## ANNEX I – IPA III Action Fiche

|  |  |  |
| --- | --- | --- |
|  | Indicative title of the Action | **EU for Clean Air** |
| **CRITERIA FOR RELEVANCE ASSESSMENT** | Key thematic priority | ***Environment and climate change*** |
| Links with specific policy instruments of the enlargement process | * The proposed Action will contribute to the implementation of the EU acquis under Chapter 27. In particular it will support the implementation of [Directive 2008/50/EC](https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1486474738782&uri=CELEX:02008L0050-20150918) on ambient air quality and cleaner air, [Directive 2015/1480/EC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015L1480) and Directives 2004/107/EC and 2008/50/EC of laying down the rules concerning reference methods, data validation and location of sampling points for the assessment of ambient air quality.   This action aims at improving the quality of life and decreasing the health risks in Skopje and the biggest urban agglomerations through reducing air pollution. Focus is on replacing highly polluting heating systems with modern solutions and connecting buildings to district heating systems operating on gas. This support will be coupled with measures sensitising local communities on the harmful effects of using solid fuels and oil systems and improving the capacities of the local central heating operators to attract and keep clients. Support will be provided also to reduce the pollution in the public transport sector through replacing most polluting buses. The action involves measures to enhance the natural air filtration though planting trees and greening the urban areas as well as the elaboration of studies aiming at programming additional measures to reduce the air pollution. Inter alia these studies will address the preparation of a Just Transition Mechanism that will allow for North Macedonia to align its energy and environmental policies with the EU Green Agenda as well as studies to optimize the district heating in Skopje. Finally, the activities are expected to improve the capacity of the municipalities to measure and control the level of pollution.  Further on, the Action addresses the findings of the **EC Country Report** (Chapter 27: Environment and climate change) and in particular the recommendation to implement air quality improvement measures by ensuring efficient coordination between central and local authorities, and the allocation of sufficient financial resources; and (Chapter 15: Energy) to develop and implement municipal energy efficiency programmes.  Finally, the Action addresses the conclusion of the **Stabilisation and Association Agreement Committee 2019**, which underlined the need of intensifying the coordination and cooperation between national and local authorities, optimizing the measures for improvement of air quality, operationalizing the air quality monitoring network and mainstreaming climate action in all relevant sectors. |
| Links with national, regional and global strategies | The Action is in line with the **Paris Agreement** (ratified by the country in 2017), which aims to substantially reduce global greenhouse gas emissions, curb global warming and reduce the impact of human activity on climate.  The Action also corresponds to the objectives of the **Energy Union Strategy** and the **Energy Community Treaty** as it will improve the energy connections and support the shift to cleaner energy.  The Action corresponds to the objectives, identified in the **European Green Deal**, primarily on *Building and renovating in an energy and resource efficient way; - Accelerating the shift to sustainable and smart mobility; - Preserving and restoring ecosystems and biodiversity; and - A zero pollution ambition for a toxic-free environment.*  It is also a response of the **United Nation’s 2030 Agenda** and the sustainable development goals.  The Action supports the implementation of key national priorities, defined in a number of strategic documents focused on addressing the environmental challenges in front of North Macedonia:   * **Strategy for Environment and Climate Action 2014-2020** which defines the improvement of air quality as the key priority for improving health conditions in the country; * **Programme for reducing the air pollution in the Republic of North Macedonia 2019-2020**, which sets the goal to reduce air pollution in Skopje by 50% in 2020 and in other cities from 30 to 50%. The main priority actions include 1) Monitoring of the air quality; 2) Improving the capacities of the inspectorates for environmental inspections; 3) Increasing the public awareness through educational campaigns; 4) Reduction of emissions of polluting substances from household heating; 5) Urban greenery; 6) Waste management; 7) Transport; 8) Industry and 9) Construction. * **Programme for gradual reduction of emissions of certain polluting substances at the level of the Republic of North Macedonia 2012-2020**, which identifies measures for reducing air pollutants such as sulphur dioxide, nitrogen oxides, ammonia, volatile organic compounds, total suspended particulate matters, and carbon monoxide in the air. * **National Strategy for Nature Protection 2017-2027**, which introduces a number of fundamental principles essential for nature protection, including protection of clean air. * **National Biodiversity Strategy and Action Plan 2018-2023** which also focuses n decreasing the air pollution due to industrial facilities, combustion of fossil fuels, heating systems and traffic. * **Strategies for Energy Development of North Macedonia until 2030 and until 2040,** whichaim at shifting the country to secure, efficient, environmentally friendly and competitive energy system, capable to support the sustainable economic growth of the country. The key priorities include: 1) Maintenance, revitalization and modernisation of the infrastructures for the purposes of energy production and utilization; 2) improvement of the energy efficiency (production, transmission and utilisation of energy); 3) utilisation of domestic resources for electricity production; 4) increase of natural gas utilisation; 5) increase of the utilisation of renewable energy sources; 6) establishment of economic energy prices; and 7) integrating the energy sector of the country in the regional and European market of electricity and natural gas. * **National Transport Strategy 2018-2030, which aims at** developing a harmonised transport that is international compatible and integrated in the TEN-T system, which stimulates the economic and social development of the country, preserves the environment, and secures the needs of future generations. A key strategy objective is the introduction of green mobility and logistic focused to environmental performance of the Transport sector. Inside this general objective, the specific objective 3.1 is to develop and improve environmental friendly and low carbon transport system. * The Action also corresponds to the **National Strategy for Sustainable Development of North Macedonia 2010-2030,** which focuses the national efforts in three interlinked dimensions: economic dimension (economic resources, development and growth, environmental protection (natural resources, protecting and exploiting nature sustainably, and preventing and combatting pollution); and social dimension (social resources, solidarity, and combating poverty). |
| Coherence with the Sector Approach | The Action falls under the sector of environment and climate change.  The strategic framework in this thematic priority is well established, based on solid data and enhanced policy dialogue. North Macedonia benefits of well-established monitoring system, allowing regular feedback to the decision-makers and the public on the level of implementation of the strategic objectives. As of 2020 the country put in place a performance assessment framework, streamlining the policy objectives, the indicators and the targets. The Action will contribute to meeting 5 key impact indicators of the established Performance Assessment Framework:   * Greenhouse Gas Emission (FOLU computation excluded) * Emission of Sulphur Oxides (S0x) * Emission of Nitrogen Oxides (NOx) * Emission of Particulate Matter PM10 * Concentration of Particulate Matter PM2.5 (Average number of days in Skopje, Bitola, Kumanovo and Tetovo below 25 μg/m³)   The institutional set up in the sector Environment and Climate Change is well established. The Ministry of Environment and Physical Planning is the lead institution responsible for the approximation and implementation of the environmental acquis across the sector and for overall coordination of assistance to the environmental sector. While the institutional capacity is improving, more investments are needed for strengthening the administrative capacity in the solid waste, water and nature protection subsectors. The action addresses this need as well.  The policy dialogue is channelled through the Sector Working Group for Environment and Climate, which is chaired by the Minister and comprises of all relevant national authorities, donors, partners and civil society. The SWG also embeds the IPA programming. The SWG meets regularly – 2 to 4 times in the decision-making format, and at least once per month in the technical format. The public dialogue is smooth and intensive. It is centred 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. |
| Regional dimension | Not applicable |
| Indicative budget | | *Total: EUR 14,000,000*  *EU funding: EUR 12,000,000*  *National co-financing : EUR 2,000,000* |
| Implementation Modality | | The Action will be implemented under Direct Management through procurement, which entails 8 -10 service, supply and works contracts |
| Budget Support Readiness | | Not applicable |

