the environment positively, since it refers to strengthening of environmental management on central and local level.

ANNEXES

- 1 - Log Frame in Standard Format
- 2 - Amounts contracted and Distributed per Quarter over the full duration of Programme
- 3 - Description of Institutional Framework
- 4 - Reference to laws, regulations and strategic documents
 - Reference list of relevant laws and regulations
 - Reference to AP/NPAA/EP/SAA
 - Reference to MIPD
 - Reference to National Development Plan
 - Reference to national/sectoral investment plans
- 5 – Details per EU funded contract (*) where applicable:
 - *For TA contracts*: account of tasks expected from the contractor
 - *For Twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts
 - *For Grant schemes*: account of components of the scheme
 - *For Investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria
 - *For works contracts*: reference list of feasibility study for the constructing works part of the contract as well as a section on investment criteria (**); account of services to be carried out for the service part of the contract

(*) non standard aspects (in case of derogation to PRAG) also to be specified

(**) section on investment criteria (applicable to all infrastructure contracts and construction works):

- Rate of return
- Co-financing
- Compliance with state aids provisions
- Ownership of assets (current and after project completion)

ANNEX 1 - Logframe in standard format

| | | | | |
|---|--|---|--|--|
| LOGFRAME PLANNING MATRIX FOR Project Fiche | | Programme name and Strengthening the Central and Local Level Capacities for Environmental Management | | |
| Strengthening the Central and Local Level Capacities for Environmental Management | | | | |
| | | | | |
| | | Contracting period expires two years from the date of the conclusion of the Financing Agreement | Execution period expires two years from the final date for contracting | Disbursement period expires one year from the final date for execution of contracts. |
| | | Total budget: | | IPA budget: |
| | | 3.1 million EUR | | 3.1 M EUR |
| | | | | |

| Overall objective | Objectively verifiable indicators | Sources of Verification |
|---|---|--|
| The overall objective is to contribute to sustainable development in the country by strengthening the administrative capacities to enforce environmental legislation. | <ul style="list-style-type: none"> - number of trained staff - number of issued approvals and documents related to EIA, IPPC, - established procedures | Commission's Progress Reports Conclusion from relevant Sub Committee and Committee between EC and the country |

| Project purpose | Objectively verifiable indicators | Sources of Verification | Assumptions |
|--|--|--|---|
| The project purpose is to assist central and local level government to strengthen the administrative capacities for environmental management, through drafting of laws and implementing regulations aligned with the EU Environmental Directives and their implementation, specifically in the fields of ambient air quality, waste management and relevant aspects from the IPPC and EIA. | <ul style="list-style-type: none"> - Legislation harmonized with the Directives - Strengthen enforcement - Increased compliance with EU environmental standards - Number of issued licences and approval | <ul style="list-style-type: none"> - published legislation acts - monitoring reports - Commission reports - Governmental reports - Published licences | <ul style="list-style-type: none"> - commitment of institutions - providing dedicated staff in beneficiary institutions |

| Results | Objectively verifiable indicators | Sources of Verification | Assumptions |
|---|---|---|---|
| <p>Component 1 - Strengthening the central and local level administrative capacities, with particular reference to Waste Management and related aspects of Industrial Pollution Prevention and Control, and Environmental Impact Assessment, concerning landfills.</p> <p><u>The expected results are:</u></p> <ul style="list-style-type: none"> - Based on the recently approved Strategy for Approximation and implementation of the Environment Acquis, prioritised legislation has been harmonised, in particular with reference to waste management and the related aspects of IPPC and EIA; - An institutional capacity assessment has been made on both central and local level, and action plan to improve institutional capacities has been made, and prioritised actions are implemented; - An assessment of actual coordination mechanisms between the local, regional and central level (including public utilities and regional waste management bodies) has been made, an action plan to improve the coordination mechanism has been adopted and prioritised actions are implemented; - An assessment of present enforcement capacities on local and central has been made, an action plan to improve the enforcement capacities has been adopted and prioritised actions are implemented, - Defining of technical standards, legal and technical, to regulate methodologies and procedures in the creation, access, protection and uniformity of environmental information in the related institutions and the Country as a | <p><u>The measurable indicators are:</u></p> <ul style="list-style-type: none"> - Prioritised legal harmonisation implemented as per plan; - Number of legal instruments developed without external assistance. - Training needs assessment and training action plan approved by MoEPP; - number of training and number of trained staff ; - Institutional capacity assessment and action plan approved by MoEPP; - Implemented actions for institutional improvement as per action plan - increased compliance with relevant directives (as documented through the annual progress monitoring reports); | <p>The following Sources of Verification refers to both components</p> <ul style="list-style-type: none"> - European Commission assessments - Project regular reports. - Final project report - Issued licences and agreements - Minutes of meeting from public hearings - Conclusions from inspections - Web site visitor - Requests for environmental information | <p>The following assumptions refer to both components:</p> <ul style="list-style-type: none"> - Support and commitment from involved stakeholder - expressed interest by municipalities - interest of public |

| | | | |
|--|---|--|--|
| <p>whole;</p> <ul style="list-style-type: none"> - Training needs assessment has been made, a training action plan has been adopted and prioritised training has been implemented for waste management and the related aspects of IPPC and EIA; - The MoEPP is endowed with appropriate equipment to exchange and manage information for waste management and the related aspects of IPPC and EIA. | | | |
| <p>Component 2: Strengthening the central and local level administrative capacities, with particular reference to air quality</p> <p><u>The expected results are:</u></p> <ul style="list-style-type: none"> - Training needs assessment has been made, a training action plan has been adopted and prioritised training has been implemented; - An institutional capacity assessment has been made on both central and local level, and action plan to improve institutional capacities has been made, and prioritised actions are implemented; - An assessment of present enforcement capacities on local and central has been made, an action plan to improve the enforcement capacities has been adopted and prioritised actions are implemented, with specific reference to air quality control. - Improvement of air quality assessment and forecasting capabilities by supporting air quality modelling process and providing the needed meteorological input required by dispersion models in regional scale. - The MoEPP and Hydro Meteorological Service (HMS) are endowed with appropriate equipment for air monitoring and data management system. | <p><u>The measurable indicators are:</u></p> <ul style="list-style-type: none"> - Training needs assessment and training action plan approved by MoEPP; - number of training and number of trained staff ; - Institutional capacity assessment and action plan approved by MoEPP; - Implemented actions for institutional improvement as per action plan; - Strengthen institutional capacities or air monitoring, enabling the future development of effective air quality assessment and forecasting system - Capacity building in dispersion modelling (MOEPP and HMI) | | |

