



STRATEGIC RESPONSE

Analysis of the recommendations from the European Commission for following reforms for the Republic of North Macedonia and their coherence with the Green Agenda for the Western Balkans and the Sustainable Development Goals of the United Nations

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Publisher: PRESPA Institute - Skopje

About the publisher: Andreja Stojkovski, executive director

Author: Jadranka Ivanova, Expert on chapter 27 – Environment and Climate Change

Design: Brigada design

Skopje, December 2022

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I. INTRODUCTION

By signing the Sofia Declaration in 2020, North Macedonia accepted the obligations arising from the Green Agenda for the Western Balkans. It is a strategic document of the European Union, the purpose of which is to plan the development of the Western Balkan countries through changing the traditional economic model and moving towards a sustainable economy and a carbon neutral society by 2050.

The Green Agenda for the Western Balkans explains the European approach to the Twin, Green and Digital transformation and applies the EU Green Deal to the Western Balkans. In October 2021, the Action Plan for the implementation of the Sofia Declaration of the Green Agenda, developed by the Council for Regional Cooperation, was accepted, in which specific steps, organizations and support structures are identified, as well as an indicative time frame for each action planned to be implemented. The Action Plan foresees 58 specific actions and 7 roadmaps for implementation, focused on:

1. Climate Policy;
2. Sustainable Energy;
3. Sustainable Mobility;
4. Circular Economy;
5. Reducing Pollution;
6. Sustainable Agriculture and Food Supply; and
7. Protection of Nature and Biodiversity.

The Green Agenda for the Western Balkans, as a counterpart to the Green Agreement of the European Union, represents a basic document through which the European Commission (EC) monitors the progress of North Macedonia, but also of other Candidate Countries, in the Accession Process. Accordingly, in its latest Country Report, the European Commission points out for North Macedonia that “The country should speed up the implementation of the Economic and Investment Plan and the Green Agenda for the Western Balkans in the next period”. This report aims to clarify the strategic response of the state and show how much this recommendation is reflected in the planned activities from the National Program for the Adoption of the Acquis (NPAA) 2021–2025, as one of the key documents in the process of Accession to the EU. North Macedonia, as well as in the programming of EU funds and funds from the Instrument for Pre-Accession Assistance from the new financial frame 2021–2027 (IPA-3).

North Macedonia, as a country that is not part of Annex I of the United Nations Framework Convention on Climate Change, ratified the Paris Climate Accord in November 2017 and thus contributes to global efforts to reduce greenhouse gas emissions, particularly through National contributions to climate change mitigation (*Nationally Determined Contribution - NDC*): “Reduction of CO₂ emissions caused by the combustion of fossil fuels by 30%, which represents a tendency of 36% higher level, by 2030, compared to the Business As Usual Scenario (BAU)”. In response to the call from the parties to the Paris Climate Accord for significantly strengthened NDCs, North Macedonia submitted revised NDCs in April 2021.

Additionally, the report assesses the relationship with the *Sustainable Development Goals* of the United Nations - **SDGs**, which represent a clear vision for a sustainable future and are seen as drivers for sustainable economic development in the world. The goals are recognized as economic and social benefits, but also benefits for the environment and are accepted as priorities for the whole world, including the EU and North Macedonia. Therefore, their integration into national policies and actions is necessary, not only because of achieving or responding to the obligations undertaken at the international level, but also because of the need to create conditions in the country for sustainable development and for the benefit of future generations.

II. WITHIN THE FRAMEWORK OF THE FINANCIAL PERSPECTIVE

The adoption of the EU Multiannual Financial Framework for 2021–2027 and the EU Budget was the basis for the adoption of the IPA–3 Regulation. The instrument is based on the motto of the European Commission which in 2020 was communicated to the countries of the Accession Process - **“Strengthening the accession process - a sustained EU perspective for the Western Balkans”**¹.

Within the framework of IPA–3, several actions have been programmed that contribute to the fulfilment of the EC recommendations related to the Green Agenda for the Western Balkans. The instrument is strongly aimed at supporting the policies and reform processes related to the Accession of the candidate countries to the EU, as well as the objectives of the Green Agenda for the Western Balkans. The instrument has a new structure and follows the new methodology for accession negotiations

With IPA–3, emphasis is placed on the European Green Agreement, which is the first political priority of the current composition of the European Commission and should support the transition of users towards a circular, climate-resistant and low-carbon economy. Window 3 – Green Agenda and Sustainable Connectivity integrates the European Commission’s objectives for the Western Balkans related to the Green Agenda. Therefore, the inclusion of the priorities from the Green Agenda is a prerequisite for an action proposed by a country in the region to be recognized as good and approved for financing.

