## ANNEX I – IPA III Action Fiche

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|  | Indicative title of the Action | **EU for modern waste water systems** |
| **CRITERIA FOR RELEVANCE ASSESSMENT** | Key thematic priority | ***Environment and climate change*** |
| Links with specific policy instruments of the enlargement process | The proposed action will optimise water cycle and to reduce the impact of solid waste on environment , thus contributing to the implementation of the EU acquis under Chapter 27. In particular, the action will contribute to the implementation of the Urban Waste Water Treatment Directive 91/271/EEC. The reform process in the water sector started in 2016 with the adoption of the “Law on the Setting of Prices for Water Services”. The new water tariff that includes the principles of cost-recovery and "polluters pay" increased the sustainability of water investment projects.  The progress made in the water sub-sector is a subject of assessment through the Annual Progress Report (Enlargement Package, Chapter 27). The latest Communication on EU Enlargement Policy in Chapter 27 mentions that the country needsignificant efforts to further align legislation with the *acquis* in the water sector*.* |
| Links with national, regional and global strategies | The proposed investment will contribute to implementation of the National Water Strategy 2012-2042. Namely, the action will implement the measures and actions envisaged under chapter 5.3 - Water Protection. This action is also consistent with National Environmental Investment Strategy, Second National Environment Plan and National Environment Approximation Strategy.  The action will contribute to the objectives of the Green Agenda for the Western Balkans by assisting the Country in reducing water pollution. |
| Coherence with the Sector Approach | The action falls under the sector of environment and climate change.  Environment Sector has all the main basic elements of the Sector Approach. Sector policy is guided by the Second National Environmental Plan, upon which other planning documents are built, including the Strategy for Environmental Investment, sectoral strategies (for water, waste, nature, air, environmental monitoring) and other planning documents at central and local levels. The sector of environment, i.e. Chapter 27, is one of the most complex chapters requiring strong efforts for coordination, investments and great responsibilities of administrations at central and local level. The Ministry of Environment and Physical Planning is the lead institution in terms of approximation of the environmental acquis across the sector, and leads preparatory activities for negotiation of Chapter 27. The Ministry is also responsible for overall coordination of assistance to the environmental sector and is committed to further strengthening this function, by establishing a Sector Working Group for Environment and Climate aimed at strengthening inter-institutional cooperation and ensuring efficient coordination of activities related to programming and monitoring of EU funds, other bilateral and multilateral assistance, and proposing relevant measures and activities in environment and climate sectors. The public dialogue is focused on the definition and implementation of the country's sector priorities.  The sector policy budgeting needs improvement. North Macedonia does not yet benefit from a robust medium-term expenditure framework to anchor the costs for the major reforms and ensure their credibility. The ongoing PFM reform programme is expected to address this issue through the adoption of the new organic budget law. Significant IPA support is already allocated to support the country in this challenge. In the absence of a solid MTEF, the country has a quasi-programme for Environment to back up the sector policy objectives. The budget for environment is constantly increasing – 152% from 2015 to 2018, which is a sign of increasing state commitment to the established sector priorities.  The single project pipeline for the environment sector has been established and the investment infrastructures foreseen in this Acton are listed as mature environment priorities. |
| Regional dimension | The EU investments in waste water sector in North decreases substantially the pollution of Varder river basin, which represent two third of the North Macedonia territory and is an important part of the river capacity in North Greece as well. The Vardar river is the largest and most important river in North Macedonia, where it rises; further it crosses the Greek border and inflows into the Aegean Sea. The river Bregalnica is one of the major tributaries of the river Vardar, presenting about 20% of the surface of the Aegean basin in the country. The wastewater generated in Skopje, Tetovo and Veles (gong to Varder river), in the municipalities of Shtip, Kocani and Vinica (going to Bregalnica river) and Bitola (through Dragor and Crna tributaries to Vardar) has a huge impact on the Varder river water quality. The construction of wastewater treatment plants and improved sewerage in Skopje, Tetovo, Veles,  Shtip, Kochani, Vinica and Bitola will significantly decrease the water pollution of the Vardar river and will directly impact the quality of the waters of the northern Greek shores, supporting the development of such a main economic drive in Greece as tourism and agriculture. |
| Indicative budget | | *Total budget: EUR 53,000,000*  *IPA funding: EUR 26,500,000*  *National funding: EUR 26,500,000* |
| Implementation Modality | | This action will be implemented through indirect management with beneficiary country (or alternatively with an international organisation).  Blending of the IPA funds with financial resources and grants from other IFIs and /or international organizations is preferred.  The implementation involves service, supply and works contracts. |

