

FINAL VERSION

1. Basic information

1.1 CRIS Number: 2009/021-665

1.2 Title: Strengthening the institutional capacities for approximation and implementation of environmental legislation in the areas of water management and nature protection

1.3 ELARG Statistical Code: 3.27

1.4 Location: nation wide project related locations

Implementing arrangements:

1.5 Implementing Agency

The Central Finance and Contracting Department (CFCD) will be the contracting authority and will be responsible for all administrative and procedural aspects of the tendering process, contracting matters and financial management including payment of project activities, upon conferral of management. The Head of CFCD will act as the Programme Authorizing Officer (PAO) of the project.

Mrs. Radica Koceva (PAO)
Head of Central Financing and Contracting Department
Ministry of Finance
Tel: +389-2-3231 219
Fax: +389-2- 3106 612
E-mail: radica.koceva@finance.gov.mk

1.6 Beneficiary (including details of SPO)

Ministry of Environment and Physical Planning will be the leading beneficiary institution
Head of IPA Unit in the MoEPP acts as a SPO.

Contact point:

Mrs. Darinka Jantinska,

Head of IPA Unit,
Senior Programming Officer
Tel: +389 2 3066 930 ext 190;
Fax: +389 2 3066 931;
E-mail: D.Jantinska@moepp.gov.mk

In the implementation of project the following bodies within the MoEPP will be included: Administration for Environment (Department for Nature and Department for Waters); State Environmental Inspectorate and Department for European Union in the MoEPP.

Financing:

1.7 Overall costs (VAT excluded):¹ EUR 3 400 000

1.8 EU contribution: EUR 2 985 000

1.9 Final date for contracting:

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

1.10 Final date for execution of contracts:

Two years after the final date for contracting

1.11 Final date for disbursements:

One year after the final date for execution of contract

2. Overall Objective and Project Purpose

2.1 Overall Objective:

The overall objective of the project is to contribute to the sustainable environmental management in the country.

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.

2.2 Project purpose:

The project purpose is to further approximate and implement the environmental *acquis*, through strengthening the administrative capacities for environmental management in the fields of water management and nature protection.

2.3 Link with AP/ NPAA / EP/ SAA

2.3.1 Link with AP

The **Accession Partnership**, in its Chapter 27 stipulates its short-term goals:

- Continue legislative alignment with the *acquis* and improve significantly implementation of legislation and environmental monitoring;
- Strengthen administrative capacity at national and local levels and improve coordination between administrative bodies in charge of environment-related issues.

2.3.2 Link with NPAA

The National Programme for the Adoption of the *Acquis*, in its Part 3-Ability to Assume the Obligations for Membership, Chapter 27 Environment (3.27), aims at further 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.

The Water Law (“Official Gazette No.87/08), adopted in July 2008, transfers the competences in the field of water onto the Ministry of Environment and Physical Planning, as of 1st January 2010. Until the transferral, the NPAA sets as one of its short-term goals the drafting of bylaws, stemming from the Water Law, having in mind the EC Water Framework Directive (2000/60/EC) and the related Directives: Directive 2006/07/EC on Bathing Water Quality Management, Directive 91/676/EEC on Agricultural Nitrates, Directive 98/83/EC on Drinking Water Quality, Directive 91/271/EEC on Urban Waste Water Treatment, Directive 2006/11/EC on Pollution caused by Certain Dangerous Substances discharged into the Aquatic Environment of the Community, as well as the Directive 75/440/EEC on the quality required of surface water intended for the abstraction of drinking water in the Member States. The drafting of bylaws will establish the content of the planning documents, in concurrence with Chapter 3 of the Water Law. Furthermore, one of the short-term goals set in the NPAA is to strengthen the administrative capacity of the Water Department, part of the Administration for Environment, by additional staffing and provision of trainings for the drafting of the programming documents.

In the area of nature protection as a short-term priority, the focus in NPAA is to continue developing the national ecological network of the Areas of Special Conservation Interest (ASCI) - the future NATURA 2000 areas; the establishment of a monitoring programme and adoption of national biodiversity indicators, as well as the establishment and maintenance of the Cadastre and map of protected areas.

In addition, efforts will be made in the field of electronic data, registers of natural heritage, as well as establishing continuous monitoring of the suitable programme and organizing monitoring institutions network.

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.

2.3.3 Link with SAA

The project 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, point 2, line 1, and line 10) on combating environmental degradation, with the view to supporting environmental sustainability.

2.3.4 Link with EC Progress Report 2008

Within Chapter 27- Environment, the Progress Report refers both to the field of Water Quality and Nature Protection, as fields where little progress was made.

- **Water Quality**

Although the monitoring system is seen to be improved, it still lacks sufficient coverage and data collection, an issue covered by the proposed project. Furthermore, the general conclusion concerning the administrative capacity is that at both central and local levels it requires substantial strengthening, an issue which is one of the priorities of the proposed project.

- **Nature Protection**

The general comment about the Nature Protection field is that there is a slight progress. Administrative capacity in terms of human and financial resources is insufficient at both state and local levels and its strengthening remains a priority for improving the implementation and

enforcement of the legislation. The strengthening of the administrative capacities is one of the top priorities of the proposed project.

2.4 Link with MIPD

The Multi-Annual Indicative Planning Document (MIPD) 2007-2009 in the part 3.3: *Ability to assume the obligations of membership* stipulates that “the focus of assistance in this area will be on the adoption of the *acquis* including building institutional and administrative capacity for transposing, implementing and enforcing the *acquis* according to the priorities identified in the European Partnership, while with regard to environmental protection, “particular attention will be given to the strengthening of administrative capacities 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.”

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, it stipulates that particular attention will be given to the strengthening of administrative capacities, support for the further 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 the National Development Plan for the period 2008-2013. The NDP emphasizes that one of the priorities in the field of environment is the strengthening of the national environmental management system, as well as the strengthening of the central administration capacities. The aim of the NDP is the integrated water management through the introduction of wastewater and watershed management and establishment of an integrated system for nature protection and the conservation of biodiversity, in accordance with EU standards and international treaties.

The NDP also stipulates the drafting of the National Strategy for Nature Protection, the establishment of a national ecological network, as well as the development of a national programme for monitoring of the biodiversity components and biodiversity indicators.

RM has ratified the Convention of biodiversity and the National Biodiversity Strategy and Action Plan was prepared in 2004. The Strategic approach for "research and monitoring" includes several actions for establishment of monitoring system in the former Yugoslav Republic of Macedonia.

2.6 Link with national/ sectoral investment plans

The project contributes to the realization of the following key strategies and action plans in the sector:

- National Environmental Action Plan (NEAP) 2006
- Pre-accession Economic Programme (PEP) of the Government of the former Yugoslav Republic of Macedonia, 2008-2010
- National Environmental Investment Strategy (NSEI) (to be adopted by end 2008)
- Operational Programme for Regional Development 2007-2009 (OPRD part environment) IPA Component 3, 2007
- Strategic Coherence Framework IPA Component III and IV, 2007 – 2012, 2007
- National Strategy for Approximation and Implementation of the Environment acquis (NSEA), 2008
- Annual Regular Progress Report
- Annual Enlargement Strategy Paper of the Commission

3. Description of project

3.1 Background and justification:

Environmental protection is a cross-cutting issue and one of the key acquis chapters in the process of negotiation with the EC which candidate countries need to close, before becoming EU member states.