| Activities | Means | Costs | Assumptions |
|--|--|---|--|
| <p>Component 1 - Strengthening the central and local level administrative capacities, with particular reference to Waste Management and related aspects of Industrial Pollution Prevention and Control, and Environmental Impact Assessment, concerning landfills.</p> <p>The activities are:</p> <ul style="list-style-type: none"> - Harmonise prioritised legislation with the directives, in particular the Waste Framework Directive(75/442/EEC) as amended by Directives 91/156/EEC, 91/692/EEC and Regulation (EC) 1882/2003 as well as by Decision 96/350/EC; - Implement an institutional capacity assessment on both central, regional and local level, develop an action plan to improve institutional capacities, and implement prioritised actions to improve institutional capacities Waste Management and related aspects of Industrial Pollution Prevention and Control, and Environmental Impact Assessment; - Implement an assessment of actual coordination mechanisms between the local and central level (including public utilities), develop an action plan to improve the coordination mechanism, and implement prioritised actions to improve the coordination mechanism; - Implement an assessment of present enforcement capacities on local and central level, develop an action plan to improve the enforcement capacities, and implement prioritised actions to improve the enforcement capacities, for Waste Management and related aspects of Industrial Pollution Prevention and Control, and Environmental Impact Assessment; - Development of long term training plan, and implementation of priority actions for waste | <p>1 Service 1 or more supply contracts for component 1 and 2 combined</p> | <p>Technical Assistance (1.3 million EUR) Supply contract (0.8 million EUR)</p> | <p>The following assumptions refer to both components:</p> <ul style="list-style-type: none"> - interest and capacities for training - interest by public - providing relevant data/information |

| | | |
|--|-------------------------|--|
| <p>management and related aspects of IPPC and EIA;</p> <ul style="list-style-type: none"> - Establishment/support to the regional waste management bodies, including the necessary documents for establishment, organization and operation - Assess the detailed equipment needs of the MoEPP and procure the prioritised equipment for waste management information system. <p>All the activities should be done applying the stakeholders' involvement approach, public awareness and consultations.</p> | | |
| <p>Component 2: Strengthening the central and local level administrative capacities with particular reference to air quality.</p> <p>The activities are:</p> <ul style="list-style-type: none"> - Harmonise prioritised legislation with the directives, in particular Framework Directive on the ambient air quality assessment and management (96/62/EC) and subsequent Daughter Directives (1999/30/EC, 2000/69/EC, 2002/3/EC, 2004/107/EC), EIA (85/337/EEC); - Implement an institutional capacity assessment on both central and local level, develop an action plan to improve institutional capacities and implement prioritised actions to improve institutional capacities; - Implement an assessment of present enforcement capacities on local and central level, develop an action plan to improve the enforcement capacities and implement prioritised actions to improve the enforcement capacities; - Implement a training needs assessment; develop a training action plan, and implement prioritised training for strengthening of institutional capacities in air quality; - Preparation and adoption of the National plan, programs and actions plans for protection of ambient air quality - Planning and building up meteorological data base | <p>Twining contract</p> | <p>Twining arrangement (1.0 million EUR)</p> |

| | | | |
|--|--|--|--|
| <p>with relevant QC methods and data transfer</p> <ul style="list-style-type: none"> - Developing data processing methods and datasets to provide needed meteorological information for dispersion modelling - Review of the detailed emission inventory for dispersion modelling purposes for biggest stationary sources and traffic in major cities - Assessment of ambient air quality for the previous year and revision of the list of zone and agglomeration - Assess the detailed equipment needs of the MoEPP and HMI and procure the prioritised equipment for air monitoring and data management system. | | | |
|--|--|--|--|

The project includes the following conditions:

- Endorsement by relevant key stakeholders of the Terms of Reference, specifications for the individual contracts to be engaged;
- Appointment of appropriate number of counterpart personnel by the beneficiary (central and local level) before the projects start;
- Staffing of units receiving support is sufficient to implement the mandate of the unit (in principle staff should at the minimum be as per formal staff establishment decision)
- Allocation of working space and facilities by the beneficiary for technical assistance before the launch of the tender process;
- Participation by the beneficiary in the tender process as per EU regulations;
- Organization, selection and appointment of members of working groups, steering and coordination committees, seminars by the beneficiary as per work plan of the project;
- Appointing the relevant staff by the beneficiaries to participate in training activities as per work plan;
- Detailed emission inventory for dispersion modelling purposes for biggest stationary sources and traffic in major cities done in due time

Due to the fact that this will be the first project with direct involvement of Local Self Government Units, the implementing arrangements with municipalities as well as with other governmental institutions should be agreed upon before the commencement of the project. Cooperation with LSG Units should include also involvement of association of majors (ZELS). Each LSG Unit should appoint project contact person.

ANNEX 2 - Amounts (in million EUR) contracted and Distributed per Quarter over the full duration of Programme (IPA funds only)

| | 2009 | | | | 2010 | | | | 2011 | | | | 2012 | | | |
|------------------|------|----|----|----|------|-----|----|-----|------|----|----|----|------|----|----|----|
| Contracted | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Service Contract | | | | | | 1.3 | | | | | | | | | | |
| Twinning | | | | | | | | 1.0 | | | | | | | | |
| Supply contract | | | | | | | | | 0.8 | | | | | | | |
| Cumulated | | | | | | 1.3 | | 2.3 | 3.1 | | | | | | | |

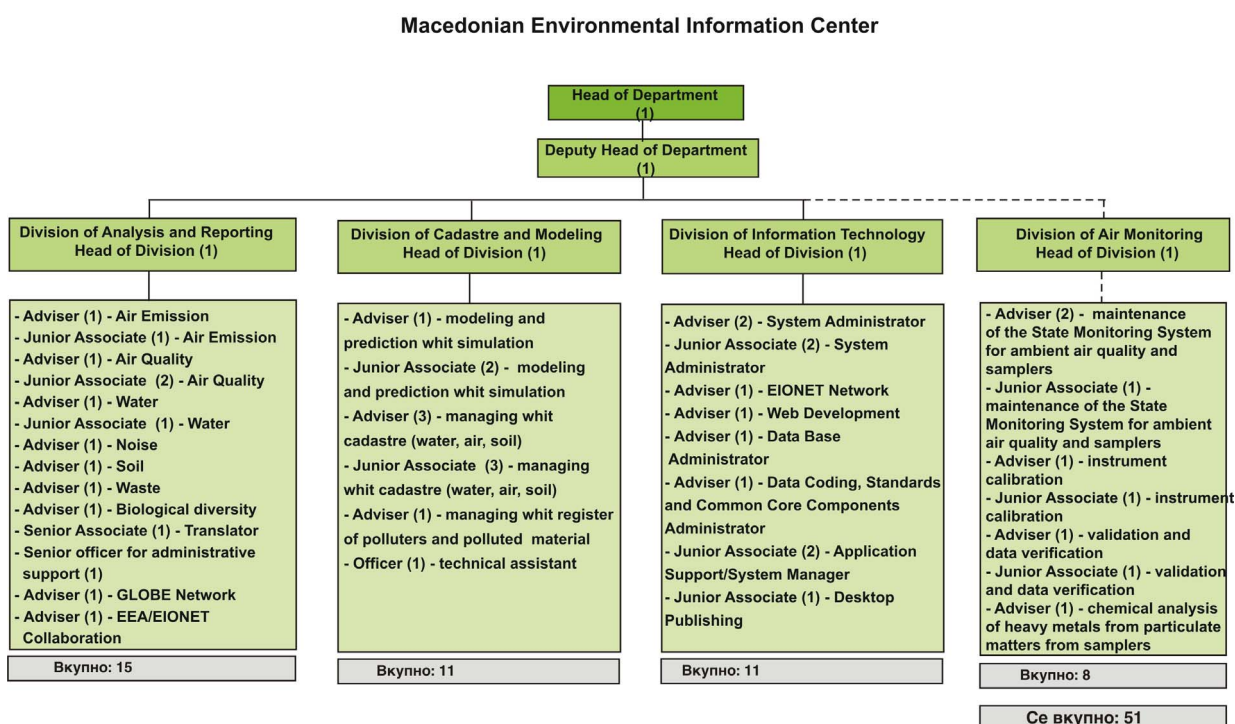
| | 2009 | | | | 2010 | | | | 2011 | | | | 2012 | | | |
|------------------|------|----|----|----|------|-----|----|-----|------|----|------|-----|------|----|------|------|
| Disbursed | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Service Contract | | | | | | 0.5 | | 0.3 | 0.2 | | 0.25 | | 0.05 | | | |
| Twinning | | | | | | | | 0.6 | 0.25 | | | 0.1 | | | | 0.05 |
| Supply contract | | | | | | | | | 0.5 | | 0.1 | 0.1 | | | 0.1 | |
| Cumulated | | | | | | 0.5 | | 1.4 | 2.35 | | 2.7 | 2.9 | 2.95 | | 3.05 | 3.1 |

