



**Civil society
positions regarding
the IPA programming
in Macedonia for the
2014-2020 period**

December 2012

I. Civil society positions¹ for the public participation in the IPA programming in Macedonia for the 2014-2020 period

1. Introduction

Public participation is a crucial pillar of participatory environmental democracy in any modern society. The basic assumption is that citizens and other stakeholders, especially the environmental civil society must participate in the adoption and implementation of environmental laws, as well as in all decisions affecting the environment. Public participation is an essential element that enables citizens to reaffirm the right to a healthy environment in practice, and at the same time to fulfill their duty to protect the environment. Decision makers also enjoy benefits from the public participation, since this process provides additional information, which increases the likelihood that the decision will not have a detrimental impact on the environment and it will be more easily accepted by the general public.

However, it is important to emphasize that the right to public participation is not a goal of itself. Formal, declarative implementation of this right is not enough to fulfill the basic purpose – the public really has impact on the final decision.

Legal preconditions for public participation in the Republic of Macedonia exist for a while. Twelve years passed since the ratification of the Aarhus Convention, and seven years since the beginning of the process of "harmonization of the legislation with the EU *acquis*". In the last year our practical experience by participating in decision-making and policy-making processes finally has exceptional examples. Unfortunately, for many years of active participation in decision-making processes, our conclusion largely coincides with the remark stated in the progress report of the European Commission: "The stakeholders are not involved in the decision making processes".

Our experience shows that in most cases of public participation in Macedonia there is no actual, effective public participation in decision making and policy development in the field of environment. Opposite to the essence of the provisions on public participation, in most cases the authorities pay attention only to the formal fulfillment of the letter of the law, ignoring the real needs of the public to participate. This problem is most strongly expressed in the integrated environmental permitting process, which is complex novelty in our legislation and not well known among the general public. Local population is particularly uninformed about the essence of environmental permits and their rights in the procedure². In the main participatory procedures in accordance with the Law on Environment (EIA, SEA and IPPC procedures), there is still a one-way communication with the competent authorities – stakeholders provide comments, but don't get response whether the comments are accepted or not, and the reasons for this - leading to the fact that the public is not aware of how or if their participation influenced the final decision. There are numerous cases when

¹ The introduction of this chapter was prepared by Front 21/42 and Eko-vest..

² For example, during the last public hearing on the draft Integrated Permit for a steel production and metal transformation industry "Makstil", the presentation was full of technical details and a large amount of information not relevant to the local population.

the authorities involve the public in the proceedings only to "produce the legitimacy" (since it is an already adopted decision). Our experience shows that the public is included in the procedures related to the environment only "because the law requires so" without possibility to affect the essence of the final decision. Even in cases where the public provides well-argued comments, they are rejected without any explanation.

Competent authorities, including the Ministry of Environment and Physical Planning, often ignore the Decree for public participation during the preparation of regulations and other laws, as well as plans and programs related to the environment. This crucial bylaw allows the public to involve in the preparation of laws and other regulations and planning documents at the earliest stage of the proceedings. However, without explanation, the authorities do not fulfill this Regulation, which in practice means that in most cases they do not identify the public concerned at the beginning of the proceedings; do not invite locally affected citizens and environmental civil society organizations to the public hearings; nor they respond to all submitted comments during the consultation process.

Strengthening the cooperation with civil society and public participation is a precondition and an integral part of the political criteria that each EU candidate country needs to achieve. Practice of certain countries reiterated the need for public participation in the process of programming or activities in the pre-planning process (the latest example of this comes from the Republic of Croatia).

In order to achieve successful programming process, i.e. planning the activities of the Republic of Macedonia which will be financially supported by the EU within the framework of the Instrument for Pre-accession Assistance, we emphasize the need of appropriate mechanisms for consultation and cooperation with non-governmental organizations and other actors of the civil society in order to ensure real and effective participation in the process.

Creating a special web page where all relevant documents could be published would be extremely beneficial for the programming

According to the provisional timetable, during 2012, the Government should develop its own strategic objectives in relation to the IPA, and during 2013 it should prepare national strategies, policy documents and operational programs for the implementation of the Instrument for Pre-accession Assistance in Macedonia.

The civil society in Macedonia has interest to get involved in the programming of EU funds for the period 2014-2020, because the European funds should be utilized in the direction of accession of Macedonia towards the EU and its goals. The Macedonian Government needs to recognize and accept the CSO as partners in programming because they are a relevant factor in society, and can also contribute to the development of positive and beneficial initiatives and projects. We hope that the above mentioned insight will serve as a reminder of how the public participation processes should not be carried out.

We think that prior to the start of the programming process the Government should actively and in a timely manner provide access to all relevant documents (an online database would be preferential): proceedings, draft versions of documents, programs,

strategies, preparatory documents for the programming and implementation, detailed information on projects and the criteria for their selection, the composition of the project selection committees, environmental impact assessment studies, lists of selected projects, reports and so on.