The environment sector plays a key role in the Accession process. The Government's commitment towards EU accession, the harmonisation of the national legal environment with the EU acquis through the National Plan for Approximation of the acquis (NPAA) and Action Plan form the background against which the Second National Environmental Action Plan (NEAP) was adopted in 2006.

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, GMOs and waters with a number of sub legislation enacted or under preparation. 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. Number of sub-legislation acts were prepared and enacted.

One of the short-term goals set in the NPAA is to strengthen the administrative capacity of the MoEPP, particularly State Environmental Inspectorate and Department for Nature and Water Department, being part of the Administration for Environment, by additional staffing and provision of trainings for the drafting of the programming documents.

The present project will therefore focus on further strengthening the national capacities to harmonize legislation with the Environmental Directives and to strengthen the central and local level administrative capacities in prioritized areas of environmental management, while contributing to an appropriate working environment. The prioritised areas are:

- nature protection
- water management

Nature protection

Law on Nature, transposing Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives as well as obligations from international agreements in the field of nature protection, was enacted in 2004 and accordingly amended in 2006 and 2008.

Some provisions found in legislation provide the legal basis for the issuing of sub-legislation, the adoption of which will enable complete transposition. These provisions stipulate that the amendment of the list of sites must be proposed, where appropriate, in light of monitoring results, necessary measures to be taken to ensure that the taking and/or exploitation of Annex V species is compatible with maintaining their favourable conservation status, and Annexes I, II, IV and V.

There is an insufficient base to implement the requirements of the Habitat Directive, although most of the legal basis exists.

There is at present an insufficient base to implement the Birds Directive, although most of the legal basis actually exists. Systematic assessment of bird species listed in Annex I have not been carried out, and no systematic and comprehensive measures to preserve/maintain/re-

establish a sufficient diversity and area of habitats for naturally occurring wild bird species have been decided at national level. The new proposal for Important Bird Areas has been submitted. Not much has been done to encourage research and/or work on the protection, management and use of naturally occurring wild birds at least on national level. There is a need for raised capacity within the MoEPP to collect and manage data and produce guidelines relating to the selection of SPAs, and a need for enhanced capacity within the MoEPP to inspect important areas for birds and protected areas hosting habitats for birds from Annex I. There is a lack of capacity for gathering and managing biodiversity information that would support the MoEPPs responsibilities for developing and managing a protected area network, and protecting species of special conservation interest.

The Nature Department, which is a part of the Administration for Environment is the competent body for nature protection. In consistency with its priorities, reflected in strategic documents, it is a need of the Ministry to establish efficient national biodiversity monitoring system and to further approximate its legislation to the *acquis* through development of secondary legislation. This should be done for the purpose of the implementation of the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives.

Water management

With the purpose of meeting this target and the requirements of the EU Water Framework Directive, which targets the realization of preferable status of all the water bodies in the area by the year 2015, the Government adopted the new Water Law in July 2008. 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 (Ministry of Agriculture, Forestry and Water Economy) the new Water Law provides a basis for a consolidation in this sector, by stipulating transferral of competence onto the Ministry of Environment and Physical Planning. For this reason a Water Department in the MOEPP – Administration of Environment was established which is due to take over the water competences as of 01.10.2010. Within the Water Department the organisational units responsible for river basin management need to be established. Currently, the Water Department is organised based on the competences that the MOEPP presently has only 8 employees. According to the NPAA and the Plan for Institutional Development of the Capacity for Environmental Management on the Central and Local Level (2009-2014), the Water Department needs to be re-organised in accordance to the competencies given in the WL and the number of employees will be scientifically increased in the next five years.

The new Water Law (WL) stipulates competences in water management not only with central but as well as to local administration too, especially in protection of water from small industry and communal waste waters, flood protection, erosion, water supply and water discharge and other issues. 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 capacities of the MOEPP as well on LSG are not sufficient to cover responsibilities that arise from the WL. To accomplish good implementation of the WL the most important is to establish sufficient administrative structure, both in central and local levels, which will be able to take the responsibilities for implementation of the WL. To take over the competencies for water management, it is expected that most of the Water Department's staff to be new employees with not much of experience dealing with water issues as stipulated in the WL. It should be taken into consideration that with the WL an entirely new approach in water management was introduced. Consequently administrative capacities, for water management, need to be completed with sufficient number of staff, with adequate experience and knowledge, and with sufficient understanding of the WL and its provisions. For that reason, trainings need to be delivered to the staff, providing by that better implementation of the WL and improving their knowledge and experience.

With the adoption of secondary legislation the legal frame for water management will be then completed, which will be an additional asset for securing implementation of the WL. This will provide a safe and stable legal ground for performing the competencies of the water administration.

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

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.

The main contribution of this project will be the strengthening of the administrative capacities in the prioritised sectors on central and local level, thereby contributing to the improvement of environmental management and implementation of legislation. The capacities of the Nature and Water Departments of the Administration of Environment within the Ministry of Environment and Physical Planning as well as the State Environmental Inspectorate will be significantly boosted by this project, which will enable further independent operation thereof.

Improved capacities for implementation of environmental legislation and introduction of environmental standards will positively impact the overall sustainability of development in the country, while the improved capacities to develop EU compliant legislation and regulations will have a positive impact on the EU accession process. It is expected that strengthening the public administration on a local level will improve the capacity to solve local problems and disputes on local level instead of approaching central administration.

Improved capacities to draft and implement environmental legislation and introduce environmental standards will increase transparency and reduce discretionary decision-making, which will on other hand enhance the confidence and interest of the business community to invest in environmental measures.

Environmental pollution does not stop at borders; therefore strengthening the environmental management capacities is likely to lead to a reduction of cross-border pollution and will secure better management of the cross-border basins or rivers, shared between the former Yugoslav Republic of Macedonia and a neighbouring country. Namely, WL stipulates obligations of the water administration to take into consideration the trans-boundary issues. Thus this project will support water administration, both on central and local level to deal efficiently with trans-boundary elements of water management.

WL stipulates the obligation for implementation of public consultation procedures when developing relevant water management plans as well as when drafting permits for water use or water discharge. As a consequence, this project will obtain participation of all stakeholders involved in water management, primarily the employees of water department of the MOEPP, civil servant of the municipalities that work on water issue, civil servants of relevant ministries that have competencies in water management as well as civil servants from the MOEPP that work on issuing IPPC permits. It will also include participation of the representatives of relevant industries, representatives of local enterprises that are responsible for water supply and waste water, representatives from NGO and other social and scientific groups and institutions that have interest in water management, such as nature protection institutions, scientific organizations, health institutions etc.

3.3 Results and measurable indicators

The project shall provide advisory and material support to the central and local administration and will consist of the following two components related to strengthening the national administrative capacities in the following environmental sectors:

- 1) Strengthening the administrative capacities for conservation and monitoring of biodiversity and natural heritage;
- 2) Strengthening the administrative capacities for water management.

Under the components the following **results/outputs** will be delivered in the course of the project:

Component 1 - Strengthening the administrative capacities for conservation and monitoring of biodiversity and natural heritage

Expected results to be achieved within this component are:

1. Administrative capacity strengthened to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives.

- Harmonised prioritised legislation with directives through adopted relevant secondary legislation;
- Strengthened administrative capacity to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives;
- Developed and approved assessment on the administrative capacity of the Department for Nature of MEPP and relevant stakeholders included in the biodiversity data management to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives ;
- Developed and approved plan for strengthening the administrative capacity;
- Developed and approved training needs assessment and training action plan;
- Short-term training priorities implemented and staff trained.