Annex 3- Description of Institutional Framework

Department “Macedonian Environmental Information Centre”

According to the systematization of the MEPP, the *Macedonian Environmental Information Centre* consists of 4 Divisions:

1. Division for analytics and reporting
2. Division for cadastres and modelling
3. Division for Informative Technology
4. Division for air monitoring



The Department, is established and organized in a manner that would provide a relevant database, comprehensive, accurate and publicly accessible information on the state of the nature, the state, the quality and the trends of all environmental media and other environmental areas, noise, ionising and non-ionising radiation, including electromagnetic radiation, as well as forecasts through the use of modelling techniques.

The activities of MEIC includes collection, processing, systematization, storage, use, distribution and presentation of data obtained through state monitoring network and local monitoring networks, from the monitoring performed by entities and persons of individual environmental media and areas.

1. Division for analytics and reporting

The Division has a responsibility to collect, treat, analyze, present and report the data and the information from the media and the environment areas, preparation of daily, monthly, yearly and three year reports regarding the condition and the trends of in the environment, cooperation with EEA and submission of data and information to other international organizations, networks and conventions according to the

obligations deriving from the legislation and the international agreements. Preparation, implementation and expansion of the national set of indicators and submission and treatment of data and information for the statistical base and the statistical year book.

2. Division for cadastres and modeling

The department for cadastres and modeling prepares, maintains and uses the cadastres for the environment media as part of a central data base. Regarding the modeling this data will be used for forecasting and simulation of the quality of separate areas (air, water, waste) in order to get the forecast for the quality of the environment media. The Division keeps and updates the data bases for the pollutant registers and transfer of pollutants.

3. Division for Information Technology

The basic tasks of the Division for Information Technology is obtaining IT services for all the employees in the MEPP, maintenance of the information infrastructure of MEPP and development of the National information system for environment.

4. Division for air monitoring

The task of the division is to manage and maintain the State Automatic Monitoring System for ambient air quality that consists of 15 automatic monitoring stations, 10 samplers and calibration laboratory.

Annex 4:- Reference to laws, regulations and strategic documents

4.a) Reference list of relevant laws and regulations

Key laws and regulations on the sector:

- Law on Ambient Air Quality, 2004
- Law on Waste Management, 2004
- Law on Carriage of Dangerous Goods, 1990
- Law on Chemicals, 2007
- Law on Concessions and Public – Private Partnership, 2008
- Law on Drinking Water Supply and Urban Wastewater Drainage, 2004
- Law on Environment, 2005
- Law on Genetically Modified Organisms, 2008
- Law on Harmful Noise Prevention, 1993
- Law on Local Self-Government, 2002
- Law on Misdemeanours, 2006
- Law on Noise in the Environment, 2007
- Law on Organisation and Operation of the State Administrative Bodies, 2000
- Law on Ratification of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 1997
- Law on Ratification of the Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, 2004
- Law on Waste Management, 2004
- Law on Waters, 2008 (in parliamentary adoption)
- Decision of the Government on publication of the list of entities holding environmental information or for which such information exist, as well as the information held by each of the listed entities,
- Decree on the strategies, plans and programmes, including amendments to such strategies, plans and programmes (planning documents) subject to compulsory environmental and human health and life impact assessment, as well as on the criteria on the basis of which decision will be made to carry out strategic assessment of other strategies, plans and programmes that may have significant impact on the environment and on human life and health,
- Decree on the contents of the strategic environmental assessment report,
- Decree determining the amounts and the cases in which compensation of the costs for providing environmental information shall be paid, as well as the cases of release from the obligation to pay compensation for providing information,
- Decree on limit values of the levels and types of ambient air pollutants and alert thresholds, terms for limit values achievement, margins of tolerance for the limit values, target values and long-term targets for ozone, sulphur dioxide, nitrogen oxides suspended particles of 10 micro-meters, carbon monoxide and benzene, 2005
- Decree on handling packages and waste from packaging,
- Order for prohibition of the import of refrigerators, freezers or other cooling or freezing devices and of the import of ozone depleting substances was adopted, 2006
- Rulebook on the criteria, methods and procedures for ambient air quality assessment, 2006
- Rulebook on the form and the contents of the forms for transboundary movements of hazardous waste, 2003
- Rulebook on the manner and conditions for waste storage, as well as on the conditions to be met by the sites on which waste storage is performed
- Rulebook on the form and the contents of the application for a permit for waste processing, treatment and/or storage, the form and the contents of the permit, as well as the technical requirements for the activity performance
- Rulebook on the minimum technical requirements in terms of environmental protection to be met by the waste transfer stations, requirements to be met by the sites where waste transfer stations are built

or placed, as well as on the terms for waste storage in the waste transfer stations according to the waste types