For this purpose, creation of a web page (as part of an existing web page or separate one) can be of great use because it will contain all the documents in one place. It is very important that the process of programming is well explained and elaborated for all stakeholders. Therefore, emphasis should be placed on explaining the actions of all stakeholders in the process. Making the procedures publicly available on a designated website will contribute to the understanding of the procedures and all stakeholders will have common understanding of the procedures that will facilitate the process and reduce the misunderstandings during implementation.

All relevant documents listed above, should, in a timely manner, be placed on the website in Macedonian language. It is very important that these documents are available in Macedonian, and not English, although documents may initially be prepared in English and translated afterwards.

Transparency in the process will be provided by announcement of the members of the committees for the selection of projects and their minutes of meetings, as well as the lists of selected projects and studies for the environmental impact assessment. Relevant programs and strategies should also be published and available online.

2. Proposals and recommendations for the programming

2.1. Proposals for the programming phase:

- Clear rules and timelines for programming should be set and authorities should adhere to them;
- The strategic goals developed should be a result of a broad consultation with all relevant stakeholders;
- Programming should be based on partnership-based working groups with an even representation of partners; and voting rights given to all members;
- The aforementioned working groups shall be established via transparent processes and the list of their members should be made public;
- There should be a special Monitoring Committee established to provide oversight to the whole process and ensure synchronised and integrated programming process;
- Drafts of programming documents shall be available publicly for comments;

What should be disclosed?

- ✓ Rules and timelines,
- ✓ Draft documents,
- ✓ Programs, strategies,
- ✓ Preparatory documents for the programming and implementation
- ✓ Detailed information on the project and selection criteria
- ✓ Composition of the selection committees,
- ✓ Environmental impact assessment studies
- ✓ Lists of selected projects,
- ✓ Monitoring and evaluation reports

- Working groups/authorities shall provide feedback to those commenting on draft documents, including providing explanations for the acceptance/rejection of comments;
- A right to complaint should be ensured for stakeholders not satisfied with the rejection of their input to the documents;
- Programming shall be coupled with Strategic Environmental Assessment processes starting at an early phase of programming;
- with wide-scale documented public involvement.

2.2. Proposals for the implementation phase:

- Trainings should be provided for all stakeholders (civil society organizations / representatives) in order to understand the processes and actively participate in them;
- Assistance, training and support to all potential applicants for funding should be provided;
- The European Commission should provide financial support for civil society organizations which participate in these processes;
- The government should regularly publish information on the implementation of the projects online, i.e. web pages;
- Experts from civil society organizations should be involved in the assessment and selection of the projects;
- Transport cost for all partners involved in the planning, monitoring and evaluation / selection of projects should be covered;

2.3. Proposals for evaluation/ monitoring phase:

- A special Monitoring Committee which will observe the implementation of all operational programs in the country should be established. Apart from this body, each Operational Program should have a special Monitoring Committee, which is a practice so far;
- The committees should have equal number of representatives from various partners and should be elected transparently;
- Representatives from the civil society organizations should be present in all committees, and should have the right to vote;
- Civil society organizations should be able to choose and specify own representatives in the committees and competent authorities should not affect this process;
- There should be no restrictions or special conditions for the participation of civil society organizations in the committees. They should be treated equally to other members.

2.4. Specific recommendations regarding the implementation of the Strategic Environmental Impact Assessment (SEA)

- Strategic environmental impact assessment (SEA) should be conducted early in the planning stage – the procedure should start in parallel with the preparation of the Strategic Framework for IPA, strategy documents and operational programs;
- SEA should assess the effects of the documents/programs on the climate;



- Recommendations and priorities of the SEA should be included in the contracts (Strategic documents) that will be signed between the EC and the Government;
- Impacts on the environment should be properly assessed by the SEA, and not be left for evaluation by the environmental impact assessment (EIA) of specific projects;
- Public participation in the SEA procedure should not be a substitute for public participation in the preparation of operational programs;
- Public participation in SEA procedure should follow the European and national legislation and should be effective, efficient and participatory process;
- The system of indicators/reports should be in accordance with the EC SEA Directive (2001/42/EC, Article 10).

II. Civil society positions³ regarding the financing of energy efficiency and renewable energy sources in Macedonia through EU funds

1. Introduction

The energy sector in Macedonia is heavily dependent on fossil fuels imports, such as oil and natural gas, in order to be able to provide electricity, heating, and fuel. Every Macedonian denar⁴ spent on these energy imports is however a denar that the local and national economy loses. Regarding the current situation with RES, according the State Statistical Office in 2010, the production of renewable energy in the Republic of Macedonia consisted of: wood (wood fuel, wood waste, other solid waste), geothermal heat, hydroelectricity and biodiesel. In 2010, the total primary production of renewable energy comprised of: wood (wood fuel, wood waste, other solid waste), 748 023 m³; geothermal heat, 3 384 243 m³; hydroelectricity, 2 429 283 MWh; and biodiesel 1 999 tonnes. The biggest consumers of wood (wood fuel, wood waste, other solid waste) in 2010 were the households, with a share of 91%, while the other sections accounted for 9% of the final energy consumption (of wood). The biggest consumer of geothermal heat in 2010 was agriculture with 83.4%, while the other sectors participated with 16.6% in the final energy consumption (of geothermal heat). Distribution losses in geothermal heat were 10.45% of the total primary production.⁵