2. Established procedures for obtaining biodiversity data and established a biodiversity information management system (Data Collection, Data Handling, Reporting etc.)

- Specified, designed and established a Biodiversity Information Management System (BIMS);
- Training of the staff provided;
- Developed Manuals for BIMS;
- Stakeholders involvement approach applied;
- Tested procedures for obtaining and analysis of biodiversity data in two pilot sites (potential Natura 2000 sites);
- Adopted Plan for review of habitats and species;
- Pilot review of habitats and species

- Developed Management Plans for the 2 pilot areas.

Measurable indicators for this component are:

- Number of secondary legislation developed;
- Training needs assessment and training action plan approved by MoEPP;
- Number of training and number of trained staff;
- Number of Manuals developed;
- Data gathered from two pilot sites indicate the functionality of the biodiversity information management system;
- Number of stakeholders trained for biodiversity data collection and data handling
- Developed Management Plans for the 2 pilot areas.

Component 2 - Strengthening the national administrative capacities for water management

Expected results to be achieved within this component are

1. Strengthened national administrative capacity for water management on central level
Harmonised legislation in the water management area through adopted priority secondary legislation;

- Improved inter-institutional cooperation for water management

2. Strengthened administrative capacity of the River Basin management authorities for River Basin - Vardar and development of elements of River Basin Management Plan of Vardar River

- Adopted Institutional capacity assessment of the River Basin - Vardar Management Authority;
- Action plan for improving institutional capacities of the River Basin - Vardar Management Authority designed and adopted;
- Developed and approved training needs assessment and training action plan;
- Developed register of protected areas for the River Basin - Vardar, in accordance with the WFD;
- Performed characterization of WB, identification of Impact, Pressure of river basin - Vardar presented in a map (GIS format);
- Designed Programme for water monitoring for surface water for river basin – Vardar presented in a map (GIS format);
- Designed Pilot Plan for Pilot river basin district - Treska;
- Initiated trans-boundary cooperation with Greek river basin management authority for the River Vardar.

Measurable indicators for this component are:

- Number of secondary legislation developed;
- Training needs assessment and training action plan approved by MoEPP;
- Number of training and number of trained staff;
- Designed 1st phase of the plan for River Basin - Vardar;

3.4 Activities:

Component 1 - Strengthening the administrative capacities for nature conservation and implementation of the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives

Main purpose of this component is strengthening administrative capacities on central level (Department for Nature, Administration for Environment, Ministry of Environment and Physical Planning) for implementation of the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives.

Within this component the following activities are planned:

1. Strengthen administrative capacity to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives.
 - Harmonise prioritised legislation with directives, in particular the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives through adoption of the relevant secondary legislation;
 - Strengthen administrative capacity to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives;
 - Assessment on the administrative capacity on central and local level and relevant stakeholders included in the biodiversity data management to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives;
 - Preparation and adoption of an action plan for improving administrative capacities;
 - Implementation of the priority actions to improve administrative capacities;
 - Developing training needs assessment and training action plan;
 - Implementation of short-term training plan.
2. Establishment of a biodiversity information management system (Data Collection, Data Handling, Reporting etc.)
 - Analysis of gaps in the national protected and designated areas system related to Natura 2000 classification system for birds and habitats;

- Establish administrative and legal procedures for obtaining biodiversity data (with special emphasis on species and habitats of European importance-according to the annexes of the Birds and Habitats Directives), based on Natura 2000 classification system;
- Design and establish a Biodiversity Information Management System (BIMS will allow identification and monitoring of the status of individual species, habitat types, and protected areas relevant to NATURA 2000). The system should involve all the aspects as organisation, structure, staff, indicators, equipment, database with integrated GIS (software and hardware) etc;
- Develop manuals for operation of the system;
- Training of the users;
- Design and implement a system for stakeholders involvement approach;
- Testing of the procedures for obtaining and analysis of biodiversity data in two pilot sites (identified EMERALD sites and potential Natura 2000 sites). The two sites will be selected by the MoEPP before the project start as to include one SPA and one SAC);
- Development of 2 management plans for the two selected sites (including public consultation);
- Development of plan for review of habitats and species;
- Pilot review of habitats and species;
- Public awareness campaign;
- Design of TD and delivery of the most priority equipment for the BIMS.

Many stakeholders will be included in the very process of data collection and handling- Faculty of Natural Mathematics, Natural-Scientific Museum, Hydro-Meteorological Institute, NGO's, National Parks and others.

Detailed equipment needs an inventory for both the central level authorities (Nature and Water Departments of the MEPP), local stakeholders (communities, management authorities of protected areas, inspectorate, public institutions) as well as other stakeholders (NGOs, Hydro-Biological Institute, PE Macedonian Forests etc.) will be performed by the project's inception (1st quarter, 2010).

Component 2 - Strengthening the administrative capacities for water management

The main purpose of this component is strengthening administrative capacity of the Water Department in the Ministry of Environment and Physical Planning, in particular the River Basin management authorities, for the purpose of providing administrative structure for implementation of Water Law (which transposes Water Framework Directive (WFD) and 8 other Directives), and further approximation of legislation through Development of secondary

legislation, as one of the major short-term aims in the National Programme for Adoption of the Acquis Communautaire (NPAA). The following activities are planned under this component:

1. Strengthen administrative capacity for water management on central level for implementation of Water Law - Assessment of the administrative capacity for water management on central level;

- Design of an action plan for improving administrative capacities;
- Implementation of the priority actions to improve institutional capacities;
- Harmonize prioritised legislation with WFD through adoption of secondary legislation (based on NPAA, Sectoral Environmental Approximation and Progress Monitoring);
- Develop Manuals for implementation of the WFD (Economic Analysis, Characterization of WB, Impact, Pressure, Monitoring and identification of protected areas);
- Strengthening the inter-institutional cooperation for water management, involving the main institution involved in the water management

2. Strengthen administrative capacity of the River Basin management authorities for River Basin - Vardar and development of elements of the River Basin Management Plan of Vardar River.

- Administrative capacity assessment of the Vardar River Basin Management Authority;
- Design an action plan for improving administrative capacities of the Vardar River Basin - Management Authority;
- Implementation of the priority actions to improve institutional capacities;
- Assess training needs and develop training plan with long, medium and short term priorities;
- Implementation of the short term training plan;
- Develop register of protected areas for the River Basin - Vardar, in accordance with the WFD;
- Perform characterization of WB, identification of Impact, Pressure of river basin - Vardar presented in a map (GIS format);
- Design Programme for water monitoring for surface water for river basin - Vardar, presented in a map (GIS format);
- Design a Pilot Plan for Pilot river basin district - Treska;
- Design and implement a system for stakeholders involvement approach;
- Apply trans-boundary cooperation principle with Greek river basin management authority for the River Vardar (exchange of experience, knowledge transfer, workshops etc.);
- Dissemination of results to the other basin management authorities;

- Public awareness campaign;
- Design and delivery of equipment for information system and water monitoring.

The draft list of equipment includes:

- Laboratory equipment for monitoring (for monitoring of priority substances (PS) according to the WFD; biological monitoring);
- Field equipment (piezometres for water monitoring);
- IT equipment (PCs) (software for identification of ecological status of surface water; software for identification of quantitative and chemical status water; software for identification of status of AWB and HMWB; relevant GIS software), for the purposes of the River Basin management authorities for River Basin – Vardar;
- Vehicles for field work for monitoring purposes.