For North Macedonia, the programming of funds from IPA–3 is based on several documents that are hierarchically ordered and lay the basis for planning and programming of funds. The highest in the hierarchy is the Strategic Response, a document containing the funding priorities for the entire programming period 2021–2027. The Strategic Response represents a long-term framework for the use of IPA–3 funds. The document was last revised in June 2022.

The concrete projects through which the established strategic goals will be realized are planned through the so-called action fiches determined within the framework of annual and multi-annual action programs i.e., action documents that cover a specific area or several related areas. In the Strategic Response, within Window 3, several goals are foreseen that directly support the recommendations of the European Commission, the Green Agenda for the Western Balkans and the Sustainable Development Goals of the UN.

In December 2021, the European Commission already adopted the action fiches that programmed the funds for 2021. By the end of this year, the IPA Committee of the

European Commission is expected to adopt the action fiches for 2022, while for 2023, it was decided that the funds will be allocated to support the overcoming of the energy crisis in the countries of the Western Balkans.

Relevant to the Green Agenda are three action fiches for 2021 that have been developed and approved by the European Commission, namely:

- Action fiche - EU for Environmental Standards and Clean Air, in which actions are foreseen in the amount of approximately 26 MEUROs. Where by, 22 MEUROs are funds from the European Union, while 4 MEUROs are funds provided by the national budget. The action fiche covers the following areas: improvement of compliance and implementation of environmental acquis and implementation of measures to reduce air pollution.
- Action fiche - EU for Prespa, which provides for actions in the amount of 21.7 MEUROs. Where by, 18 MEUROs are a contribution from the European Union, while 3.7 MEUROs are committed funds from the national budget. The action fiche covers the following areas: Improvement of Biodiversity in the Prespa region, Reduction of Water and Soil Pollution, Support for Sustainable Economy and Food Chain in the rural areas of this region.
- Action fiche - EU for Green Economy, in which actions in the amount of 33.35 million euros are foreseen. Moreover, 25.85 million euros are funds from the European Union, while the rest are funds promised by the Government as a national contribution from the budget. The action fiche covers the following areas: development of the private sector and support of agriculture.

Finally, within the Cross-Border Cooperation programs, only the action documents for cooperation with Albania and Kosovo foresee actions for the thematic priorities of environmental protection, adaptation and mitigation of climate change, as well as risk prevention and management.

¹ COM (2020) 57 - final [<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0057>]

1. MEDIUM GREEN READY

In the last European Commission Country Report for North Macedonia, for 2022, the Commission, when assessing the preparedness of the country, most often uses the term “**moderately prepared**” at the cluster level, while individual chapters can also be graded as having a good level of preparation. At the same time, in the reports, together with the assessment, the Commission makes recommendations for specific actions to overcome the identified weaknesses. This report covers only the findings and recommendations that are relevant to the Green Agenda for achieving a carbon neutral society and the UN Sustainable Development Goals, and how these are reflected in the planned actions in the NPAA and the planned actions in IPA-3.

The National Program for the Adoption of the Acquis defines the dynamics of the adoption of the EU legislation, but also the strategic directions, policies, reforms, structures, resources and deadlines in which it will be done. With the adoption of the new Enlargement Methodology and the Decision to start the Accession Negotiations with North Macedonia, the NPAA gained greater political significance because it should include the activities resulting from the dynamics of the negotiations. At the same time, it should reflect the priorities contained in other strategic documents, such as: the Program for Economic Reforms and the Sustainable Development Goals of the United Nations.

NPAA 2021 – 2025 has a new structure that is aligned with the cluster approach to negotiations and the new methodology, while the planned activities are determined as short-term (one-year) and medium-term (three-year).

The main recommendations of the EU, on the Green Agenda, as well as the recommendations from the last Country Report, are included in Cluster 4 Green Agenda and Sustainable Connectivity, which covers four chapters. However, for the purposes of this report, only the chapters closely related to the Green Agenda are analysed: Chapter 14 - Transport Policy, Chapter 15 - Energy and Chapter 27 - Environment and Climate Change. The Country Report notes that the country has a **good level of preparation** regarding the Trans-European Network, but on the other hand, it is **moderately prepared** in the area of Transport Policy and Energy. The report also states that the country has **made some progress** in the chapter on Environment and Climate Change. Therefore, the European Commission expects serious commitment from the country in order to achieve progress in these chapters, and recommends accelerated implementation of the Economic and Investment Plan and the Green Agenda for the Western Balkans.