The energy resources mostly used in the total primary energy consumption in 2006 were coal (45.5%), crude oil and imported petroleum products (35%), followed by biomass (6%), imported electricity (5.6%), hydropower (5.1%), natural gas (2.4%) and geothermal energy (0.4%). On the other hand, in the final energy consumption (2006) the most common energy sources were: oil products with 42% and electricity with 32%; followed by biomass (10%), heat (7%), coal (7%), natural gas (2%) and geothermal energy (1%).⁶

The statistics indicated above also show that the existing patterns of energy use in Macedonia lead to significant impacts on the environment, due to high carbon intensity, pollution from fuel combustion, deforestation and land degradation (from excessive use of wood for fuel). These present major issues since the energy sector is unsustainable in the long-term and leads to environmental damage; as well as health issues, high levels of energy losses and low energy efficiency in heating. However Macedonia is rich with agricultural end products and agricultural residues that are underused in the production and consumption of biomass and they represent a potential vast source for heating especially in the rural parts of the country.

³ The introduction to this chapter was prepared by Analytika and Eko-vest.

⁴ Macedonian currency.

⁵ State Statistical Office, News Release, Energy No. 6.1.11.92, 30.11.2011.

⁶ Strategy of Energy Development of Macedonia until 2020 with a Vision until 2030, page 8.

Table 1: Biomass waste from forests, wood production and agriculture which can be economically used for combined production of electricity and heating

Biomass waste	Thousand tonnes per year
Residues from forests	20
Residues from wood production	10
Residues from agriculture	35
Total	65

From 65 thousand tonnes biomass residues, the estimated total production of electricity could be 50-70 GWh and 120-180 GWh heating energy, depending on the needs and the available consumption of heating.⁷ The feed-in tariffs that producers of electricity and heat from biomass can benefit from are:

Table 2: Official Gazette, no. 176, December 2011, page 10

Installed capacity of the PP	Feed-in tariff Eurocents/kWh
≤ 1MW	11
> 1MW	9

The problems with high carbon intensity of the country and using electricity for heating are exacerbated by the slow development of RES and EE (energy efficiency) on the national and local level. Another major issue arises from the ineffective handling of the district heating (DH) in the capital city - Skopje. In this regard, up until last year, although the DH has been privatized and had its functions separated some time ago it was still largely owned by one 'mother' company, the Toplifikacija Group, which owned the 'daughter' companies responsible for the production, supply and distribution chain for the city of Skopje. Being the one provider of heating for the capital, Toplifikacija was abusing this position leaving residents with an expensive service without improving it. The end result is an increased number of discontented residents who disconnect from the DH and switch either to electricity or wood heating. These are not efficient means of heating for such a large city, and they create even bigger problems such as pollution and increased energy imports as well as numerous side effects such as an increased trade deficit of the country.

However, as of January 1st 2013 the situation has changed and the future trends regarding the district heating in Skopje are unknown for the moment. The latest development is that Toplifikacija was purchased by a company called "Balkan Energy Resource" established in Cyprus. The Energy Regulatory Commission decided to grant the licenses for production, supply and distribution of thermal energy to the daughter firm of "Te-To"⁸ and the Russian "Sintes Group".⁹ It remains to be seen what the new owners will do with the problems carried over from the old company.

⁷ Strategy for utilizing the renewable sources of energy in Republic of Macedonia until 2020, page 41.

⁸ TE-TO AD CCPP (Combined Cycle Power Plant) is electricity generation and supply of heat PP to the district heating system of the city of Skopje. TE-TO is a joint venture between Toplifikacija, Skopje and Negusneft, Moscow (Sintez Group). More info at: <http://www.te-to.com.mk/index.php>

⁹ A Russian company with investments in Macedonia.

Furthermore, even though as a candidate EU member state Macedonia is required to rigorously follow all the trends developing in the Union, the progress in this regard has been moderate. In 2010, three new energy strategies were adopted - the comprehensive “Strategy for the development of the energy sector until 2020, with a vision until 2030”, the “Strategy for the use of renewable energy sources until 2020”, and the “Energy Efficiency Strategy”. At the same time a new Energy Law, which incorporates EU-like provisions for market liberalization, was passed in February 2011. Based on the priorities set in these umbrella documents, numerous bylaws and regulations were adopted, including those that regulate the production of electricity from RES (provisions for preferential users and feed-in tariff for RES). However the main Energy Strategy is disappointing in its vision of renewable power or rather, the lack of it, as the focus is mostly put on large hydropower plants that are unsustainable for a number of reasons including fertile land and biodiversity loss, and resettlement of affected people. Much less attention is given to sustainable RES such as biomass from wood waste and/or animal residues. Another controversial part is the nuclear power plant scenario for the country, unrealistic in the economic reality of a country like Macedonia, which was included after heavy lobbying from several experts and academics in this area. This adds to the short-sightedness of the whole document and the institutions responsible for its implementation that need to develop a sustainable and clean energy sector, not highly controversial, expensive and possibly very dangerous plans.