Both the activities and results are in consistency with the time schedule of the newly adopted water law. Namely as stipulated in the Water Law starting 01.01.2010 River Basin Management Authorities should be established in order to take further responsibility arising from the law.

Management and contracting arrangements

The expected contracting arrangements financed through IPA are:

- One service contract to be concluded through an international restricted tender procedure. One service contract will cover Component 1 (Strengthening the national administrative capacities for nature conservation and implementation of the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives). The contract duration will be of 18 – 24 months and the value will be approximately EUR 1.200.000 (of which IPA funds will be EUR 1.080.000 and the national co-financing will be 120.000). The contract will start in Q1 2011.
- One Service Contract to be concluded through an international restricted tender procedure. This contract will cover Component 2 (Strengthening the national administrative capacities for water management). The contract duration will be of 18 to 24 months and the value will be approximately EUR 1 700 000 (of which IPA funds will be EUR 1 530 000 and the national co-financing will be EUR 170 000). The contract will start in the Q1 2011.

- One or more supply contracts will be concluded for the supply of prioritised equipment. 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 contracts value will be EUR 500 000 (of which IPA funds will be EUR 375 000 and the national co-financing will be EUR 125 000). The contract will start in the Q4 2011.

3.5 Conditionality and sequencing

The following conditionality predetermines the project:

1. Endorsement by relevant key stakeholders of the Terms of Reference, specifications for the individual contracts to be engaged;
2. Established Vardar River Basin management authority with proper number of staff;
3. Appointment of appropriate number of counterpart personnel by the beneficiary (central and local level) before the projects start;
4. Organization, selection and appointment of members of working groups, steering and coordination committees, seminars by the beneficiary as per work plan of the project;
5. Inventory of equipment available before the projects start. Due to the fact that this project will directly involve Local Self Government Unit namely their environmental departments and inspectors, the implementing arrangements with municipalities as well as with other governmental institutions should be agreed upon before the commencement of the project. Each LSG Unit should appoint project contact person.

If the conditions are not met, suspension or cancellation of the project will be considered.

3.6 Linked activities

Project is connected with the following on-going projects and will present their upgrading. There are no overlaps with the linked activities (projects).

Project: Development of Emerald Network in the former Yugoslav Republic of Macedonia

The Emerald network represents an efficient tool for the preparation of the EU acceding countries to meet their obligations, stemming from the Birds and Habitats Directives (i.e. establishment of the future NATURA 2000).

There are no overlaps with the EMERALD project, since this project aims to identify EMERALD (future NATURA 2000 sites), while the proposed project aims at strengthening capacities, harmonization of legislation and monitoring of biodiversity.

In fact, one of the problems and gaps in the Emerald project is the fact that there is lack of data which prevents the identification of some EMERALD areas. These gaps will be covered by the proposed project.

Project: UNDP Project for protected areas

The main objective of the Protected Areas Project strengthening the management effectiveness of country's protected area system. Its two pilot areas are Matka and Tikves.

The project will assist the Ministry of Environment and Physical Planning to implement the legal requirements of the Law for Nature Protection regarding protected area system establishment and planning.

There are no overlaps between the Protected Areas project and this project, since the Protected Areas project focuses on testing and replicating planning processes in Protected Areas.

In the field of water the project is linked to several projects financed by international donors:

1. The project closely linked to the proposed project is "*Monitoring of the rivers in the former Yugoslav Republic of Macedonia- stage 2*", and the donation amounts to 1 750 000 CHF.

Project's aims and activities:

The project aims to reconstruct, rebuild and update the monitoring system of rivers, with the aim of permanent monitoring of qualitative-quantitative data concerning their water status. To date, 7 monitoring stations and a laboratory, and a additional 11 monitoring stations for the installation of the equipment (Swiss), as well as infrastructure connection with the power supply and telephone lines have been put in place. Apart from the supply of equipment and instruments, additional trainings and study visits in the related field are foreseen.

2. The second project which is in close correlation with the proposed project is the "*Consultancy during the implementation of the EU Water framework directive in the Macedonian legislation*" project, financed by GTZ.

The goal of the project is to support the implementation of the Water Framework Directive. The project aims to develop secondary legislation providing legal base for development of Planning Documents for Water Management, as planned in NPAA for 2009 and Developing of Administrative Plan for Transferring Water Management Competencies from the Ministry of Agriculture, Forestry and Water Management.

Environmental inspectorate for a number of years has been closely involved in the realization of a project for ECENA (Environmental Compliance Enforcement Network for Accession), Regional project financed by the European Commission. While the State Environmental Inspectorate is member of IMPEL.

3.7 Lessons learned

The lessons learned from the CARDS Programmes are taken into account during the development of this project. Main mistakes to be avoided and suggested are:

- 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;
- Project objectives should be achievable and realistic.

Lessons learned from CARDS Programmes (as noted by the EAR Lessons Learnt Report)

The EC support to the reconstruction and reform

In a difficult environment, the EU has played a key role in supporting the reform process in the beneficiary countries. The current method of adaptation to the local situation, allowing for flexibility in the provision of loans and/or grants, in providing tailor made assistance to beneficiaries, should be maintained. The engagement of contractors located within the municipal boundaries should be continued and encouraged wherever practically possible.

Good governance, strengthening the political environment

A key lesson from the CARDS projects during the past years has been that the sustainability of assistance is stronger when projects are placed in an overall policy perspective with government leading the reform process. Capacity building needs tailor made approaches, based upon the real needs as identified by the country itself. In order to support good governance, it is recommended to focus capacity building initiatives on further organizing and facilitating the policy learning process, strategy formulation and policy action in the country. Projects implemented with a solid basis firmly rooted in a governmental strategic document will be more sustainable and complement the reform process. (Above, in section 2.3., is the conformity of the project with the key governmental strategic documents).

Strengthening the commitment of the governments

Projects have been most effective in cases where stakeholders were involved in the design, conceptualization and implementation of the activities. This resulted in commitment, better

results and acceptance of recommendations at the policy level. Local ownership of the reform process is of paramount importance and underlines that capacity development is a process that should be led by the government. When designing future interventions, it is therefore recommended to involve the main stakeholders and beneficiaries fully in the design and implementation of project activities. This will contribute to sustainable institutional capacity which enhances ownership and commitment, leads to improved results and facilitates acceptance of recommendations at the policy level. Main beneficiaries and stakeholders (Ministry of Environment and Physical Planning and other stakeholders were included in the design of this project's activities).

Addressing the complexity of the reform process

A realistically tailored analysis of the ruling political, economic conditions and cultural norms when entering a major international intervention will be beneficial for future programming and project implementation.

Improving the programme design and development

- Project objectives should be achievable - not over ambitious – and take into account the complexity of the change process and absorption capacity of the partner country;
- A focused project cycle thinking based upon the logical framework as a primary set of project design and management tools ensures a more systematic and standardised approach.

Institution Capacity building

- One of the main lessons learned from the projects is the centrality of providing training opportunities to beneficiaries and stakeholders;
- Training is an important tool to build local capacity and should be considered as an integral part of any future support programme;
- Training is an integral part of this project's activities.