1.1. TRANSPORT POLICY

In the Country Report for 2022, the European Commission states that North Macedonia is moderately prepared for this chapter, stressing that during the reporting period the country has only made limited progress. Moreover, for the Commission, the main reason for this situation is the weak administrative capacity of the relevant institutions and the lack of political will to implement the necessary reforms.

Therefore, the Commission recommends that in the coming period it is necessary to: strengthen operational and administrative capacities, including inspection and supervision; to implement reforms in the railway sector, as well as to adopt legislation on intelligent transport systems (ITS). In addition, in order to implement the Green Agenda, the European Commission recommends that a transition to transport that pollutes less is needed. Regarding road traffic, the Commission recommends the adoption of the 5-year road maintenance plan. Finally, it is pointed out that the legislation on energy and energy efficiency of transport and ITS is not harmonized with the EU legislation. Almost the same recommendations are found in the 2021 Country Report, which indicates that the state's efforts to advance in this area are insufficient and need to be accelerated.

These recommendations of the European Commission are addressed in the NPAA, within the mid-term priorities, where it is planned to continue the activities for concluding agreements for the international transport of passengers and goods with Sweden, Portugal, Finland and Ireland. In addition, it is planned to adopt regulations related to Intelligent Transport System i.e., within the framework of the project for Transport Facilitation in the Western Balkans (WBTFP) which is financially supported by the World Bank, and within which it is planned to establish Intelligent Transport Systems (ITS) along Corridor 10.

In the Strategic Response to IPA-3 for North Macedonia in Window 3 – **Sustainable Connectivity and Green Agenda** in Thematic Priority 2: *Transport, Digital Economy and Society, and Energy*, one of the objectives 2.1 refers to: Development of a harmonized transport sector, which is compatible and integrated with the international. However, no funds have been programmed for this priority in 2021, while an EU action for transport connectivity and road safety in the amount of 29.5 MEUROs was programmed for 2022. However, this action fiche was not adopted by the IPA Committee of the European Commission and there is high probability that it will be part of a multi-annual comprehensive program in the transport sector that will cover allocations for the period 2024–2027.

In addition, part of the actions related to the installation of safety fences on the roads, the Ministry of Transport and Communications proposed that they be financed through the Transport Community.

1.2. ENERGY

The European Commission's Country Report in this chapter indicates that the country is **moderately prepared**, but has **made limited progress** with the adoption of the National Energy and Climate Plan and investments in solar energy. Consequently, the Commission recommends that the country accelerates the transition to renewable energy sources and reduce dependence on gas. At the same time, just as in the report for 2021, the Commission repeats the recommendations to separate the operational system for gas transmission and the need to increase the number of employees in the Ministry of Economy (ME), as well as to adopt and accelerate the implementation of the legislation on energy efficiency.

In this sector, moderate progress has been observed in terms of the adoption of new legislation. However, the main emphasis of the recommendations is placed on the weak administrative capacity, which, considering the energy crisis, should be significantly improved. The European Commission also recommends the adoption of the remaining legislation on energy efficiency. However, the main problem remains the weak administrative capacity of the Ministry of Economy and the Department of Energy, as well as the Energy Agency as key policy-making bodies in this area.

Among other recommendations, the Commission recommends that the financial support for energy efficiency be increased, including but not limited to, by the establishment of an Energy Efficiency Fund, as well as the implementation of measures that will be transferred to the local level and encourage the municipalities to respect in full the obligation to adopt and implement programs for energy efficiency. Finally, it is recommended to remove the capacity limitation by type of renewable energy technology in order to enable the achievement of renewable energy targets by 2025, as well as full compliance with biofuels legislation.

The recommendation for the transition to clean energy (the green transition) is significant, whereby the Commission requires greater coordination, the establishment of a management mechanism, an action plan and a monitoring mechanism that will ensure a fair transition.

In this chapter of the NPAA, new employments in the Ministry of Economy and the Energy Agency are foreseen as short-term priorities without specifying the exact number. While in the medium term, it is only generally foreseen that activities will be undertaken to implement the Energy Development Strategy until 2040. At the same time, it is not specified which activities and what is the amount of funds needed for this. At the same time, no new employments are foreseen in the medium term. In terms of energy efficiency, short-term priorities are the adoption of several by-laws.