Other issues include severe under-investment in RES and EE on the national and especially on the local level. The problem is multi-layered but mainly comes down to the absence of available credits or funds specifically intended for these projects. For instance, only two banks provide credits for ‘green’ projects and even those impose high interest rates and a whole range of other conditions. Furthermore, natural persons cannot use the opportunities same as legal entities to invest in RES. There is no legal background that permits natural persons to sell electricity in case they produce it from RES (solar panels for instance) - instead they can only use it for personal means. The distributors of electricity are not obliged to purchase that electricity under the feed-in tariff regulations unless the one providing it is a legal entity. On the other hand, the business sector faces constraints from the slow and ineffective administration even in the cases where there is great interest in investing in RES. The low electricity prices for end-users and the burdensome administrative procedures for authorisation, permitting and licensing continue to be obstacles to the adequate uptake of renewables in the country. Preparations in the area of renewable energy are on track although the country’s renewable energy potential is not efficiently harnessed.¹⁰

In addition, the high number of deprived regions with limited funds at their disposal and the weak purchasing power of the people themselves, makes investing in EE and RES in Macedonia more difficult than in EU countries. Therefore low awareness about the possibilities EE and RES offer for development and growth is not the only problem, but rather also the economic reality of most people: investing in RES or EE technologies is seen as expensive by both households and businesses in a situation when the price of electricity is still heavily subsidized and lower than its market value. Due to this situation, it is more economically viable for them to use electricity for heating, which is getting to a worrisome level, than to invest in energy efficiency in buildings or hybrid renewables heating systems

¹⁰ The FYR Republic of Macedonia 2012 Progress Report, European Commission, Brussels, 10.10.2012.

which are more expensive but more environmentally friendly (for example to install solar collectors + boilers on biomass). The dire situation can be explained by the fact that in Macedonia for the time being the only incentives given for RES are the feed-in tariffs for the investors. There is neither an Energy Efficiency Fund, nor any tax incentives for households willing to invest in EE measure or RES, or any announcements that this will be changed in the foreseeable future.

Furthermore, other problems that Macedonia faces in the energy sector are: low awareness, specifically about the opportunities that biomass offers in the areas where the agriculture is a main activity, alongside the almost non-existent support from the state for greater development of this type of biomass usage. The corruption in the energy sector is another pertinent issue still not tackled on the national or local level.

The aforementioned issues and problems are the main reasons why there is an increased need for EU financing in this sector. The measures foreseen to achieve the target set in Macedonia's energy strategy to reduce consumption by 21% are not sufficient to achieve the goal. In order to address these problems, CSOs have now come up with several concrete proposals under the Energy Efficiency and Renewable Energy chapter for financial support from the available EU funds that should be delivered in a timely manner. The main point is to use European funds to achieve the objectives of the EU-20/20/20 policy in Macedonia, prioritize the use of solar, geothermal and wind energy, as well as the sustainable use of biomass on the local level, improve energy efficiency in public and residential buildings, as well as the efficiency of district heating, all of which are currently severely under-financed by the state.

2. Priorities for funding from the Instrument for Pre-Accession in Macedonia:

2.1. Heat production from renewable energy sources

Geothermal, solar, sustainable local biomass (residues from agricultural production) need to be prioritized in order to provide sustainable and environmentally friendly heating for the whole country. In the case of biomass use, the most efficient cogeneration from biomass technology for electricity and heat production should be prioritized.

There is a need to invest in local sustainable production, processing and distribution of biomass for combined heat and power. The support should be provided for local and regional projects with regular sources of biomass outside the region of the City of Skopje and especially in rural regions across Macedonia where there is a shortage of available alternative heating solutions but at the same time production of agricultural residues exists. Sustainability criteria for biomass cultivation and use should be designed to avoid harmful environmental effects and inefficient use of biomass.

The IPA funds should be used in order to achieve EU 20/20/20 targets and in the energy sector support for local projects for the use of solar, geothermal and wind energy should be prioritized.

Additionally, energy efficiency of public and residential buildings as well as improvement of the district heating are of great importance. EU funds should be spent on investments which otherwise could not obtain finances from commercial banks.

2.2. Energy efficiency in housing and public buildings

- Energy retrofits of existing residential and public buildings to high efficiency levels,
- Support for construction of new buildings to near-zero energy standard.

2.3. Energy efficiency measures in district heating

Funds should be available for projects for complex renovation of the whole system including all of the following measures in order of priority:

- Consumption - energy retrofits of buildings, including installation of individual heat meters in apartments
- Distribution - decrease of system losses.
- Production - improvement of effectiveness, shift from fossil to biomass and other renewables. Investments in heat production facilities should be scaled to the new situation of lower heat demand in energy efficient distribution system and buildings.

2.4. Technical infrastructure - “smart grids”

- On the regional level in South East Europe as part of the Energy Community Treaty and in cross border areas. However priority must be given to those connections within the region, not ones designed mainly to export electricity to the EU.
- Assistance in research and development in this area on the national and on regional level.
- Smart grid elements and regional distribution grid improvements to allow connection of RES especially in rural and economically disadvantaged regions.