- Rulebook on the form and the contents of the eco-label, the manner, the conditions and the procedure for its awarding and use, as well as the composition and the manner of establishment and work of the Commission for eco-label, 2005
- Rulebook on hazardous waste handling,
- Rulebook on waste oils handling,
- Rulebook on the manner and the conditions for handling polychlorinated biphenyls and polychlorinated terphenyls, the conditions to be met by installations and facilities for PCB disposal and decontamination, on used PCB and on the manner of labelling the equipment that contains PCB,
- Rulebook on the form and the contents of the application for landfills establishment,
- Rulebook on the form and the contents of the application for permit, as well as the form and the contents of the permit for landfill operator,
- Rulebook on the criteria and the procedures for acceptance of waste in landfills of all classes, the quantity of biodegradable components in the waste allowed for disposal, preparatory activities for waste acceptance, general procedures for testing and sampling,
- Rulebook on the manner and the procedure for the operation, monitoring and control of the landfill in the closing stage and further care for the landfill after the closure,
- Rulebook on the types of wastes that are subject to import, export or transit permit, the conditions for import, export or transit of waste, and the methods for supervision over the import, export or transit of waste,
- Rulebook on the manner and the procedure of providing access to environmental information,
- Rulebook on the manner, the procedure and the form on which data from the national network are submitted, as well as the manner and the conditions of data delivery to the state administrative body responsible for the affairs of the environment from the local, internal monitoring and monitoring of other state administrative bodies,
- Rulebook on the manner of publication of information and on the participation of the public in the adoption of the planning document and the manner of the report preparation,
- Rulebook on the methodology and the manner of preliminary assessment and establishment of lists of zones and agglomerations of ambient air quality,
- Rulebook on the establishing the national methodology for inventory of emissions in accordance with the CORINAIR Programme,
- Rulebook on the limit values for stationary sources of emissions in the air,
- Rulebook on determining the assessment methods, the limit values and area of application of the noise indicators and additional indicators,
- Rulebook on the manner, the conditions and the procedure for setting and operating of the networks and methodology for monitoring, the conditions, the manner and the procedure for providing information and data on the noise monitoring,
- Rulebook on the manner and the procedure for collection, processing, systematisation, storage, use, distribution and presentation of data and information obtained through the national monitoring network, local monitoring network, internal monitoring, as well as data from the Cadastre of polluters and the Register of pollutants,
- Rulebook on determining professional activities, whose performance, may lead to occurrence of environmental damage liability,
- Rulebook on the measures for remediation of the occurred environmental damage,
- Rulebook on the monitoring and reporting on ambient air quality,
- Rulebook on the form and the contents for the preparation of the National Plan for Ambient Air Protection,
- Rulebook on the methodology for the limit values of the annual emissions in the air
- Rulebook on emission limit values from mobile sources
- Rulebook on handling used batteries and accumulators, the manner of labelling and the manner of public information,
- Rulebook on the manner of package labelling, the types of labels, their contents and handling,

- Rulebook on the form and contents of the permit for return reception of used packages,
- Rulebooks on the specific conditions and the manner of end-of-life motor vehicles treatment,
- Rulebooks on handling electrical and electronic devices,
- Rulebooks on handling waste from titanium dioxide, as well as the form, the contents and the manner of submitting data,
- Rulebook on the minimum technical conditions to be met by installations for waste incineration or co-incineration, the type of waste intended for incineration or co-incineration, conditions for environment protection from the work of the installations for waste incineration or co-incineration, as well as on the conditions and the manner of work of the installations,
- Rulebook on the form and the contents of the application for permit, as well as on the form and the contents of the permit for waste incineration or co-incineration installation operator
- Rulebook on the list of polluting substances and matters, priority matters and substances, conditions for installation and operation of plants operating with dangerous substances and matters and the manner of their testing prior to their putting into operation,
- Rulebook on the specific conditions for indirect release of wastewaters into ground waters and the measures and activities to be undertaken for their protection,
- Rulebook on the conditions, the manner and the emission limit values for wastewater discharges upon, treatment, taking into consideration the special requirements for protective zones protection,
- Rulebook on detailed conditions for urban wastewaters collection, drainage and treatment, the manner and the conditions for designing, construction and exploitation of the urban wastewater treatment systems and plants, as well as technical standards, parameters, emissions standards, and the norms for the quality of wastewater pre-treatment, removal and treatment, taking into consideration the load and the treatment method for urban wastewaters discharged into zones sensitive to urban wastewater discharges,
- Rulebook on the contents of the internal and external emergency plans and on the manner of their approval
- Rulebook on dangerous substances, limit values (thresholds) for dangerous substances presence and criteria or properties by which the substance is classified as dangerous,
- Rulebook on the manner of drafting and the contents of the strategic noise maps,
- Rulebook on the manner of drafting and the contents of the action plans for environmental noise,
- Rulebook on the manner of disclosing information and public participation and the manner of the preparing the report based on opinions gathered through the conducted public discussions,
- Rulebook on the conditions for protection against environmental noise caused by road, railway, air and water traffic,
- Rulebook on the conditions to be met by the plants, equipment, installations and devices used outdoors with regard to environmental noise emission,
- Rulebook on the conditions to be met by household devices, means and appliances with regard to environmental noise and places of residence,
- Rulebook on the technical measures and conditions to be met by buildings with regard to insulation from environmental noise caused by neighbourhood,

4.b) Reference to AP/NPAA/EP/SAA

Reference to **SAA (2001)**: The program will contribute towards the implementation of the SAA Article 80 on economic and social policies ensuring that environmental considerations are also fully incorporated from the outset, Article 68 on legal approximation, Articles 85 and 98 on ensuring environmental protection, and Article 103 (Environment and nuclear safety) on combating environmental degradation, with the view to supporting environmental sustainability. Article 103 highlights inter-alia following priorities in the area: combating local, regional and cross-border pollution (air, water quality, including waste water treatment and drinking water pollution) and establishing effective monitoring; development of strategies with regard to global and climate issues; efficient, sustainable and clean energy production and consumption, safety of industrial plants; waste reduction, recycling and safe disposal, and the implementation of the Basle Convention on the control of transboundary movements of hazardous wastes and their disposal (Basle 1989); environmental impact assessment and strategic environmental

assessment; continuous approximation of laws and regulations to Community standards; education, information and awareness on environmental issues.

Reference to **Accession Partnership** (2007-2008): The program will address the following AP priorities: “Continue legislative alignment with the *acquis*, in particular in the fields of air quality, waste management and water quality, and improve significantly implementation of legislation and environmental monitoring”; “Strengthen the Environmental Inspectorate and other enforcement bodies, establish a credible enforcement record and ensure that fines and other sanctions are effectively applied and have a dissuasive effect”; “Strengthen administrative capacity at national and local levels and improve coordination between administrative bodies in charge of environment-related issues”; “Prepare strategic plans, including financial strategies, and prepare a national waste management strategy and waste management plan”; “Develop an environmental investment strategy based on estimates of the cost of alignment”; “Integrate environmental protection requirements into other sectoral policies, in particular by developing environmental impact assessments”; “Increase investments in environmental infrastructure, with particular emphasis on waste water collection and treatment, drinking water supply, tackling air pollution and waste management”; “Continue to integrate environmental protection requirements into other sectoral policies, in particular by developing environmental impact assessments”; “Further increase investments in environmental infrastructure, with particular emphasis on waste water collection and treatment, drinking water supply, tackling air pollution and waste management”.