The NPAA lists several investment projects that should ensure an increase in the share of renewable energy sources in the total electricity production, among them the

Photovoltaic Power Plant Oslomej 1, which began the trial operation in April 2022 and has an installed capacity of 10 MWh. On the other hand, in the medium term, two more Photovoltaic Power Plants are planned, Oslomej 2 and 3, which should be implemented as projects by Power Plants of North Macedonia with a loan from the European Bank for Reconstruction and Development and with the conclusion of a Public-Private Partnership, as well as the second phase of the the construction of the Bogdanci Wind Park.

In the medium term, NPAA establishes several more projects to increase the share of renewable energy, namely: Dren Wind Power Plant, EUROING doo Gevgelija Wind Park, Miravci Wind Park – first phase and 100 MWh Photovoltaic Power Plant to be built on the site of the exhausted coal mine of REK Oslomej.

Of the activities foreseen by the NPAA, the draft Law on Biofuel in Transport has been prepared by a project financed by IPA-2 and is currently published on the ENER portal for the purpose of conducting a public debate with all stakeholders. While, in the Economic and Investment Plan for the Western Balkans, in the Flagship Initiative 4 - Renewable energy, a project is foreseen - Wind Park and a Solar Park in North Macedonia, which will enable the achievement of the recommendation of the European Commission for the implementation of legislation on energy efficiency.

With the previous financial framework from the Instrument for Pre-Accession Assistance, IPA-2, a project in the total amount of 4 MEUROs is planned, which aims to implement pilot measures for climate change and energy efficiency. It is expected that this project will begin to be implemented during 2023 with the support of the World Bank. At the same time, this project represents a complementary measure to the Project for energy efficiency in the public sector, financed through a loan from the World Bank, which is already being implemented and whose main goal is to reduce the consumption of electricity in the public sector and establish a mechanism for financing energy efficiency measures in the public sector. One of the components of this project is aimed at providing support to the future Energy Efficiency Fund.

Within the framework of IPA-3, the action fiche - EU for Green Economy is foreseen, in which part of the funds will be placed through the Fund for Innovation and Technological Development through a call for grants for private enterprises that will propose projects for the "greening" of their businesses through implementation of circular economy and energy efficiency measures. In addition, within the framework of IPA-3, the action fiche from the period 2023-2024 - EU for an energy efficient system in the amount of 6 MEUROs is provided. However, considering the last decision of the Union, that the funds from IPA-3 for 2023 will be used for the energy crisis, it is assumed that this action will be programmed in the next period until 2027.

1.3. ENVIRONMENT AND CLIMATE CHANGE

The European Commission notes **some level of readiness** and **some progress** in this chapter, while expressing concerns about the implementation of the legislation in all areas. The Commission particularly emphasizes the need to significantly increase the ambitions for the Green Transition in the context of the Green Agenda. For the next year, the country should increase its efforts to reduce air pollution and water pollution from diffuse pollution sources, at the national and local levels; then take measures to establish a regional waste management system in the Eastern and North-Eastern regions, as well as implement the Paris Accord, especially by enacting the Climate Law. At the same time, it is important to note that all these recommendations are repeated in the past reporting periods, especially the one from 2021.

The Report mainly emphasizes weak administrative capacities and the need to undertake efforts to improve waste and water management. According to it, in addition to the establishment of infrastructure for the collection and treatment of wastewater, which is noted as a structural reform foreseen in the Economic Reform Program 2022–2024, the implementation of other major infrastructure reforms should be accelerated.

In the Economic and Investment Plan for the Western Balkans, in the priority initiative 7 – Waste and wastewater management, the project for the construction of a wastewater treatment plant for Skopje is foreseen. The project is financed with a loan from the European Investment Bank and the European Bank for Reconstruction and Development, as well as a grant from the European Union. Currently, the tender procedure has been stopped at the intervention of the Mayor of the City of Skopje, after the selection of the contractor had started and was almost in the final phase. There is still no official information about the continuation of the procedure or about other future steps.

The construction of the wastewater treatment plant for Skopje represents a significant step forward towards reducing the pollution of the waters of the river Vardar and achieving the requirements arising from the European water legislation, especially from the directive on the treatment of urban waste water.

