



Ambassade van het  
**Koninkrijk der Nederlanden**



# HOT SPOTS PROJECT **M**ACEDONIA

Country Presentation Macedonia

Becici, MN 29.04.2009

## NEEDS ASSESSMENT & CAPACITY BUILDING

# Project Component 2: Needs Assessment



The Assessment of the capacity Building Needs was compiled by MK Hot Spots Project Team, based on:

- Recent strategic national documents & project reports, especially the following:
  - Environmental Policy in South-Eastern Europe, UNDP 2007. Prepared for **“Environment for Europe” Conference, Belgrade 2007**
    - Country Report Macedonia
  - NCSA, 2005. National Capacity Self-Assessment for Global Environmental Management
  - Development of Remediation Plans with Financial Requirements for Elimination of Industrial Hotspots (EUROPEAID/123674/D/SER/MK) An EU-funded project managed by the European Agency for Reconstruction, 2007
    - Feasibility Study – Volume V Legal Gap Analyses for the Remediation Issues of polluted and contaminated sites
  - NEAS 2008, National Environmental Approximation Strategy-CARDS 06
    - Sectoral Approximation Strategies (SAS)
- Round Table on Historical Mining Pollution in Macedonia – presentations and discussions

# Needs Assessment



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- Waste Management In Macedonia
- Overview Of Existing Institutional Situation In Macedonia Regarding Remediation
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- Financing- Funding Mechanisms

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# Needs Assessment - Background



## ENVIRONMENTAL MANAGEMENT IN THE REPUBLIC OF MACEDONIA

Four main courses are identified:

- Towards EU membership
- Developing Environmental Institutions
- Managing Natural Assets for Sustainability
- Improving the Living Environment

*Environmental Policy in South-Eastern Europe, UNDP 2007. Prepared for "Environment for Europe" Conference, Belgrade 2007*

■ *Country Report Macedonia*

# ENVIRONMENTAL MANAGEMENT IN THE REPUBLIC OF MACEDONIA



## 1. Towards EU membership - Issues

- The policy in the area of environmental protection is based on an integrated approach and gradual harmonization with EU legislation
- Effective implementation and enforcement fully in compliance with EU legislation and adopted strategies and principles require a high level of investment and considerable administrative effort
- The basic elements of a legislative framework are in place, although much of the legislation is quite recent. Implementation and enforcement are in some cases only in their initial stages
- Investments in environmental infrastructure are very low
- There are mechanisms for the integration of environmental aspects into other policies, particularly at the level of strategic documents
- The Framework Law on Environment of 2004
- Division of responsibilities among the state administrative bodies
- Major weaknesses in the country's enforcement capacity

# ENVIRONMENTAL MANAGEMENT IN THE REPUBLIC OF MACEDONIA



## 1. Towards EU membership - conclusions

- Overall, the Republic of Macedonia will have to make considerable and sustained efforts to align its legislation with the environmental *acquis*, and especially to implement and enforce it, in the medium term. Administrative capacity needs to be significantly reinforced.
- There is a need to streamline the management of responsibilities currently fragmented between different ministries and bodies. In some sectors there is a need to clearly define responsibilities in order to ensure that existing legislation is implemented in the most efficient and effective way.
- At local level particular care should be taken to ensure that local self-government units have the resources necessary to implement their responsibilities effectively.
- Effective compliance with EU legislation requires a high level of investment and considerable administrative effort, especially in the areas of waste management and water treatment. Therefore, the recommendation is to concentrate on reaching a consensus on competences allocation on the decision making level and support to reforms.

# ENVIRONMENTAL MANAGEMENT IN THE REPUBLIC OF MACEDONIA



## 2. Developing Environmental Institutions - issues

- The environmental institutions setup indicates the existing fragmentation of competencies
- Ongoing decentralization process
- At local level particular care should be taken to ensure that local self-government units have the resources necessary to implement their responsibilities effectively.
- Investment in education in Macedonia is very low
- Aarhus Convention on Access to Information – adopted
- NGO sector is progressing steadily
- 1990s resulted in intensive changes in socio-economic life
- The National Budget of the Republic of Macedonia is the most important source of funds for the environment protection policy (approx. 0,25 %)

# ENVIRONMENTAL MANAGEMENT IN THE REPUBLIC OF MACEDONIA



## 2. Developing Environmental Institutions – conclusions

- Lack of sufficient financing sources is often seen as one of the main constraints for implementation of environmental improvements.
- The Macedonian economy is not strong and macro economic progress has been slow. Thus, raising domestic financing for major environmental investments has been difficult in the past, and will continue to be difficult for also for the years ahead. It is thus a key challenge to attract donor support and to use it in an effective manner. Addressing this challenge is to a large extent a matter of ensuring that the appropriate institutional set-up is provided around environmental projects, and ensuring a sufficiently high quality of the proposed projects in the first place.
- Substantial challenges lie ahead in the coming years. The low collection rates for water and waste has resulted in less than necessary maintenance of the environmental infrastructures leading to substantial needs for repair, and complying with the EU heavy cost directives will invoke huge needs for new investments.