Reference to the **Progress Report** (2007): The latest progress report makes the following evaluation: “Steady progress has been made on developing the legislative framework in the field of the environment, but implementation of the legislation remains limited, especially in areas that require major investment. A substantial amount of legislation has still to be enacted. Administrative capacity and financial resources remain inadequate, especially at local level. Very significant efforts are needed, including substantial investment and strengthened administrative capacity, for the implementation and enforcement of the legislation”; “The law on environment has been amended to bring the penalty provisions into line with the law on misdemeanours. The amendments empower the central and local environmental inspectorates to impose directly the penalties prescribed in the law on environment. The legislation on public access to environmental information and Environmental Impact Assessment (EIA) has been further aligned with the *acquis*. ... A certain amount of legislation has still to be enacted in order fully to align the provisions with the *acquis*, especially the Directives on Strategic Environmental Assessment (SEA) or public participation. ... Implementing legislation on assessing ambient air quality has been adopted by the Ministry for the Environment and Physical Planning. Amendments to the law on ambient air quality have been enacted in order to bring the penalty provisions into line with the law on misdemeanours. ... Legislation implementing the law on waste management has been adopted, relating to handling of asbestos waste; waste management, treatment of polychlorinated biphenyl (PCB) waste and management of raw materials waste. The law on waste management was amended to bring the penalty provisions in line with the law on misdemeanours. ... The Ministry has organised several awareness-raising campaigns to tackle the problem of illegal waste dumps but has not yet begun to issue integrated permits for operating waste dumps. ... Some progress has been made in the area of industrial pollution control and risk management. Transposition of the IPPC Directive has further advanced. Several major 'A' installations have been issued with IPPC adjustment permits, and the public has been given the opportunity to participate in the permit process. The State environmental inspectorate has listed 140 main polluters in a national register of air polluters. The inspectorate performs inspections once a month and has sanctioned several polluters in accordance with the “polluter pays” principle. ... The capacity of the Ministry and municipalities to implement industrial pollution control and risk-management measures is still inadequate. ... As regards administrative capacity, the Ministry for the Environment and Physical Planning has been restructured and now comprises 7 departments and 3 regulatory bodies. Its capacity needs to be strengthened. The Ministry continued cooperation with the European Environment Agency (EEA); however, the National Environmental Information System needs further development. The number of State environmental inspectors is insufficient to ensure proper enforcement of the environmental law. Administrative capacity is weak, particularly at municipal level, where there has been a lack of training. An environmental investment strategy based on estimates of the cost of alignment has

yet to be developed. ... Environmental protection requirements are not yet integrated in the definition and implementation of the other policies”.

Reference to **National Plan for Adoption of Acquis** (2007): The Plan has following priorities with regard to environment: “The national legislation on environment is largely harmonised with the EU law in certain areas, while in others this process is at the initial stage of gap analysis (chemicals and GMO). ... The strategic environmental assessment (SEA) procedure of certain strategies, plans and programmes is regulated by the Law on Environment ... The Law on Environment has also established the legal framework for implementation of environmental monitoring and reporting. ... The manner and the form of reporting on each environmental medium and area have been regulated in the adopted sectoral laws. The country, through the Ministry of Environment and Physical Planning, cooperates with the European Environment Agency (EEA) and its Topic Centres since 1998. Since the beginning of this cooperation, the country has been making a steady trend of improvement in both quality and efficiency of reporting, especially in the domain of priority data information flow in the frameworks of EIONET, where the proportion of data reported has reached from 29% in 2000 to the current 69%, ranking the country at the 17th position out of the 37 EEA member and cooperating countries. The abovementioned results have been achieved on the basis of the well established reporting system, which requires regular maintenance and further upgrading, thus enabling the country to comply with its reporting obligations towards the EEA and other relevant international organisations and agreements. ... The air quality management is regulated by the Law on Ambient Air Quality. ... The Law on Waste Management establishes the framework for waste management, including hazardous waste management, as well as other types of specific waste. On the basis of this Law, several bylaws have been adopted, incorporating the requirements of the acquis. ... The Directive on Integrated Pollution Prevention and Control (IPPC) has been transposed in the Law on Environment. ... Several bylaws have been adopted, providing almost full regulation of this area. The sectoral laws, especially in the areas of air and waste, refer to the application of the IPPC provisions. ... The full implementation of the provisions in this area requires capacity strengthening of the MEPP. According to the new organisational set-up of the MEPP, a special Unit for IPPC is established within the Directorate for Environment. ... The Ministry of Environment and Physical Planning (MEPP) is the competent state body with regard to policy creation and implementation of policies in the area of environment protection, improving and monitoring the quality and the status of environmental media and areas: air, water, soil, waste, biological diversity and other natural resources, including also the national parks and the protection of the ozone layer. The MEPP is also the responsible state body for protection against harmful impacts, such as: noise and vibrations, ionising and non-ionising radiation in nature, performance of different activities, polluting substances and technologies. The MEPP is the competent state body with regard to the preparation and coordination of the process of environmental legal acts drafting, where, taking into consideration the interdisciplinary nature of the environment and the need for integrated approach, the relevant state institutions are involved and consulted in this process. According to the new environmental legislation, the MEPP holds full responsibility for implementation of the laws. Namely, the MEPP is the responsible state body for implementation of the environmental impact assessment procedure of certain strategies, plans and programmes, access to environmental information, adoption of strategic plans in the area of environment, sustainable development and climate change, protection against desertification and other global environmental issues, monitoring and reporting on the state of environmental media and areas, management of the environmental information system, environmental damage liability, environmental protection financing, etc. On the basis of the adopted legislation, the MEPP has adopted the new organisational set-up of the Ministry, in which organisational units related to the obligations for the implementation of the acquis communautaire have been created. The MEPP is oriented towards creation of environmental policies, while the expert affairs in the area of environment will be performed by the Directorate for Environment and the Service for Spatial Information System as bodies within the MEPP. Namely, the former Service for Environment has been transformed into Directorate for Environment, by which the obligation deriving from the Law on Environment has been fulfilled. This Directorate is the responsible body for the implementation of the procedures for permitting, especially the procedures concerning environmental impact assessment, integrated pollution prevention and control, prevention and control of major accidents involving dangerous substances, waste management and air quality, nature protection and protection of water resources against pollution. The Directorate for Environment will also carry out expert and administrative