2.5. Strengthening the capacities of local and central administrations

- The government and municipal officials as well as households – potential beneficiaries - should gain special knowledge and skills for the preparation of RES and EE projects to be financed by EU funds.
- The collaboration with the civil society should be improved, and knowledge transfer should be enabled (public-private, abroad-home).
- Additional research and studies should be prepared for the future investments in this sector, and they should provide solutions as well as project ideas eligible for EU funding.

III. Civil society positions regarding the support to transport sector through EU funds in Macedonia

1. Introduction

EU financing for the transport infrastructure in Macedonia for the 2007-2011 period was done through the Instrument for Pre-Accession (IPA). For the purpose of functional use of the funds in 2007, an Operational Programme for Regional Development (OPRD) was developed. It represents the basic programme document for defining the conditions for the provision of EU funds in the frame of transport and environmental infrastructure in the country.

The OPRD defined the priorities for financing in two different sectors: transport and environment. The Programme has 4 priority axes with appropriate measures and suitable activities. The axes related to transport are:

Priority Axis 1- Corridor X Motorway Completion, with the following measures:
Measure 1.1 Upgrading remaining link along the Corridor X to the level of motorway and

Priority Axis 2-Upgrading and Modernization of the Transport Infrastructure with the following measures:
Measure 2.1 - Improving the Rail Infrastructure along the South East Europe Core Regional Network, and
Measure 2.2 Improving the Road Infrastructure along the South East Europe Core Regional Network.

Table 1. Financial allocations for the priority axes 1 and 2 for 2007-209 and 2010-2011 (revision)¹¹

2007-2011	Total in EUR	IPA financing in EUR	National contributions in EUR	Percentage of IPA funds
Priority axis 1	52.941.180	45.000.000	7.941.180	85%
Measure 1.1	52.941.180	45.000.000	7.941.180	85%
Priority axis 2	25.383.062	21.575.600	3.807.462	85%
Measure 2.1	25.383.062	21.575.600	3.807.462	85%
Measure 2.2	0	0	0	0%

From EUR 128 million of the entire Programme, the largest investment is in the transport sector with 61% of the total funds. The ratio between transport and environment priorities, not taking into account the technical assistance, is 64:36. The measures under the transport priority axes are focused on improvement and modernization of the road and rail

¹¹ Source „Use of EU funds in Macedonia“, November 2012, European Policy Institute

lines and include one major infrastructure project, which is the “Upgrading remaining link along the Corridor X to the level of motorway”¹².

In the Operational programme for regional development, with the 2009 revision, there was an effort to introduce transport projects in line with the EU targets for decarbonisation but also in line with the National Transport Strategy. According the changes made, the support for rail project (their technical development and implementation) is prioritized.

Challenges in the transport sector

In its aspiration for joining the European Union, Macedonia faces many challenges in the transport sector and tries to balance between the EU and national targets. From one side, the EU 2050 targets are quite ambitions even for member states let alone for Macedonia. These cause difficulties to the country’s efforts to achieve them and at the same time develop it’s inefficient and insufficient transport network.

However, what should be very clear to the Macedonian authorities is that EU funds from the IPA should be used for the improvement of the transport network in line with the EU targets, being the decarbonisation of the sector. The identified needs for other potential upgrades of the national road network should remain to be funded from the state’s budget.

¹² Source „Use of EU funds in Macedonia“, November 2012, European Policy Institute.

2. Proposals for financing the transport sector from EU funds

The civil society organisations¹³ consider the following initiatives and projects within the Operational programme for transport for 2014-2020 period to be eligible for financial support by the EU funds:

2.1. Financing only sustainable transport

- The EU funds as well as loans from the European Investment Bank should be focused only on carbon-neutral transport projects. This means funding should be allocated for rail transport and urban sustainable transport and not for roads or airports.

How to assess if the transport project is sustainable?

- ✓ The project should be in Compliance with the Europe 2020 energy/ climate target to reduce GHG emissions
- ✓ The project should not cause harm to NATURA 2000 sites, and should not contribute to biodiversity loss in general
- ✓ It should respect human settlements (e.g. eliminating noise and the fragmentation aspect)
- ✓ The project should have the potential to influence transport demand in a particular territory in a way that it will stimulate the shift to significantly less environmentally harmful transport modes or will eliminate part of the GHG intensive transport completely
- ✓ The project should not support agrofuel projects for transport or energy

2.2. Removing harmful transport subsidies

Financing of air transport and road transport with IPA funds should not be allowed. Exceptions might be made if the projects are part of a wider strategy that proves to be in compliance with carbon- neutrality initiatives and that have other environmental criteria in place, for example:

- Measures which calm traffic and improve road safety. For example, in central city areas where decrease of traffic can be achieved by narrowing of streets or slowing down traffic in order to decrease noise and pollution.
- Filling loopholes in the network where the construction will clearly improve the GHG situation if compared with current status.

2.3. Support for the transformation of the urban transport system

- Support should be given to integrated transport systems where stimulating urban transport use and decrease of the use of individual vehicles is prioritized. The support should be based on well developed strategies for transport management with clear indicators such as decrease of emissions, noise and vibrations, car accidents, length and compactness of the cycling infrastructure, and decrease of the fuel and energy use for transport and mass transit.

¹³ Organisations that developed this position and supported it.