# ENVIRONMENTAL MANAGEMENT IN THE REPUBLIC OF MACEDONIA



## 3. Managing Natural Assets for Sustainability

- land management: fragmentation, abandoned land, the inexistence of land market, lack of basic data, no clear distinction of the roles and responsibilities among institutions and finally poor and inefficient register (cadastre)
- Spatial Plan in place – without implementation mechanisms
- National Biodiversity Strategy and Action Plan, 2004
- new framework Law on Waters is adopted 2008
- Investments in environmental infrastructure are very low
- National Strategy for Sustainable Forestry Development has been prepared in June 2006
- Agriculture as a key economy sector – delay in use of IPA funds

## Conclusions

In order to use the existing comparative advantages and draw positive benefits from tourism without having negative impacts, Macedonia would need to have comprehensive strategies and plans put in place. *ving the Living Environment*

# ENVIRONMENTAL MANAGEMENT IN THE REPUBLIC OF MACEDONIA



## 4. Improving the Living Environment

- Second National Communication on Climate Change, 2008
- administrative capacity of the MEPP for implementation of the adopted policies insufficient
- implementing the general waste management policy – with significant delays
- Energy – further steps needed to meet EU requirements
- Industry, including mining, is the main sector of the national economy, contributing 25 + per cent to GDP
- IPPC: legislation in place – slow progress of implementation
- basic transport infrastructure - in line with the income level of the economy

*Environmental Policy in South-Eastern Europe, UNDP 2007. Prepared for "Environment for Europe" Conference, Belgrade 2007*

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# Needs Assessment NCSA Project



Areas of *capacity deficit* have been identified:

1. National policy;
2. Legal and regulatory framework;
3. Incentive systems and economic and market instruments;
4. National and international funding;
5. Technology transfer;
6. Institutional mandate, management capacity and performance;
7. Monitoring and observation, data management;
8. Public awareness and education;
9. Scientific expertise.

# Needs Assessment Hot Spots Management



Problems identified:

- Waste management
- Institutional shortcomings
  - Policy
  - Institutional aspects
  - Economic/financial
  - Information/ communication
- Legislation - gaps
  - Gray zones – eg. historical pollution
  - Mines in IPPC legislation

# Needs Assessment

## National Waste Management Plan



### Baseline

- Accumulated waste management problems from the earlier period
- Insufficient percentage of population covered by organized system (70%)
- Limited selection of the recyclables and hazardous components of the waste
- Lack of properly designed waste disposal sites and illegal disposal of waste
- Missing of solutions for particular (industrial and household) waste streams (waste tires, waste oils, packaging waste, animal waste, medical waste, electric and electronic equipment, and end-of-life vehicles)
- **Negligible “reduce – reuse- recycle” activities**
- Lack of public and professional awareness and education
- Fragile financial conditions

### Problems

- Completion of the existing legal framework with secondary legislation
- Missing trained human capacities and adequate institutional arrangements
- Lack of Regional waste management systems
- Wide existence of illegal waste disposal throughout the Country
- Lack of organized collection system and weak system of separate collection
- Missing incentives and other economical mechanisms
- Lack of funding for construction of modern waste management facilities
- Low level of payment of waste charges
- Neglecting of the waste economic potential
- Unreliable and inappropriate data on waste volumes and flows
- Lack of public waste management capacities
- Low public and institutional awareness of all stakeholders

# Needs Assessment – remediation policy

## Key institutional weaknesses

Area	Description of the weakness
Policy and legislative	<p>Not clear remediation policy and environmental liabilities</p> <p>Incomplete legislation</p> <p>Lack of monitoring and enforcement</p>
Institutional aspects	<p>Lack of government implementation body</p> <p>Unclear roles and responsibilities of stakeholders</p> <p>Weak institutional implementation capacity within the government</p> <p>Insufficient communication between the national and local level</p> <p>Inappropriate conditions for Private Sector Participation</p> <p>No arrangements for financial / economic instruments in place</p>
Economic/financial Issues	<p>Lack of funds for industrial Hotspots remediation</p> <p>Sustainable financing instruments have not been introduced</p>
Public Information	Lack of communication at all stakeholder levels

# Needs Assessment Legislation- Gap Summary




1. Unclear, and missing terminology
2. Lack of regulation for protection from pollution of priority substances
3. Lack of monitoring and reporting regulations
4. Missing environmental liability
5. Lack of fund establishment and procedure regulations
6. Missing legislation on soil contamination
- 7. Missing time frame for remediation of “hotspots”**
8. Harmonization of legislation with Mining Waste Directive