The following are the key recommendations from the CARDS experience:

- Continuing and longer-term assistance with realistic project time-frames;
- Realistic objectives and expected results;
- Focus on outcomes rather than inputs and outputs;
- Longer-term investment / Support;
- Capacity building;
- Activities based on specific needs.

This project incorporates realistic project time-frames, with realistic objectives and expected results. It focuses on outcomes rather than inputs and outputs, and it focuses on actual needs for capacity building of the concerned stakeholders.

The Ministry of Environment and Physical Planning is committed to putting into practice the lessons learned from the CARDS projects.

4. Indicative Budget (amounts in €)

			SOURCES OF FUNDING										
			TOTAL EXP.RE	TOTAL PUBLIC EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Service Contract 1	X		1 200 000	1 200 000	1 080 000	90	120 000	10	120 000				
Service Contract 2	X		1 700 000	1 700 000	1 530 000	90	170 000	10	170 000				
Supply Contract		X	500 000	500 000	375 000	75	125 000	75	125 000				–
TOTAL			3 400 000	3 400 000	2 985 000		415 000		415 000				
TOTAL IB			2 900 000	2 900 000	2 610 000	-	290 000		290 000				
TOTAL INV			500 000	500 000	375 000		125 000		125 000				
TOTAL PROJECT			3 400 000	3 400 000	2 985 000		415 000		415 000				

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

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

(2) Expressed in % of the **Public** Expenditure (column (b))

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

In case of local or foreign training the project will fund from incidentals – whenever necessary - the renting of training rooms and equipment, the printing of training material and accessories as well as per diems/allowances for participants in the way and to the level normally financed by the government, but never higher than the per diem rates published by the EU.

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

Contracts	Start of Tendering	Signature of contract	Project Completion
Service Contract 1	Q2 2010	Q 1 2011	Q 1 2013
Service Contract 2	Q2 2010	Q 1 2011	Q 1 2013
Supply Contract 1	Q2 2011	Q 4 2011	Q 2 2013

6. Cross cutting issues

All cross cutting issues will be duly taken into consideration in the implementation process of this project. 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.

6.1 Civil Society development and dialogue

Where relevant, and as outlined above, the project will in its activities further assist the authorities to reach out to concerned NGO's throughout the country.

6.2 Environmental considerations

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.

6.3 Equal Opportunities and non-discrimination

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.

6.4 Minority and vulnerable groups

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 (200/43/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.

6.5 Good Governance, with particular attention to fight against corruption

Where appropriate the project will in its activities endeavour to reflect best practice and standards in implementation.

ANNEXES

- 1- Log frame in Standard Format
- 2- Amounts contracted and Disbursed 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 / sector 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 *grants schemes*: account of components of the schemes

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 constructing works):

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

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR THE PROJECT FICHE: Strengthening the institutional capacity for approximation and implementation of environmental legislation in the areas of water management and nature protection		Programme name and number: National Programme for the former Yugoslav Republic of Macedonia under the IPA Transition Assistance and Institution Building Component for 2009 CRIS number: 2009/021-665	
		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 : EUR 3 400 000	IPA budget: EUR 2 985 000
Overall objective	Objectively verifiable indicators	Sources of Verification	
The overall objective of the project is to contribute to the sustainable environmental management in the country.	- Improved sustainability of the environmental management	- EC Progress Reports - national reports	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
The project purpose is to further approximate and implement of environmental aquis communautaire through strengthening the administrative capacities for environmental management in the fields of water and nature management.	- Degree of legislation harmonized with the Directives - Strengthened enforcement capacities - Increased compliance with EU environmental standards - Number of issued documents and approval	published legislation acts monitoring reports Commission reports Governmental reports	commitment of institutions providing dedicated staff in beneficiary institutions Political support
Results	Objectively verifiable indicators	Sources of Verification	Assumptions

<p>Component 1 - Strengthening the administrative capacities for conservation and monitoring of biodiversity and natural heritage</p> <p>Expected results to be achieved within this component are:</p> <p>1. Administrative capacity strengthened to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives.</p> <ul style="list-style-type: none"> - Harmonized prioritised legislation with directives through adopted relevant secondary legislation; - Strengthened administrative capacity to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives - Developed and approved assessment on the administrative capacity of the Department for Nature of MEPP and relevant stakeholders included in the biodiversity data management to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives ; - Developed and approved plan for strengthening the administrative capacity; - Developed and approved training needs assessment and training action plan; - Short-term training priorities implemented and staff trained. - <p>2. Established procedures for obtaining biodiversity data and establish a biodiversity information management system (Data Collection, Data Handling, Reporting etc.)</p> <ul style="list-style-type: none"> - Specified, designed and established a Biodiversity Information Management System (BIMS) - Training to the staff provided - Developed Manuals for BIMS - Stakeholders involvement approach applied - Tested procedures for obtaining and analysis of biodiversity data in two pilot sites (potential Natura 2000 sites) - Adopted Plan for review of habitats and species 	<p>Measurable indicators for this component are:</p> <ul style="list-style-type: none"> - Number of secondary legislation developed; - Training needs assessment and training action plan approved by MoEPP; - Number of training and number of trained staff; - Number of Manuals developed; - Data gathered from two pilot sites indicate the functionality of the biodiversity information management system; - Number of stakeholders trained for biodiversity data collection and data handling - 2 Developed Management Plans for the 2 pilot areas. 	<p>The following Sources of Verification refers to both components:</p> <ul style="list-style-type: none"> European Commission assessments(progress monitoring Report) Project regular reports. Final project report Issued licences, agreements, certificates; 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
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<ul style="list-style-type: none"> - 2 Developed Management Plans for the 2 pilot areas <p>Measurable indicators for this component are:</p> <ul style="list-style-type: none"> - Number of secondary legislation developed; - Training needs assessment and training action plan approved by MoEPP; - Number of training and number of trained staff; - Number of Manuals developed; - Data gathered from two pilot sites indicate the functionality of the biodiversity information management system; - Pilot review of habitats and species - Number of stakeholders trained for biodiversity data collection and data handling; - 2 Developed Management Plans for the 2 pilot areas <p>Component 2 - Strengthening the national administrative capacities for water management</p> <p>Within this component the achievement of the following results is expected:</p> <p>1. Strengthened national administrative capacity for water management for the purpose of providing administrative structure for implementation of Water Law (which transposes WFD and 8 other Directives)</p> <ul style="list-style-type: none"> - Harmonized legislation in the water management area through adopted priority secondary legislation; - Developed Manuals (Economic Analysis, Characterization of WB, Impact, Pressure, Monitoring) - Improved inter-institutional cooperation for water management (The newly-adopted Law on Water stipulates the formation of a River basin district management advisory council which will be constituted by relevant stakeholders and which will represent the best instrument for inter-institutional cooperation for the Vardar River Basin Management). <p>2. Strengthened administrative capacity of the River Basin management authorities for River Basin - Vardar in the process of proposal of River Basin Management Plan of Vardar River</p> <p>1. Strengthened national administrative capacity for water</p>	<p>Measurable indicators for component 2 are:</p> <ul style="list-style-type: none"> - Number of secondary legislation developed; - Training needs assessment and training action plan approved by MoEPP; - Number of training and number of trained staff; - Designed 1st phase of the plan for River Basin - Vardar; 		
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<p>management on central level Harmonised legislation in the water management area through adopted priority secondary legislation;</p> <ul style="list-style-type: none"> - Improved inter-institutional cooperation for water management <p>2. Strengthened administrative capacity of the River Basin management authorities for River Basin - Vardar and development of elements of River Basin Management Plan of Vardar River</p> <ul style="list-style-type: none"> - Adopted Institutional capacity assessment of the River Basin - Vardar Management Authority; - Action plan for improving institutional capacities of the River Basin - Vardar Management Authority designed and adopted; - Developed and approved training needs assessment and training action plan; - assessment and training action plan - Developed register of protected areas for the River Basin - Vardar , in accordance with the WFD - Performed characterization of WB, identification of Impact, Pressure of river basin - Vardar presented in a map (GIS format) - Designed Programme for water monitoring for surface water for river basin - Vardar, presented in a map (GIS format) - Designed Pilot Plan for Pilot river basin district - Treska <p>Initiated trans-boundary cooperation with Greek river basin management authority for the River Vardar</p>			
<p>Activities</p> <p>Component 1 - Strengthening the administrative capacities for nature conservation and implementation of the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives</p> <p>Main purpose of this component is strengthening administrative capacities on central level (Department for Nature, Administration for Environment, Ministry of Environment and Physical Planning) for implementation of the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives.</p>	<p>Means</p> <p>2 Service Contracts for Component 1 and 2 1 supply contract for component 1 and 2 combined</p>	<p>Costs</p> <p><u>Service contract 1:</u> Total: EUR 1 200 000 - IPA: EUR 1 080 000 Nat. co-fin EUR 120 000</p> <p><u>Service contract 2:</u> Total: EUR 1700 000 - IPA:EUR 1 530 000 Nat. co-fin EUR 170 000</p>	<p>Assumptions</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 Departure of key staff