activities in the area of nature protection, expert activities concerning waste, air, chemicals, noise and other environmental areas management, expert activities concerning the protection of waters and soils against pollution, keeping the Cadastre of Environment and the Register of polluting substances and their characteristics, environmental monitoring and other matters prescribed by the law. The inspection supervision over the laws implementation is carried out by the State Environment Inspectorate, a body within the MEPP responsible for supervision over the environmental legislation implementation and enforcement. Within the Inspectorate, besides the state environment inspectors, state inspectors for nature protection have been introduced in accordance with the Law on Nature Protection. According to the current competence of the state administrative bodies specified in the Law on Organisation and Operation of the State Administrative Bodies, besides the MEPP, certain responsibilities in the domain of environment are performed by other state administrative bodies, such as: the Ministry of Transport and Communications - State Communal Inspectorate, the Ministry of Health - State Sanitary and Health Inspectorate, the Republic Institute for Health Protection, the Bureau for Drugs, the Food Directorate, the Ministry of Education and Science – Hydro-biological Bureau - Ohrid, the Ministry of Agriculture, Forestry and Water Economy - Water Economy Directorate, Hydro-meteorological Directorate, as well as the Protection and Rescue Directorate. According to the Law on Local Self-Government, the local self-government units (LSGUs) are competent and responsible to regulate and to perform the matters of public interest of local relevance, specified by law. The Law also defines the list of statutory competences of LSGUs, which include the protection of the environment and nature. After the decentralisation, many competences have been delegated to the LSGUs. In the process of strategic environmental assessment, LSGUs participate in the performance of public discussions for the adoption of the plans, strategies and programmes. The LSGUs may establish local environmental monitoring and to manage part of the national environmental monitoring network provided that this is delegated to them by the MEPP. LSGUs also have competence in the access to environmental information, local sustainable development, and in the performance of communal services, such as drinking water supply, delivery of technological water, wastewater drainage and treatment, storm waters drainage and treatment, regulation, maintenance and use of riverbeds in urbanised areas, public hygiene, management of municipal, commercial and other types of non-hazardous waste on local level, prevention and control of major accidents involving hazardous matters and substances and undertaking measures for protection against and prevention of industrial air pollution. LSGUs are obliged to assign local environmental inspectors that will perform inspection supervision over the implementation of the provisions of the laws regulating the LSGUs responsibilities. An overview of the number of assigned environmental advisors and inspectors is given in the Attachment – Table 2. In addition to the above, the LSGUs are entitled to authorise their communal inspectors to perform the tasks of environmental inspectors as well, provided they meet the condition of educational background and number of working years as specified in the Law on Environment. According to the same Law, the LSGUs should report to the MEPP on annual basis on the performance of inspection supervision. ... The laws define precise distinction between the respective competences of the state and local environmental inspectors. In general, the state inspector is responsible for major installations covered by the IPPC (IPPC Directive) registered as installations. The local environmental inspectors have responsibility for smaller installations recognised as B-installations. The state and local environmental inspectors are obliged to cooperate and to exchange information on the conditions recorded, resulting from the performance of the inspection supervision or obtained through reports of different persons. In case a LSGU fails to perform the inspection supervision, the MEPP is obliged, first to warn the LSGU thus obliging it to overcome the state in the specified period. In case the LSGU fails to act in accordance with the warning, then the MEPP may take over the performance of the inspection supervision at local level, through the state inspectors, for a period not longer than one year. ... Staffing and technical strengthening of the Directorate for Environment are planned, with priority to the Units on IPPC, EIA and waste. ... In parallel with the Directorate, staffing and technical strengthening will be carried out in the inspection office as well, through implementation of specialised training of inspectors at both national and local levels, focusing on pronouncing direct fines stipulated in accordance with the relevant laws and in the new Law on Misdemeanours. ... It is also planned to strengthen the sectors within the Ministry for using the EU pre-accession assistance. The Secretariat of European Affairs, in cooperation with the MEPP, is the competent body for concluding Memorandum of Understanding with the Directorate General for the Environment of the European Commission with regard to the LIFE Programme. The MEPP will be the national focal point for evaluation and submission of applications to the Commission.

... With regard to the capacities of LSGUs, the MEPP plans to carry out detailed projections of their needs in the context of implementation of their responsibilities. To this end, MEPP plans to assess the current capacities of the LSGUs and to develop a plan for their institutional development. ... For the purpose of capacity building of the LSGUs, the MEPP's regular practice is to involve the civil servants from the LSGUs in all its activities. In this manner, as well as through funding of the LEAPs, the MEPP contributes to the upgrading of the capacities of the LSGUs, as well as to raising the awareness and the knowledge within the LSGUs regarding their obligations and rights in the area of environment. ... The key activity is to strengthen the Ministry of Environment and Physical Planning through additional employments of specialised staff, as well as implementation of training in legislation enforcement. In this context, the following activities are of particular importance: 1. Strengthening of the Directorate for Environment, through new employments, aimed at implementation of the competences pursuant to the laws, especially in the areas of issuing permits and administrative procedures, nature, environmental monitoring and laboratory analysis; 2. Strengthening of the State Environment Inspectorate through employment of environmental inspectors and inspectors in nature protection, and implementation of specific trainings for the inspectors, especially in the domain of supervision over the issued integrated environmental permits, 3. Strengthening of the Sectors of the Ministry in relation to planning and implementation of EU pre-accession assistance, and 4. Strengthening of the local self-government units through new employments and training in environmental management at local level. ... and delegation of part of the competences from higher to lower organisational units and to the local self-government".

4.d) Reference to MIPD

Multi-Annual Indicative Planning Document (2008-2010) refers to: "Significant efforts have been made to align the country's legislation with the *acquis*, particularly in areas related to the internal market and trade. However, further efforts to align with the *acquis* have to be made. The country needs to intensify its efforts in particular as regards ... environment... The country faces difficulties in implementing and effectively enforcing the legislation"; "With regard to environmental protection, particular attention will be given to the strengthening of administrative capacities including inspection capacities, to the alignment of legislation with the *acquis* and to the incorporation of environmental protection requirements into other sectoral policies, e.g. through the development of environmental impact assessments, including compliance of agriculture and industry with key parts of the *acquis* in the environmental sector".

4.e) Reference to National Development Plan

The proposed project has reference in following assessments of the **National Development Plan** (2007): "Economic infrastructure consists of four large segments: (i) transport infrastructure, (ii) energy infrastructure, (iii) environmental infrastructure, (iv) telecommunications and information society"; "Environmental infrastructure; This segment of economic infrastructure sometimes called communal infrastructure includes the following two segments: (i) communal water economy which includes water supply, and waste water collection and treatment, and (ii) solid waste management, including rehabilitation of industrial hot spots. In the period of the 1980s and 1990s, the country has made some important advancement in the environmental protection. The most significant achievements include, first, improvement and enlargement of water supply systems in urban areas, connection of rural settlements to regional water supply systems and construction of local water supply systems; second, construction and extension of waste water collection systems in urban areas and construction of sewerage networks in rural areas, third, construction of waste water collection and treatment facilities in the areas of three protected natural lakes, Ohrid, Prespa and Dojran, and fourth, establishment of an organized municipal waste collection in most urban areas. These positive developments with respect to the provision of environmental services have been a result of a high priority the authorities have been assigning to this subject. Since its independence the country has adopted numerous strategic documents addressing the environmental issues. Unfortunately, the competences for the development of the sector are still shared among several ministries what from time to time creates problems in designing and implementing policies as well as in programming investments. In the municipal areas, the water connection rate ranges from 82 to 100 per cent. In total, 1,2 million inhabitants in these areas are connected to a public water supply system. In rural areas, however, connection rates exhibit a spread between only 10 and up to 100 per cent. The available data indicate average connection rates of about 70 per cent. As far as waste water collection and treatment is concerned, the situation is more problematic. The total length of the sewage collection