**LOGICAL FRAMEWORK MATRIX**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **OVERALL OBJECTIVE(S) / (IMPACT(S))** | **OBJECTIVELY VERIFIABLE INDICATORS**  Quantitative and/or qualitative variables providing a simple and reliable mean to measure the achievement of the corresponding expected result (i.e. outputs, outcomes, impacts). Indicators should have a clear measurement unit and be formulated in a neutral way. | **BASELINES**  **(INCL. VALUE & REFERENCE YEAR[[1]](#footnote-1))** | **MILESTONES**  **[OPTIONAL]**  **(INCL. VALUE & REFERENCE YEAR )** | **TARGETS**  **(INCL. VALUE & REFERENCE YEAR)** | **SOURCES & MEANS OF VERIFICATION** |  |
| To reduce health risks associated with air pollution | Number of deaths due to air pollution | 2,600 | 2,000 | 1,600 | WHO Reports |
| **SPECIFIC OBJECTIVE(S) / OUTCOME(S)** | **OBJECTIVELY VERIFIABLE INDICATORS (\*)** | **BASELINES** | **MILESTONES** | **TARGETS** | **SOURCES OF VERIFICATION** | **ASSUMPTIONS** |
| To improve the quality of air in the capital city and the biggest urban areas in North Macedonia | Kilograms of produced particulate PM2.5 in the targeted locations | 4,000 | 100 |  | Experts report | Improvement of medical systems for screening and treatment of respiratory diseases  Local communities are supportive to long-term strategies for decreasing air pollution despite the costs |
| Kilograms of produced particulate PM10 in the targeted locations | 4,600 |  | 150 |
| Variation of CO2 production in the targeted investments | 12,000 | 9,000 | 5,000 |
| **OUTPUTS** | **OBJECTIVELY VERIFIABLE INDICATORS (\*)** | **BASELINES** | **MILESTONES** | **TARGETS** | **SOURCES OF VERIFICATION** | **ASSUMPTIONS** |
| 1.1 Reduced pollution associated to heating systems | Number of buildings (and total sq. m) disposing with new heating systems or new subscribers connected to central heating providers  Number of technical studies | 0  0 | 30  100,000 m2 | 70  200,000 m2  > 2 | Skopje municipal report on connections to the district heating systems  Project reports | The gas pipeline network is improved and gas delivery ensured  The price of the district heating is reduced |
| 1.2 Reduced pollution associated with public transport | Number of buses with CNG system | 0 | 6 | 6 | Municipal acceptance protocols |
| 1.3 Increased urban green belts | Number of new 3 to 4-year-old trees planted in urban areas | 0 | 2,000 | 6,000 | Municipal acceptance protocols |
| 1.4 Improved public awareness on air pollution | Number of awareness events carried out in schools | 0 | 12 | 24 | Project progress report |
| Number of people reached by awareness events | 0 | 5,000 | 10,000 | Project progress report |
| Number of new air pollution measuring stations installed | 0 | 3 | 3 | Municipal acceptance protocols |
| **BROAD ARRANGEMENTS FOR IMPLEMENTATION (IF AVAILABLE)** | The Action will be implemented under Direct Management. This entails about 8 to 10 service, supply and works contracts | | | | | |

1. The baseline value may be "0" (i.e. no reference values are available as the Action represents a novelty for the beneficiary) but cannot be left empty or include references such as "N/A" or "will be determined later". [↑](#footnote-ref-1)