# Framework for addressing liabilities for past pollution



Stage of transformation and EU approximation	Approach to addressing environmental liabilities for past pollution	Other comments
<p><b>Early stage</b></p> <p><i>Value of industrial assets is low, pressure to sell assets asap, limited interests of investors.</i></p>	<p>Liabilities for past pollution not clearly defined (case by case).</p> <p>Liabilities assumed by the state indefinitely.</p>	<p>Overriding economic objectives. Cleanup objective of low priority. Short term interests prevail. Cleanup usually not done. Legal problems will arise in longer term (distinguishing between past pollution before and after acquisition cannot always be determined). Future acquisitions of the same site will have to deal with unresolved problem of liabilities.</p>
<p><b>Intermediate stage</b></p> <p><i>Value of industrial assets is rising, pressure to sell assets at appropriate price and restructure them, rising interest of investors.</i></p>	<p>Liabilities assumed by the state for a certain period of time (e.g. 5 years) after which period (following cleanup by the state) they are transferred to new owner e.g. Estonia from mid 1990s. Cleanup Funds may be established (part of privatization receipts are transferred to the Fund to cleanup contaminated sites elsewhere) e.g. Czech Republic. Interministerial Committees (with permanent staff) addressing environmental liabilities in privatization may be set up e.g. Poland.</p>	<p>The state is responsible for cleanup during the grace period. Audit is undertaken before the grace period expires to check whether contamination was eliminated. Companies may require compensation if cleanup not done by the state.</p>
<p><b>Advanced stage</b></p> <p><i>Value of industrial assets is high. Great majority of assets privatized (strategic sectors remain in state control), pressure to sell at high price and restructure, high interests of investors.</i></p>	<p>Liabilities transferred to new owner at acquisition.</p> <p>Cleanup costs deducted from the purchase price.</p> <p>Deadline for cleanup is set.</p>	<p>This approach cannot be applied to assets of negative value (commercial value of assets – cleanup costs + revenues from sale of recovered materials is &lt;0).</p> <p>Detailed audit required. Contingency fund may be introduced to ensure that cleanup is done properly (the value of cleanup is paid by the investor to special account; the funds are transferred back to investor when cleanup is properly done – following an audit).</p>





# Needs Assessment --> Capacity Building

## – Hot Spots Project Objective

The main objective of the Capacity Building activities is increased information and knowledge sharing, strengthening of the systemic, institutional and individual capacities in the area of environmental management in general and for remediation of historical pollution in particular.

Principles:

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- **National ownership and leadership;**
  - **Multi-stakeholder consultations and decision making;**
  - **Holistic/integrated approach to capacity building;**
  - **Integration of capacity building in wider national efforts to achieve sustainable development;**
  - **Promotion of partnerships, namely Public-Private;**
  - **Dynamic nature of capacity building; and**
  - **A learning-by-doing approach to capacity building.**



# Needs Assessment --> Capacity Building

## – Hot Spots Project

- The Hot Spots Project will develop a comprehensive Programme for capacity Building, based on wide national consultation process.
- The focus of the Programme has been initially agreed upon with key stakeholders, and will be designed in line with the Programme Document, Project Document and results of the consultation meetings.
- The Strategy and Action Plan for Capacity Building - Part 2 of this Report.



# Capacity Building – Hot Spots Project

## Focus areas

1. Capacity building of national authorities
2. Capacity building of local authorities
3. Capacity building NGO sector
4. Improvement of information & knowledge sharing
5. Support in EU harmonization of legislation
6. Strengthening of the environmental consulting sector

# Capacity Building – Hot Spots Project

## Focus areas

### 1. Capacity building of national authorities

- IPPC implementation – training MoEPP
- Environmental Monitoring – training MoEPP
- Environmental management – central Database MoEPP
  - Development of additional modules (IPPC A and B, MoEPP)
- By-laws & secondary legislation
  - Soil pollution standards MoEPP (MoAFWE)
  - Effluent standards (water) MoEPP (MoAFWE)
  - Harmonization with EU Mining Waste Directive MoE
- Remediation of historical pollution MoE
  - Environmental liability - training
  - Study tours



# Capacity Building – Hot Spots Project

## Focus areas

### 2. Capacity building of local authorities


- IPPC implementation – Licenses B - training
- Waste management - training
- Environmental management – municipal environmental database
  - Establishment of database
  - Training of municipal staff
  - Development of specific modules




# Capacity Building – Hot Spots Project

## Focus areas

### 3. Capacity building NGO sector

- Pilot Projects:
    - Waste management x 3
    - Public awareness & education x 3
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# Capacity Building – Hot Spots Project

## Focus areas

### 4. Improvement of information & knowledge sharing


- Needs Assessment Report
  - Study Tours
  - Regular info to the Media
  - Regional activities
    - Study tours
    - Documentary movie
    - High level - meetings
- 

# Capacity Building – Hot Spots Project

## Focus areas

### 5. Support in harmonization of legislation

- Harmonization with EU Mining Waste Directive MoE
- By-laws & secondary legislation
  - Soil pollution standards MoEPP (MoAFWE)
  - Effluent standards (water) MoEPP (MoAFWE)



# Capacity Building – Hot Spots Project

## Focus areas

### 6. Strengthening of the environmental consulting sector

- Market Survey
  - Recommendations
- Database of environmental practitioners
  - Update
  - Promotion
- Support in establishment of Chamber of Environmental Consultants



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