- Managing space occupancy by cars, as space is one of the most precious goods in urbanised areas. Cars should be pushed outside the main urban area, and all space for parking should be strictly managed and subject to fees and time limitations.
- Reducing the inflow of cars into cities where they cause congestion which significantly increases fuel consumption and creates time delays for mass transit needs to be channeled to car/mass transit terminals. The tendency to promote projects which result in more cars in the city centre (such as shopping malls and widening of streets) should be avoided.
- A priority should be the implementation of an integrated regional transport system that can divert a large portion of commuters to mass transport modes. For example, a good solution should be the establishment of a quick, efficient and functional regional rail transport system which will unite the cities nearby the capital Skopje (Tetovo, Kumanovo, Veles). Accordingly, the main railway station in Skopje should become a transit point which will be capable of fast and efficient transfer of passengers to a different mode. At the same time, the missing line to the Skopje Airport should be completed and this would enable a sustainable transit for the passengers.

Types of measures to be promoted:

- ✓ Measures to calm the transport, especially in densely populated areas,
- ✓ Rail and public transport schemes,
- ✓ Logistical transport centers, where passengers can easily switch from long rail transport to local road transport,
- ✓ Introduction of special payment mechanisms- low emissions zones, limited speed zones, in order to stimulate the shift towards more environmental transport modes,
- ✓ Intelligent transport systems which disable the possibility to avoid toll pay, especially by heavy vehicles.

IV. Civil society positions regarding the support for resource efficient future from the EU funds

1. Introduction

Natural resources strengthen and stabilize the function of the European and global economy. Resources such as fuels, minerals and metals, as well as food, soil, water, air, biomass and ecosystems are essential for development. However, these resources are currently under tremendous pressure, eliminating current patterns of resource use as an option. In that case, the only remaining option is to use what scarce resources are available sustainably, while reusing and recycling all other resources that are subject to reuse and recycling.

Taking the state with resource scarcity into consideration, the EU has set up a flagship initiative for a resource efficient Europe under the Europe 2020 strategy. This flagship initiative, called “A resource efficient Europe” supports the shift towards a resource-efficient, low-carbon economy in order to achieve sustainable growth. Increasing resource efficiency is key to securing growth and jobs for Europe. It will bring major economic opportunities, improve productivity, drive down costs and boost competitiveness.

With this in mind, Macedonia as a country in the process of accession to the EU has no other option but to follow the good example of setting up a resource efficiency initiative and work towards the EU goals.

Macedonia is a relatively resource rich country, especially when it comes to biodiversity and water. However, even if it can be said that resources are present, it cannot be said that resources are efficiently or sustainably used. Often, priority is given to economic development resulting in loss of valuable natural resources. To achieve a balance between economic development and protecting the environment several steps and measures in various levels and sectors are necessary, including improving interministerial communication and cooperation.

Currently on the EU level, the funding priorities for the funding period 2014-2020 are being decided and this is an opportunity for Macedonian citizens and institutions to set the priorities for funding for Macedonia through the IPA funds, in resource efficiency among other topics.

The point of view of Macedonian civil society organisations is that it is especially important to use this opportunity and to give their views on resource efficiency, among other topics. For better clarity, they have organised their views in line with two topics: waste management issues and biodiversity issues.

2. Waste management

2.1. What is the goal?

EU funds in the programming period 2014-2020 invest in waste management measures which would ensure that the waste management hierarchy is respected and landfilling of valuable resources is reduced to a minimum.

2.2. What is the reality?

At present, most of Macedonia's household waste is landfilled. The shift to a consumer society that has been happening in the past 20 years resulted in creation of more waste than ever, which in turn has created a vast problem with waste management, as institutionally the country was not prepared to process such an amount of waste, resulting in landfills overfilled and new, non-sanitary landfills created.

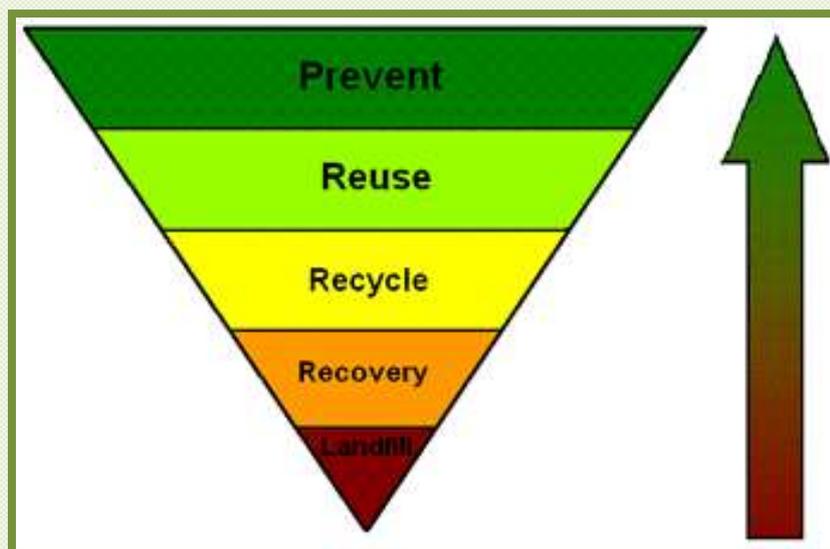
Reducing, reuse and recycling are not set as priorities, or where they are, they are not implemented properly, although some local efforts were made. Also, the possibility of composting of biodegradable waste - is almost completely neglected. Incineration, with its harmful effects on human health through pollution of air, water and soil and being a waste of resources, is currently a minor part of the waste management system in Macedonia.