In the same initiative, the establishment of an integrated regional waste management system and the closure of inappropriate landfills is foreseen. This initiative is implemented through funding within IPA-2 for the establishment of an integrated waste management system in the Eastern and North-Eastern regions, closure of inappropriate “wild” landfills and procurement of equipment and technical support for municipalities and public enterprises in these two regions. In addition, within the framework of IPA-3, through the action fiche for 2021,

an action for the establishment of the regional waste management system for the Skopje region is foreseen.

On the same line are the recommendations of the European Commission, which indicate the need to adopt the Law on Control of Industrial Emissions, as well as the need to comply with the legislation in this area.

With regard to climate change, the European Commission notes the adoption of the Long-Term Strategy for Climate Action and the Action Plan, as well as several documents that enable the implementation of the National Determined Contribution. Furthermore, the European Commission recommends the adoption of the Law on Climate Action and the strengthening of the administration’s capacities in this area.

On the other hand, in the NPAA, the adoption of the Law on Environmental Inspection and amendments to the Law on Environment are foreseen as short-term priorities. The first was adopted during 2022, while the amendments to the latter were adopted and improved the compliance with the directives governing Environmental Impact Assessment procedures. At the same time, it is worth mentioning that a project financed in IPA-2 envisages the drafting of a new Law on Environment that will integrate the requirements of the horizontal legislation in Chapter 27. Also, a project financed in IPA-2 is envisaged to start with the development of a Strategy for the Environment and Climate Action, a Strategy for Investments in the Environment and a Plan for Strengthening Administrative Capacities for Environmental Management. However, this project was cancelled for the second time during the evaluation procedure.

The short-term priorities of the NPAA include the adoption of a Law on Climate Action, which is currently in the final stage of preparation in the Ministry of Environment and Physical Planning, as well as the adoption of a Law on Industrial Emissions’ Control, which are published on the ENER portal. The planned IPA-2 project on Improving the Implementation of Air Quality Legislation was cancelled, and its re-release is expected in early 2023, which will allow actions to be taken to reduce air pollution.

A significant number of activities to support the implementation of environmental legislation are foreseen in IPA –2 and in IPA-3. In IPA-2, in addition to the above-mentioned projects, several projects are foreseen that refer to the improvement of the legislation and the implementation of that from the sectors of air and waste management, nature protection and prevention of pollution from industry, as well as support for the implementation of climate actions for which there are more details in the annex to this report. Some of these projects are being implemented or are in the procurement phase. They directly address some of the recommendations of the European Commission, especially in terms of improving the compliance of legislation with that of the

Union and its implementation. Although in the last two years the Ministry of Environment made efforts for new employments, the main sectors still do not have adequate or sufficient capacity to bear the burden of Accession Negotiations and implementation of the requirements of the Green Agenda. Still only one person is responsible for several European legal acts, while the functions of policy making and implementation are not sufficiently demarcated between the ministry and the constituent bodies, specifically the Administration for Environmental.

2. WE AIM FOR THE GOALS

The National Programme for the Adoption of the Acquis emphasizes the alignment of the planned activities with the Sustainable Development Goals of the United Nations. They are established as one of the general objectives to be achieved by the NPAA. In addition, in separate clusters and chapters, particularly relevant goals are highlighted.

Otherwise, the Sustainable Development Goals for the candidate and beneficiary states of the IPA-3 represent a direct obligation undertaken at the multilateral level, but at the same time an additional request for approximation to the policies of the Union in the accession process. For those reasons, during the programming of IPA-3, all financed actions should be clearly linked to the objectives of sustainable development. At the same time, the forms of the Action fiches must indicate the connection of the action with the relevant main goal for sustainable development, as well as other important goals that are supported by the action.

For the purpose of this report, we only took into account the objectives that are consistent with the Green Agenda for the Western Balkans and are indicated in the NPAA and the IPA-3 Action Documents for 2021. At the same time, the activities in chapter 14 - Transport policy refer to **SDG 11 - Sustainable cities and communities** - *Make cities and settlements safe and sustainable*, while the activities from chapter 15 - Energy address: **SDG 7 - Affordable and clean energy** - *To ensure access to affordable, reliable, sustainable and modern energy for all*; and **SDG 13 - Action to deal with climate change** - *To take immediate measures to combat climate change and its impact*. Finally, the activities in chapter 27 - Environment and Climate Change address several goals, namely: **SDG 3 - Good health and well-being** - *To ensure a healthy life and promote the well-being of all for all ages*; **SDG 6 - Clean water and sanitation** - *To ensure access to water for all and sustainable management of water and sanitation*; **SDG 9 - Industry, innovation and infrastructure** - *To build resilient infrastructure, promote inclusive and*