<p>Within this component the following activities are planned:</p> <p>1. Strengthen <u>administrative capacity</u> to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives.</p> <ul style="list-style-type: none"> - <u>Harmonize prioritised legislation</u> with directives, in particular the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives through adoption of the relevant secondary legislation; - Strengthen <u>administrative capacity</u> to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives <ul style="list-style-type: none"> - <u>Assessment on the administrative capacity</u> on central and local level and relevant stakeholders included in the biodiversity data management to implement the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives; <ul style="list-style-type: none"> - Development and approval of an action plan for improving administrative capacities; - Implementation of the priority actions to improve administrative capacities; o Developing training needs assessment and training action plan; - Implementation of short-term training plan <p>2 <u>establishment of a biodiversity information management system (Data Collection, Data Handling, Reporting etc.)</u></p> <ul style="list-style-type: none"> - Analysis of gaps in the national protected and designated areas system related to Natura 2000 classification system for birds and habitats; - Establish administrative and legal procedures for obtaining biodiversity data (with special emphasis on species and habitats of European importance-according to the annexes of the Birds and Habitats Directives), based on Natura 2000 classification system - Design and establish a Biodiversity Information Management System (BIMS will allow identification and monitoring of the status of individual species, habitat types, and protected areas relevant to NATURA 2000). The design system should involve all the aspects 		<p><u>Supply contract</u> Total: EUR 500 000 IPA: EUR 375 000 Nat. co-fin. EUR 125 000</p>	
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<p>as organisation, structure, staff, indicators, equipment, database with integrated GIS (software and hardware) etc.</p> <ul style="list-style-type: none"> - Develop manuals for operation of the system ; - Training on the use of the users; - Design and implement a system for stakeholders involvement approach; - Testing of the procedures for obtaining and analysis of biodiversity data in two pilot sites (identified EMERALD sites and potential Natura 2000 sites). The two sites will be selected by the MoEPP before the project start as to include one SPA and one SAC); - Development of 2 management plans for the two selected sites (to undergo a process of full public involvement); - Development of plan for review of habitats and species (including public consultation); - Pilot review of habitats and species; - Public awareness campaign; - Design of TD and delivery of the most priority equipment for the BIMS. <p>Many stakeholders will be included in the very process of data collection and handling- Faculty of Natural Mathematics, Natural-Scientific Museum, Hydro-Meteorological Institute, NGO's, National Parks and others</p> <p>Detailed equipment needs inventory for both the central level authorities (Nature and Water Departments of the MEPP), local stakeholders (communities, management authorities of protected areas, inspectorate, public institutions) as well as other stakeholders (NGOs, Hydro-Biological Institute, PE Macedonian Forests etc.) will be performed by the project inception (1st quarter, 2010).</p> <p>Component 2 - Strengthening the administrative capacities for water management</p> <p>Main purpose of this component is strengthening administrative capacity of the Water Department in the Ministry of Environment and Physical Planning, in particular the River Basin management authorities, for the purpose of</p>			
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<p>providing administrative structure for implementation of Water Law (which transposes WFD and 8 other Directives), and further approximation of legislation through Development of secondary legislation (bylaws), as one of the major short-term aims in the National Programme for Adoption of the Acquis Communautaire (NPAA). The following activities are planned under this component:</p> <p>1. Strengthen administrative capacity for water management on central level for implementation of Water Law - Assessment of the administrative capacity for water management on central level;</p> <ul style="list-style-type: none"> - Design of an action plan for improving administrative capacities; - Implementation of the priority actions to improve institutional capacities; - Harmonize prioritised legislation with WFD through adoption of secondary legislation (based on NPAA, Sectoral Environmental Approximation and Progress Monitoring); - Develop Manuals for implementation of the WFD (Economic Analysis, Characterization of WB, Impact, Pressure, Monitoring and identification of protected areas); - Strengthening the inter-institutional cooperation for water management, involving the main institution involved in the water management <p><u>2.</u> Strengthen administrative capacity of the River Basin management authorities for River Basin - Vardar and development of elements of the River Basin Management Plan of Vardar River.</p> <ul style="list-style-type: none"> - Administrative capacity assessment of the Vardar River Basin Management Authority; - Design an action plan for improving administrative capacities of the Vardar River Basin - Management Authority; - Implementation of the priority actions to improve institutional capacities; - Assess training needs and develop training plan with long, medium and short term priorities; 			
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<ul style="list-style-type: none"> - Implementation of the short term training plan; - Develop register of protected areas for the River Basin - Vardar, in accordance with the WFD; - Perform characterization of WB, identification of Impact, Pressure of river basin - Vardar presented in a map (GIS format); - Design Programme for water monitoring for surface water for river basin - Vardar, presented in a map (GIS format); - Design a Pilot Plan for Pilot river basin district - Treska; - Design and implement a system for stakeholders involvement approach; - Apply trans-boundary cooperation principle with Greek river basin management authority for the River Vardar (exchange of experience, knowledge transfer, workshops etc.) - Dissemination of results to the other basin management authorities - Public awareness campaign - Design and delivery of equipment for information system and water monitoring. 			
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Preconditions

The following conditionality predetermines the project:

1. Endorsement by relevant key stakeholders of the Terms of Reference, specifications for the individual contracts to be engaged;
2. Established Vardar River Basin management authority with proper number of staff;
3. Appointment of appropriate number of counterpart personnel by the beneficiary (central and local level) before the projects start;
4. Organization, selection and appointment of members of working groups, steering and coordination committees, seminars by the beneficiary as per work plan of the project;
5. Inventory of equipment available before the projects start. Due to the fact that this project will directly involve Local Self Government Unit namely their environmental departments and inspectors, the implementing arrangements with municipalities as well as with other governmental institutions should be agreed upon before the commencement of the project. Each LSG Unit should appoint project contact person.