In any case, the reality is that not even EU countries are immune to the problem of resource-non-efficient waste management – on EU level resources worth approximately 5 billion EUR are being incinerated or buried in landfills every year. Good practices are present in some EU regions, but the waste is still a major problem. Therefore the "Europe 2020" agenda has in its sights the tackling of over-consumption and the reuse of resources under the flagship initiative "Resource efficient Europe".

2.3. What are the options?

The general guideline which has been developed over the last three decades is the European waste hierarchy. This guideline provides a preferred order of priorities for selecting and deciding upon waste management practices.

The waste management hierarchy (diagram below) is a five step hierarchy described in Article 4 of the revised Waste Framework Directive (2008/98/EC). Article 4 states:



“1. The following waste hierarchy shall apply as a priority order in waste prevention and management legislation and policy:

- (a) prevention;*
- (b) preparing for re-use;*
- (c) recycling;*
- (d) other recovery, e.g. energy recovery; and*
- (e) disposal.*

2. When applying the waste hierarchy referred to in paragraph 1, Member States shall take measures to encourage the options that deliver the best overall environmental outcome. This may require specific waste streams departing from the hierarchy where this is justified by life-cycle thinking on the overall impacts of the generation and management of such waste.”

2.4. What can we do?

The EU funds should prioritise solutions which are in line with the waste hierarchy. Having this in mind, EU funds for the next programming period 2014-2020 should focus on efficient use of resources and promote prevention of increase in waste volumes, while also increasing recycling and reuse of waste. Also, recycling and composting should be favored when deciding funding priorities.

Waste incineration should be avoided as an option, since not only does it have an adverse effect on climate change by releasing CO₂ and wasting energy, but it also delays the potential for improvement of waste management practices such as reuse and recycling for at least the lifespan of an incinerator (usually 20 years).

2.5. Recommendations

According to Macedonian NGOs, the EU funds for the next programming period should focus on waste prevention and the 3R's of waste management that have been set as priorities in the Waste Framework Directive – Reducing, Reuse and Recycling.

Having this in mind, the following sorts of activities should be favoured in Macedonia by EU funds in the programming period 2014-2020:

- Preventing waste generation, including support of cleaner production methods, rational purchasing and packaging reduction. IPA funds should also support rational purchasing campaigns for citizens on the national level.
- Reusing of materials – promoting reusable packaging, second hand trade and repair centres.
- Recycling and composting – propagating of systems that would encourage separation of waste in households and ensuring for proper handling of waste separated for recycling and composting.
- Promoting the anaerobic digestion by composting and using the generated methane for energy.
- Using Mechanical-Biological treatment – a range of technologies that can be used as a last resort for recovering materials for recycling and low-grade composting. This sort of treatment cannot replace separated waste collection due to low quality of recovered materials, but it removes the remaining organic waste from the residual waste and results in stabilised waste that can be landfilled in a relatively safe manner.
- Solving “historical” waste issues present in Macedonia – IPA funds can provide support to Macedonian institutions for developing permanent solutions for historical waste hot spots in the country.

3. Biodiversity

3.1. What is the goal?

EU funds in the programming period 2014-2020 are invested in protection of biodiversity and ecosystems, in particular the designation of Natura 2000 sites and their good management practices. Furthermore, biodiversity and ecosystem protection and loss prevention are made cross-cutting horizontal issues that are part of all development plans, infrastructure projects and education.

3.2. What is the reality?

Biodiversity is declared a key environmental priority of the EU, and therefore it should be a key environmental priority for Macedonia as a country in the process of accession to the EU. However, the situation with biodiversity in Macedonia is hardly favourable. Although the Emerald network is already in place and the Birds and Habitats Directives are transposed into the Law on nature protection, the implementation of the biodiversity protection acquis and the Natura 2000 network has still not begun. Furthermore, various infrastructure projects are being implemented or planned with minimal or no consideration for the protection of biodiversity.

In the past, the EU has set some ambitious goals for halting biodiversity loss and the degradation of ecosystems that were to be met by 2010. Currently, the EU is working towards the updated goals according to the EU 2020 Biodiversity Strategy. These goals are: halting biodiversity loss and the degradation of ecosystem services in the EU by 2020, restoring them as far as possible, and stepping up its contribution to averting global biodiversity loss.

The reasons for not achieving the 2010 biodiversity target can be found mainly in incomplete or inadequate implementation of certain legal instruments or low quality integration into sectoral policies. This, in turn, has an effect on acceding countries, as it gives mixed signals on the importance of halting biodiversity loss and degradation of ecosystems.