network in the country is 1,239.1 km. In average, 60 per cent of dwellings are connected to a public sewage system, whereas 21 per cent of the dwellings have septic tanks, and another 12 per cent only have a system of uncontrolled waste water discharge. No monitoring of the waste water being discharged by municipal sewage systems exists, except for those equipped by WWTPs in operation (in Ohrid, Prespa, Dojran, Makedonski Brod etc.). There are several existing WWTPs which are out of operation (e.g. Sveti Nikole), due to high operating costs and inappropriate maintenance. Two new WWTPs are in the final phase of implementation (Kumanovo and Krivogastani), and the construction of WWTP in Gevgelija will start in near future. A large part of the surface water pollution in the country can be attributed to the discharge of untreated municipal wastewater into rivers. Water supply and waste water services in the country are by and large provided by public enterprises established by local authorities. For the time being, there has been no involvement of the private sector in the provision of water and wastewater services as well as in the construction of infrastructure in these areas. A general pattern of these enterprises is that the quality of services is inadequate while the infrastructure is old and poorly maintained. Water losses in some municipalities are high and overpass 50 per cent. Another set of problems faced by the municipal enterprises in this segment of the economy are financial problems. In most enterprises even the full cost of operation and maintenance can not be covered from the income coming from tariffs. For investment, companies rely almost entirely on state budget. Explanation for poor financial performance of municipal utilities includes low tariffs and inadequate tariff system, inadequate collection rates and cross-subsidisation among various activities performed by the utilities. Regular waste collection services are mainly limited to urban areas, providing up to 90 per cent coverage in cities and outskirts. In total around 70 per cent of the total population in the country receives regular waste collection services, while the remaining part, residing in rural settlements distant from the main collection areas, manage wastes on their own. Regular separate collection of municipal waste on a large scale does not exist, except for some separate bulky waste collection in Skopje. Some recycling activities are undertaken by the informal sector for recyclables as metals, paper, plastics, car batteries and accumulators, waste oils. The recovery of the various types of potentially recyclable materials is considered not financially viable under prevailing conditions. Scrap metals represent the biggest part of the collected recyclables, and are being processed by the steel factory "Makstil" in Skopje. There is a well-established network of collectors and/or brokers, as well as a strong and stable market for recovered scrap metals. It can be concluded that scrap metals represent almost 80 per cent of the collected commodities. Waste collection services are primarily performed by the public utilities providing also water supply and waste water collection services, and very often also other communal services, such as street cleaning, public parks and gardens, and cemetery maintenance. Only a small proportion of waste collectors are private companies, typically those dealing with waste in rural areas. In 2004, there were 54 municipal dumps used by communal enterprises and thousands of illegal dumpsites created by population not receiving waste collection service. Waste disposal practices do not comply with any technical and/or environmental standards. Most of existing municipal dumpsites are to be closed since the site conditions do not allow their upgrading to EU conform landfills under reasonable costs. Similarly as practically all other countries in transition also the former Yugoslav Republic of Macedonia is faced with the environmental liabilities from the past. Within the process of privatisation, old environmental burdens left behind by state-controlled industry have typically not been addressed appropriately. In most cases clear specification of environmental liability has not been elaborated in the privatization contracts with the new owners. Therefore, old environmentally contaminated industrial sites remained to represent a serious risk for humans who live in or near the contaminated areas, because of either their direct negative impact on the human health or, indirectly, through pollutants in the food chain production. The following three industrial hotspots are subject to former, ongoing or planned investigation and/or remediation: (i) Bucim copper mine (ongoing EU remediation programme), (ii) former Lojane chromium, arsenic, and antimony mine (planned UNDP remediation investigation), and (iii) Silmak ferro-silicium plant (EAR funded restructuring plan). Since 2002 the country started the process of harmonization of the environmental legislation with the EU and new laws on Environment, Nature, Air Quality and Waste Management passed the Parliament. Draft Law on Waters has been prepared during this process, but its adoption was delayed due to the joint responsibilities with other ministries and the need to define closer specific competences. Further regulation, regarding drafting of secondary legislation in the environmental sector as a whole is an on-going process, guided and supervised by the EU technical assistance. The approximation of the environmental legislation is an important step towards implementation of projects

which put in place EU requirements in the fields of waste water collection and treatment, as well as solid waste management. Meeting the environmental objectives of the country's overall development and complying to the EU environmental acquis is associated with high investments into the environmental infrastructure. The best available figures for the volume of investment required for the country to comply with the EU environmental directives are the following: (i) Urban Waste Water Treatment Directive – 230 million EUR, of which nearly 100 per cent is to be provided from public sector funds, (ii) Municipal Solid Waste – 130 million EUR, of which again nearly 100 per cent is to be provided by public sector funds, and (iii) Large Combustion Plant Directive – 274 million EUR, of which rough 25 is to be provided by the public sector funds. These figures indicate that investment needs are largely concentrated in three areas; waste water collection and treatment area, solid, especially municipal waste management; and remediation of historical pollution”; “Insufficient environmental infrastructure”.

4.f) Reference to national / sectoral investment plans

The project directly links to the following strategies and action plans in the sector:

- Environmental investment strategy,
- Environmental Monitoring Strategy, 2006
- Environmental Communication Strategy, 2005
- Environmental Data Management Strategy, 2005
- Public Environmental Awareness Strategy, 2005
- National Capacity Needs Self Assessment for Global Environmental Management, 2005
- Second National Environmental Action Plan, 2006
- National Strategy for Environmental Legislation Approximation, 2006
- Operational Programme for IPA Component 3 – environment, 2007-2009, 2007
- Sectoral strategies concerning the approximation of the legislation in the following areas: horizontal legislation, waste, waters, air, nature and forests, chemicals, genetically modified organisms, noise and industrial pollution control, as well as plans for the implementation that will cover the relevant heavy coast directives, including financial estimates for their full implementation.
- Strategy for Waste management, 2008
- Strategy for Sustainable Development, 2007
- Strategic Coherence Framework – IPA component II and IV, 2007-2012, 2007
- National Waste Management Plan, 2008
- Draft -Environmental investment strategy (under preparation, to be adopted by the end of 2008),
- Draft National Strategy for Sustainable Development, 2008

Annex 5 - Details per EU funded contract

Project Management and Administration

A separate project steering committees will be established to oversee to whole process of the activities to be implemented under all three components.