If the conditions are not met, suspension or cancellation of the project will be considered.

ANNEX 2 - Amounts (in €) contracted and disbursed by quarter over the full duration of the project (IPA funds only)

	2010				2011				2012				2013			
Contracted	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Service Contract 1					1 080 000											
Service Contract 2					1 530 000											
Supply contract								375 000								
Cumulated					2 610 000			2 985 000								
Disbursed	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Service Contract 1					324 000		216 000		216 000		216 000		108 000			
Service Contract 2					459 000		306 000		306 000		306 000		153 000			
Supply contract								225 000			150 000					
Cumulated					783 000		1 305 000	1 530 000	2 052 000		2 724 000		2 985 000			

ANNEX 3: Description of Institutional Framework

The official central institutions, as well as the institutions of the other relevant stakeholders include:

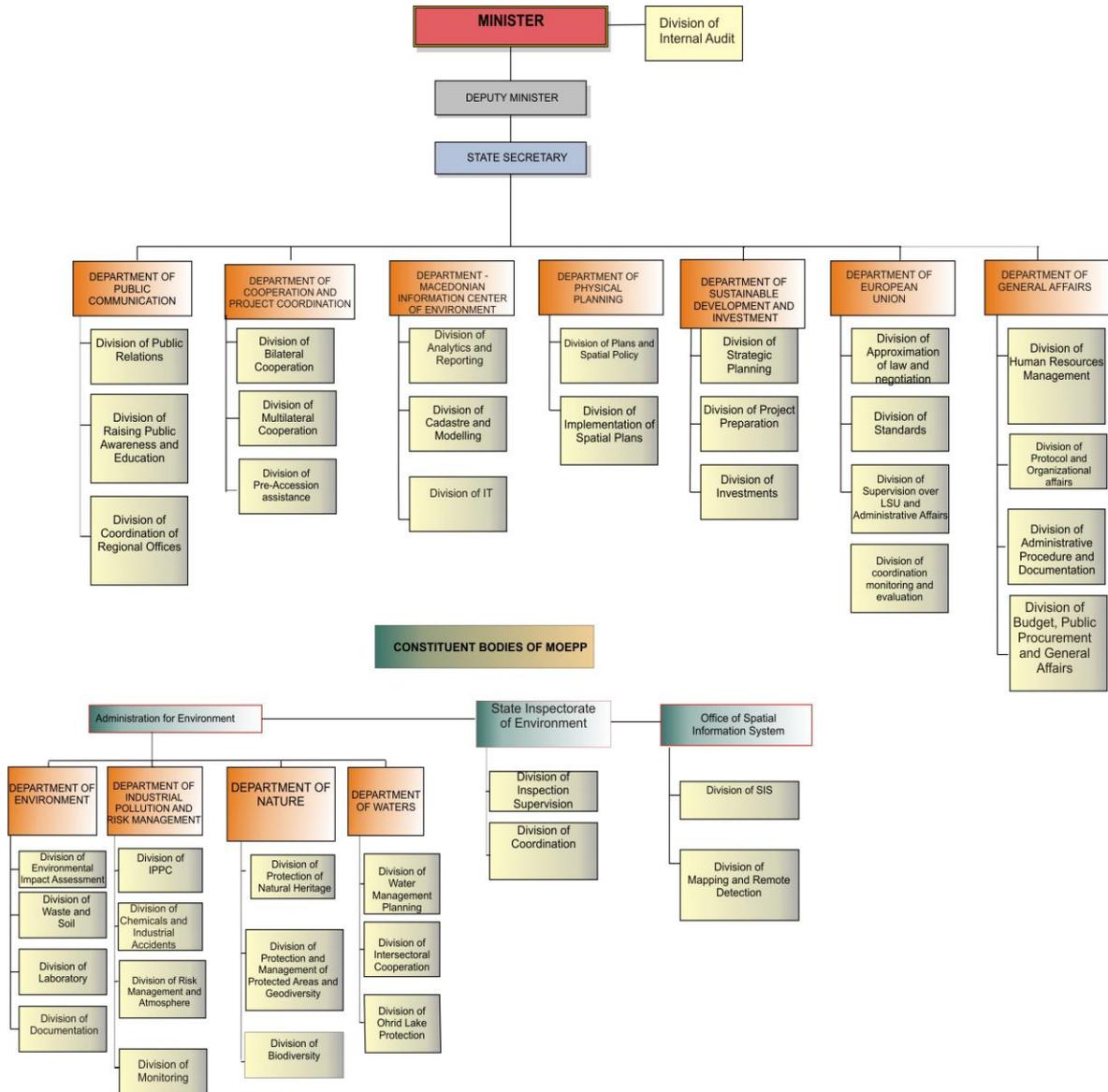
Component 1:

1. Department for Nature, Administration for Environment, Ministry of Environment and Physical Planning
2. Faculty of Natural Mathematics
3. Natural-Scientific Museum
4. Hydro-Meteorological Institute
5. NGO's
6. The 3 National Parks and others

Component 2:

1. Department for Water, Administration for Environment, Ministry of Environment and Physical Planning
2. Hydro-Meteorological Institute
3. NGO's
4. Other stakeholders

This is the organization chart of the Ministry of Environment and Physical Planning:



The two main Departments of the Ministry of Environment and Physical Planning whose capacities will be strengthened are the Department for Water and Department for Nature.

Department for Water:

- Division of Water Management Planning
- Division of Intersectoral Cooperation
- Division of Ohrid Lake Protection

Department for Nature:

- Division of Protection of Natural Heritage
- Division of Protection and Management of Protected Areas and Geodiversity
- Division of Biodiversity

ANNEX 4: Reference to laws, regulations and strategic documents

Reference list of relevant laws and regulations

NATURE CONSERVATION:

- Law on Nature Protection (Official Gazette No.'s 67/04 14/06 and 84/2007)
- Law of proclamation of the part of mountain Pelister for National park (Official Gazette No.'s 150/07)
- Law of proclamation locality Kuklica for Monument of Nature (Official Gazette No.'s 103/08)
- Law on Declaring a Portion of the Forested Areas around Mavrovo Lake as a National Park (Official Gazette No.'s 10/49, with its modifications and supplements, Official Gazette No.'s 23/52 and 16/65);
- □ Law on Declaring a Portion of the Forested Areas on Galichitsa Mountain as a National Park (Official Gazette No.'s 31/58, with its modification/supplement, 16/65);
- Law on the Protection of Ohrid, Prespa and Doyran Lakes (Official Gazette No.'s 45/77);
- Law on Declaring the Ornithological Reserve “Ezerani” as a Strict Natural Reserve (Official Gazette No.'s 37/96);
- Law on Declaring the Ornithological Reserve “Tikvesh” in the Gorge of the Crna River as a Strict Natural Reserve (Official Gazette No.'s 35/97).
- Law of proclamation locality Markovi Kuli for Monument of Nature (Official Gazette No.'s 49/06 from 14.04.2006)
- Law of proclamation locality Smolarski Vodopad for Monument of Nature (Official Gazette No. 35/06 from 23.03.2006)
- Rulebook on the contents of the Protected Area Management Plan and the contents of the annual programmes for Nature Protection (Official Gazette No. 117/05 from 29.12.2005)

WATER MANAGEMENT:

- Law on Water (Official Gazette No. No. 87/08)
- Law on Environment (Official Gazette No. 53/05)
- Law on Water (Official Gazette No. no.4 from 1998, with amendments in the Official Gazette No. no.42, of 2005)
- Law on the Execution of Hydro-Meteorological Works (Official Gazette No. no.103/2008)
- Law on the Protection of the Ohrid, Prespa and Dojran Lakes (enacted 12/1977)
- Law on Inland Navigation (enacted 04/2000)
- Law on Fishery (enacted 05/1993)
- Law on Interstate and International Waters
- Law on Mineral Resources
- Law on Health Protection
- Law on Agricultural Land (enacted 06/1998, amended 03/1999)
- Law on the Organisation and Operation of the State Administrative Bodies (07/2002)
- Law on (public) Communal Works (45/1997)

- Law on Public Hygiene Maintenance and Communal Solid and Technological Waste
- Law on Gathering and Transport (enacted 1998)
- Law on Local Self-Government (enacted 01/2002)
- Law on Public Enterprises
- Draft Law on Special Nature Resources Protection (proposal 04/2002)
- Draft Law on Water Supply, Drainage, Treatment and Discharge of Urban Wastewater (68/2004)
- Law on Water Communities (51/2003)
- Law on Water Management Organisations (85/2003)

The following subsidiary ordinances—called the 'Book of Regulations'—are currently in force:

- Quality and Health Safety of Drinking Water (1984)
- Sampling and Laboratory Analyses of Drinking Water (1987)
- Hygienic Safety of Drinking Water (1987)
- Amendment on Quality and Health Safety of Potable Water (1991)
- Classification of Waters (1999)
- Categorisation of Water Courses and Lakes (1999)
- Book of Waters (water use register)
- Fees for Use of Water by Producers of Electric Power (01/2000)
- Exploitation of Sand, Gravel and Stone (1999)
- Licence for the Water Inspector (1999)
- Monitoring and Reporting on Dam-Reservoirs (1999)
- Recording on Water Management Structures and Facilities (1999)
- Monitoring of Sediments in Dam-Reservoirs (1999)
- Minimum Requirement for Technical Monitoring of Dams (2002)

Reference to AP/ NPAA / EP/ SAA

Reference to SAA

The project 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, point 2, line 1, and line 10) on combating environmental degradation, with the view to supporting environmental sustainability.

Reference to AP

The **Accession Partnership**, in its Chapter 27 stipulates its short-term goals:

- Continue legislative alignment with the *acquis* and improve significantly implementation of legislation and environmental monitoring.
- Strengthen administrative capacity at national and local levels and improve coordination between administrative bodies in charge of environment-related issues.

Reference to NPAA

The National Programme for the Adoption of Acquis, in its Part 3-Ability to Assume the Obligations for Membership, Chapter 27 Environment (3.27), aims at further 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.

The Water Law, adopted in July 2008, transfers the competences in the field of water onto the Ministry of Environment and Physical Planning, as of 1st January 2010. Until the transferral, the NPAA sets as one of its short-term goals the drafting of bylaws, stemming from the Water Law, having in mind the EC Water Framework Directive (2000/60/EC) and the related Directives: Directive 2006/07/EC on Bathing Water Quality Management, Directive 91/676/EEC on Agricultural Nitrates, Directive 98/83/EC on Drinking Water Quality, Directive 91/271/EEC on Urban Waste Water Treatment, Directive 2006/11/EC on Pollution caused by Certain Dangerous Substances discharged into the Aquatic Environment of the Community, as well as the Directive 75/440/EEC on the quality required of surface water intended for the abstraction of drinking water in the Member States. The drafting of bylaws will establish the content of the planning documents, in concurrence with Chapter 3 of the Water Law. Furthermore, one of the short-term goals set in the NPAA is to strengthen the administrative capacity of the Water Department, part of the Administration for Environment, by additional staffing and provision of trainings for the drafting of the programming documents.

In the area of nature protection as a short-term priority, the focus in NPAA is to continue developing the national ecological network of the Areas of Special Conservation Interest (ASCI)- the future NATURA 2000 areas; the establishment of a monitoring programme and adoption of national biodiversity indicators, as well as the establishment and maintenance of the Cadastre and map of protected areas.

In addition, efforts will be made in the field of electronic data, registers of natural heritage, as well as establishing continuous monitoring of the suitable programme and organizing monitoring institutions network.

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.

Reference to MIPD

Multi-Annual Indicative Planning Document (MIPD) 2007-2009 in the part 3.3. Ability to assume the obligations of membership stipulates that “the focus of assistance in this area will be on the adoption of the acquis including building institutional and administrative capacity for transposing, implementing and enforcing the acquis according to the priorities identified in the European Partnership, while with regard to environmental protection, “particular attention will be given to the strengthening of administrative capacities 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.”

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, it stipulates that 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.

Reference to National Development Plan

This project is linked with the National Development Plan for the period 2008-2013. The NDP emphasizes that one of the priorities in the field of environment is the strengthening of the national environmental management system, as well as the strengthening of the central administration capacities. The aim of the NDP is the integrated water management through the introduction wastewater and watershed management and establishment of an integrated system for nature protection and the conservation of biodiversity, in accordance with EU standards and international treaties. The NDP also stipulates the drafting of the National Strategy for Nature Protection, the establishment of a national ecological network, as well as the development of a national programme for monitoring of the biodiversity components and biodiversity indicators. RM has ratified the Convention of biodiversity and the National Biodiversity Strategy and Action Plan was prepared in 2004. The Strategic approach for "research and monitoring" includes several actions for establishment of monitoring system in the former Yugoslav Republic of Macedonia.

Reference to national/ sectoral investment plans

The project contributes to the realization of the following key strategies and action plans in the sector:

- National Environmental Action Plan (NEAP) 2006
- Pre-accession Economic Programme (PEP) of the Government of the former Yugoslav Republic of Macedonia, 2008-2010
- National Environmental Investment Strategy (NSEI) (to be adopted by the end of 2008)
- Operational Programme for Regional Development 2007-2009 (OPRD part environment) IPA Component 3, 2007
- Strategic Coherence Framework IPA Component III and IV, 2007 – 2012, 2007
- National Strategy for Approximation and Implementation of the Environment acquis (NSEA), 2008
- Annual Regular Progress Report
- Annual Enlargement Strategy Paper of the Commission

ANNEX 5: Details per EU funded contract

The expected contracting arrangements financed through IPA are:

- One service contract to be concluded through an international restricted tender procedure. One service contract will cover Component 1 (Strengthening the national administrative capacities for nature conservation and implementation of the obligations from the Birds (79/409/EEEC) and Habitats (92/43/EEC) Directives). The contract duration will be of 18 – 24 months and the value will be approximately EUR 1 200 000 (of which IPA funds will be EUR 1 080 000 and the national co-financing will be 120 000). The contract will start in Q1 2011.
- One Service Contract to be concluded through an international restricted tender procedure. This contract will cover Component 2 (Strengthening the national administrative capacities for water management). The contract duration will be of 18 to 24 months and the value will be approximately EUR 1 700 000 (of which IPA funds will be EUR 1 530 000 and the national co-financing will be EUR 170 000). The contract will start in the Q1 2011.
- One or more supply contracts will be concluded for the supply of prioritised equipment. 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 contracts value will be EUR 500 000 (of which IPA funds will be EUR 375 000 and the national co-financing will be EUR 125 000). The contract will start in the Q4 2011.