One of the reasons for today's biodiversity crisis in the EU, and in Macedonia as an acceding country as well, is that ecosystem services are often under-valued or not considered a priority, thereby not using their benefits for society (such as the provision of clean water, healthy food, breathable air and the carbon storage function of forests, flood and erosion control, as well as reducing significant economic, social and territorial disparities, economic growth, improved quality of life and sustainable development, job creation possibilities, tourism and recreation possibilities and cultural services).

3.3. What are the options?

EU funds should be focused on measures preventing biodiversity loss, maintaining ecosystem services and aiding adaptation to climate change. At the same time, special consideration should be given to not financing measures that would further add to biodiversity decline or loss.

EU funds should promote existing and new ecological, “green” infrastructures, and if possible avoid, or minimise “grey” infrastructure in order to prevent biodiversity loss. Special attention should be given to financing and managing the future Natura 2000 network, as well as promoting the creation and implementation of management plans for the Natura 2000 areas that would look a little further then managing just the designated area, but extending plans to areas outside of the protected zone in order to provide the best possible protection and management measures for the protected area, and at the same time provide for the best and widest use of ecosystem services.

3.4. What can we do?

EU 2020 strategy for smart, sustainable and inclusive growth has sustainable growth as a priority under the flagship initiative “Resource efficient Europe” where *inter alia* the protection, valuation, sustainable use of biodiversity, ecosystems and their resources are supported.

Protection of biodiversity and maintenance of ecosystem services are difficult both at the EU level, and even more so in acceding countries where often biodiversity protection and economic development are viewed as mutually exclusive. The protection of biodiversity and ecosystems, therefore, require policies, funding and actions that go well beyond protected areas and ecological networks.

Taking this into account, and having in mind the relevant costs of actions required for halting biodiversity loss and ecosystem degradation, it is clear that cross-cutting policies and strategies are not enough, but that the biodiversity halting goals should also be reflected in EU funds.

The priority here is implementation of the Natura 2000 network, with an accent on designating current protected areas as Natura 2000 sites, while also designating new sites that are outside of the currently protected areas under other ecological networks. Also, it is necessary to set up management plans with best practice management measures for designated sites, in order to ensure the proper functioning of the Natura 2000 network well before the accession to the EU.

Tackling other reasons for biodiversity loss, such as land use change, ecosystem fragmentation, and nutrient loading and overuse, is another important point in EU funding for the next funding period 2014-2020. From this point of view, EU funds should focus on investments that would be beneficial for biodiversity, such as Green Infrastructure, and on ecosystem based risk prevention, instead of favoring conventional remedies for

environmental risks. Conventional remedies for environmental risks such as river floods, draughts and mud slides are usually barrages, dikes, irrigations infrastructure etc., which have a severe impact on the environment. It is possible to avoid this impact through using ecosystem based solutions such as floodplain restoration, mountain forest protection and wise spatial planning.

Having in mind the extent to which investments, like transport and energy investments, have on biodiversity and ecosystem destruction or fragmentation, EU funds must ensure that investments that are harmful to biodiversity and ecosystems are not funded or cofinanced by EU tax-payers.

Although legislation for biodiversity and nature protection in general is in place in Macedonia, investments from EU funds should also make sure that the EIA and SEA procedures are done at very early stages of project planning and are used to guarantee that infrastructure development will not have an adverse effect on biodiversity and ecosystems. In the case that a project does have an adverse effect on biodiversity or ecosystems, but must be implemented due to over-riding public interest, a mechanism ensuring that EU funded projects must restore unintentionally or intentionally damaged ecosystems and habitats should be put in place.

As implementing the Natura 2000 network is often a big adjustment for local population, especially population living in or near designated sites, and having in mind that most citizens in Macedonia are not yet familiar with Natura 2000, in order to provide for better acceptance and implementation of the network, nation-wide campaigns about biodiversity and Natura 2000 funding schemes should be financed from EU funds. Also, as part of the awareness raising campaigns and in order for future generations to be prepared to live a resource efficient life and to make sure that protection of biodiversity and ecosystems is implemented in the future, the cross-cutting policies regarding nature protection should not be limited to investments and direct protection measures, but also touch on the education system by mainstreaming resource efficient living, as well as biodiversity protection and ecosystem benefits into educational programs.

3.5. Recommendations

According to Macedonian NGOs, the EU funds for the next programming period 2014-2020 should focus on:

- Complete implementation of the Natura 2000 network along with setting up of effective management and restoration of areas where necessary.
- Appropriate spatial planning which takes into account risk prevention, forest and mountain protection, climate change adaptation and is supported by solutions safe for ecosystems and are beneficial for all stakeholders.
- Avoiding financing of projects which have adverse effects on biodiversity, such as transport infrastructure, and giving special attention to safety measures and mechanisms.
- Training and capacity building of central and local administration on biodiversity protection and Natura 2000 and updating the biodiversity database in Macedonia and giving free access to the data to all relevant stakeholders.



This document is a result from discussions that took place during CSO workshops organized by Eko-svest in the frame of CEE Bankwatch Network activities in Macedonia.

- Training and technical support for local population and private sector in the financing possibilities for biodiversity protection through other EU programmes.
- Introducing education programs for resource efficiency, biodiversity protection and ecosystem benefits in education systems at all levels.

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