Advisory services will predominantly be provided to the Ministry of Environment and Physical Planning and Municipalities involved in the project as well as selected other stakeholders. National project coordinator for each component will be appointed by MoEPP, while for separate activities will be responsibility of task managers.

Distribution of responsibilities: The Department for Cooperation and Project Cooperation (DCPC) within the MoEPP will have the overall coordination and reporting role over the implementation of the project, while the relevant bodies and departments within the MoEPP will be responsible to cooperate with and monitor and evaluate related project components. Preliminary those are the: Administration for Environment (Department for Environment and Department for Industrial Pollution), Department for EU and *Macedonian Environmental Information Centre*. Those departments will have responsibility for project execution including the overall monitoring over its implementation.

Reporting and progress monitoring arrangements: Regular reports (inception, mission, monthly and mid-term progress reports) will be prepared. Aside of necessary human resources the Ministry will provide a necessary financial contribution to the project, as well as necessary facilitation of cooperation with other governmental services on central and local level. Monitoring and approval over the project outcomes will be provided by Steering committee to be established at the very beginning of the project, composed of high level representatives from relevant institutions.

The detailed project management and implementation structure, with full descriptions of roles and responsibilities will be proposed during the preparation of ToRs.

The expected contracting arrangements are:

Financed through IPA:

- One service contract to be concluded through an international restricted tender procedure, for activities under component 1. The contract will be with duration of 12 to 24 months. Implementation of the Technical Assistance project is to start one month after the contract is signed. The expected date for implementation to start is the 2nd quarter of 2010. The amount for this contract is approx. 1.3 million EUR.
- One Twinning arrangement to be concluded through the necessary procedures, for all activities foreseen under component 2 of the project. The contract will be with duration of 12 to 24 months. The expected date for implementation to start is the 4th quarter of 2010. The amount for this contract is approx. 1.000.000 EUR.
- One or more supply contracts are to be concluded for the supply of prioritised equipment identified under component 1 and 2 of the project. The contracts are expected to have implementation duration of 4 to 8 months supplemented by a warranty period of 12 months, bringing the total duration to 16 to 20 months. The supply contracts are expected to be concluded in the 1st quarter of 2011. The total contract value will be approximately 0,8 million EUR.

Preliminary list of equipment as identified by the current CARDS 2005 twinning project for air monitoring and data management system:

| Investments | units |
|--|--------------|
| Automatic Weather Station | 5 |
| Advanced meteorological mast | 1 |
| Software: Meteorological database, Automatic Quality Control, Meteorological Pre-processor, basic data production and distribution system etc. (local software developing company, tot 6 months a 10000/month) | 1 |
| Hardware (for meteorological data management) | 1 |
| AQ Data Acquisition system (15 stations) | 15 |
| AQ Data management system (central) | 1 |
| Regional scale dispersion modelling system (software) | 1 |
| Hardware (for dispersion modelling system) | 1 |
| Hardware and Software for Information system | 1 |
| Air quality monitoring stations | 2 |

Preliminary information regarding air related legislation

Further approximation of the country's air quality related legislation to EU legislation (96/62/EC; 1999/30/EC; 2000/69/EC; 2002/3/EC; 2004/107/EC; 2001/81/EC; 2001/80/EC; 1999/13/EC. 1996/61/EC, 31996L0082, 32000L0076, 31997D0101, 32000D0541, 32002D0529, 31991L0692, 32004D0461, 32000D0479, 32004D0224) and to complete the process of preparation and implementation of secondary legislation on air.

The overall objective of the project is to improve air quality by supporting the implementation of the Framework Directive on ambient air quality assessment and management .

Enacted legislation and secondary legislation in consent with the above mentioned directives:

- Law on ambient air quality (Official Gazette no. 67/04; 92/07)
- Decree on limit and target values for levels and type of pollutants in the ambient air, alert and information thresholds; dead lines for achieving limit and target values for specific substances; margins of tolerance for limit value and target value and long term objectives for specific pollutants (Official Gazette No. 50/05).
- Rulebook on criteria, methods and procedures for evaluation of the ambient air quality (Official Gazette no.82/06).
- Rulebook on inventory and determination of the levels of the pollutant emissions in the ambient air in tones per year, for all types of duties, as well as other data needed for submission of the Program for monitoring the air in Europe (EMEP) (enacted on 30.11.2007).

The following secondary legislation is in process of preparation:

- Decision for determination of lists of zones and agglomerations on the territory of the country (to be enacted by the end of the first quarter of 2008)
- Rulebook on limit values for the allowed emission levels and types of pollutants in the exhaust gases and steams emitted in the air from stationary sources, in order to ensure the ambient air quality according to the prescribed limit values for quality (to be enacted by the end of the first quarter of 2008)

In the frame of twinning project “Air quality improvement” the following rulebooks were drafted:

- Rulebook on the content and the method for preparation of National plan, programs and action plans for protection of the ambient air (to be enacted by the end of 2008),

- Rulebook on methods, conditions and procedure for establishment and operation of all networks and the methodology for monitoring, the conditions and the method and the procedure for submission of the information and the data from the monitoring, and criteria for choosing the measurement locations for all sources of pollution of the ambient air quality (to be enacted by June 2008).

Preparation of the sub legislation in the frame of the middle term activities of the NPAA:

Until the end of 2009, according to the NPAA.

- Draft Rulebook on the closer conditions for carrying out specific type of expert work, regarding equipment, installations, instruments and adequate business space that have to fulfill. 30.06.2009
- Draft Rulebook on the form and the content of the model for submission of the data and the form, content and the method for keeping the diary. 31.12.2009
- Draft Rulebook on the form and the content of the data transfer and the information for the conditions in the ambient air quality management. 31.12.2009
- Draft Rulebook on the emission limit values, upper limits and targets for decreasing certain types of pollutants, the methods of emission measurement, as well as the dead lines for achieving the limit values of the pollutants emissions 31.12.2009
- Draft Rulebook for methodology, ways, process, methods and recourses for measurements of air emission from stationary sources 31.12.2009
- Rulebook for National emission ceilings and determinate the projections for defined time period which are for decreasing of the quantity of emissions of pollutants on the yearly base 31.12.2008

Until the end of 2012:

- Decree for more strict limit and target values for quality for certain areas upon proposal of the Council of the Municipalities or the Council of the City of Skopje 31.12.2010
- The rulebook on the methods and the measures for prevention and restriction of the ambient air pollution from the facilities and the installations that are not foreseen to be issued with integrated ecological licenses 31.12.2010
- Guidelines for implementation of plans and programmes according to the Directive for air emissions 31.12.2010
- Decree for determination of the combustion capacities that have to undertake measures for protection of the ambient air from pollution, through reduction of the emissions of the separate pollutants in the air. The measures to be planned by 31.12.2010
- Rulebook for limit values for emissions and types of pollutants in exhaust gasses from mobile sources of pollution 31.03.2012