**LOGICAL FRAMEWORK MATRIX [2 PAGES MAXIMUM]**

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| **OVERALL OBJECTIVE(S) / (IMPACT(S))** | **OBJECTIVELY VERIFIABLE INDICATORS** | **BASELINES**  **(2020)** | **MILESTONES**  **[OPTIONAL]** | **TARGETS**  **(2025)** | **SOURCES & MEANS OF VERIFICATION** |  |
| To decrease water pollution | % of population equivalent served with wastewater treatment plants (secondary treatment) | 26%\* | n/a | 46%\*\* | Data from MoEPP \*National Water Study[[1]](#footnote-1) |
| **SPECIFIC OBJECTIVE(S) / OUTCOME(S)** | **OBJECTIVELY VERIFIABLE INDICATORS (\*)** | **BASELINES**  **(2020)** | **MILESTONES** | **TARGETS**  **(2025)** | **SOURCES OF VERIFICATION** | **ASSUMPTIONS** |
| To improve wastewater collection and treatment infrastructure in compliance with the Directive 91/271/EEC in the Municipalities of Shtip, Veles and Vinica. | Measured concentration value of BOD, COD and TSS at the outlet from the waste water treatment facilities in accordance with EU directives and standards | BOD[[2]](#footnote-2)5: 285 mg/l  COD[[3]](#footnote-3): 569 mg/l  TSS[[4]](#footnote-4):332 mg/l |  | ≤ 25 mg/l  ≤ 125 mg/l  ≤ 35 mg/l | Baseline – Feasibility Studies  Target: Data from Public Utility companies | Continued political support for harmonisation with the EU environmental acquis and for implementation of environmental legislation at all levels.  Societal support for the implementation of the environment legislation in practice |
| **OUTPUTS** | **OBJECTIVELY VERIFIABLE INDICATORS (\*)** | **BASELINES**  **(2020)** | **MILESTONES**  **(2024)** | **TARGETS**  **(2025)** | **SOURCES OF VERIFICATION** | **ASSUMPTIONS** |
| **Output 1**: To rehabilitate/construct the sewerage systems in the municipalities of Shtip, Veles and Vinica in order to collect wastewater and to transfer it to the wastewater treatment plants for treatment.  **Output 2** : To construct two wastewater treatment plants with secondary treatment, Planned capacities of the wastewater treatment plants are 53,700 P.E. (Shtip) and 53,100 P.E (Veles). | Km of sewerage rehabilitated  Km of sewerage newly constructed  Volume of sewerage treated by the wastewater treatment plants (in people equivalents P.E.) | 0  0  0 | Taking Over Certificates and Performance Certificates issued by the supervising engineers | 28 Km + 11.2 Km + 5,6km.  8.2 Km + 37.6 Km +17,6km  53,700 P.E. and 53,100 P.E. and 19.500 P.E. | Data from Public Utility Company | The funding of municipalities revised to allow the appropriate levels of human and financial resources back-up the municipal decision-making and management practice |
| **BROAD ARRANGEMENTS FOR IMPLEMENTATION (IF AVAILABLE)** | This action will be implemented through indirect management with beneficiary country (or alternatively with an international organisation).  Blending of the IPA funds with financial resources and grants from other IFIs and /or international organizations is preferred.  The implementation will involves service, supply and works contracts. Technical assistance for the supervision of the works is envisaged within this action in order to achieve the outputs. | | | | | |

1. task 6 – estimation total national P.E. 2.328.316

   \*\* This includes WWTPs in Bitola, Tetovo, Kochani, Veles and Shtip [↑](#footnote-ref-1)
2. biological oxygen demand [↑](#footnote-ref-2)
3. chemical oxygen demand [↑](#footnote-ref-3)
4. total suspended solids [↑](#footnote-ref-4)