sustainable industrialization and encourage innovation; **SDG 11 - Sustainable cities and communities** - *Cities and settlements to become safe and sustainable*; **SDG 12 - Responsible consumption and production** - *To ensure sustainable consumption and production*; **SDG 13 - Action to deal with climate change** - *Take immediate measures to combat climate change and its impact*; **SDG 15 - Life on land** - *Sustainably manage forests, prevent desertification, halt land degradation and prevent biodiversity loss*; **SDG 16 - Peace, Justice and Strong Institutions** - *To promote peaceful and inclusive societies for sustainable development, access to justice for all and to build effective, accountable and inclusive institutions at all levels*.

For a better understanding, each sustainable development goal has its own targets to be achieved, which are detailed in the annex to this Report.

3. CONCLUSIONS AND RECOMMENDATIONS

After the analysis, it can be easily concluded that the Country Report of the European Commission for 2022, for the key chapters related to the Green Agenda, repeats more than half of the recommendations from the last two years. This indicates that the actions in the NPAA are not implemented, fully, as planned. Namely, the deadlines for some activities have been exceeded by more than a year, which is not always related to objective reasons that could not be avoided. This situation results in the actions being transposed to the following year. The reason for this can be found in the lack of administrative capacities, or resources at the relevant bodies, as well as in the daily dynamics of the administration, which is dominated by daily political events. In addition, although for each activity NPAA makes an assessment of the necessary resources (financial and administrative), in reality they are rarely provided. Budget planning of activities in NPAA is more considered as an administrative and formal exercise that is not always respected and followed.

From the activities included in the NPAA, it can be concluded that the planning is still carried out according to the established practice, where more priority is given to the issues that dominate the domestic scene. At the same time, in the NPAA, most of the activities refer to the harmonization of legislation and the adoption of planning documents, while the activities that refer to measures related to the implementation of legislation are less numerous.

Alignment with the policies and actions of the Green Agenda cannot be recognized that strongly yet, which may be a result of the fact that the EU has not yet adopted

the entire legislation related to the Green Deal. At the moment, the European Commission is implementing an intensive legal reform related to the Green Deal, for which in 2023 and 2024 it is expected that more new, and several revised old directives/regulations will be adopted, which are mostly included in chapter 27 - Environment and Climate Change and chapter 15 - Energy.

Insufficient administrative capacities also contribute to NPAA being dominated by actions related to legislation, as an activity that does not require a lot of financial resources and is often supported by projects funded by the EU and other donors.

With the new negotiating structure, the Ministry of Environment and Physical Planning is the coordinator for Cluster 4, which indicates that there is sufficient awareness of the importance of the Green Agenda and the fact that most of the obligations are included in chapter 27. However, they are still not clearly delineated, nor is there a clear plan that will define the actions and projects that should ensure the implementation of the agenda.

The programming of the funds under IPA-3, as well as partially under IPA-2 related to the multi-annual program for the environment and climate change 2014-2020 corresponds to the Green Agenda and the Sustainable Development Goals. Therefrom, it can be concluded that the programming of funds corresponds to the expectations of the European Commission and it is based on a strategic review, which is simultaneously related to the priorities of the Union, but also to national strategies in certain areas. Although at the moment only 2021 is fully programmed, soon 2022, it is expected that the focus of the Green Agenda will increase more in the coming period until 2027. However, the insufficient administrative capacity for managing the IPA funds and implementing the specific planned project activities continues to be an obstacle for greater utilization of the available funds and achieving greater results in the reforms needed to meet the requirements arising from membership in the Union.

The NPAA represents a good framework in which the relevant activities are planned, not only for the accession negotiations but also for the fulfilment of the strategic goals of the state. What needs to be worked on more is:

- The planning should be realistic and supported by resources, both administrative and financial, which are needed to implement the planned priority activities;
- For each activity in the NPAA, the necessary budget needs to be determined, the administrative costs necessary for implementation, which the Government must provide, as well as determining the sources from which those funds will be provided;

- Further development of the capacities of the public administration involved in the creation of the NPAA for appropriate planning and assessment of the necessary costs related to the “*future membership of North Macedonia in the EU*” and strengthening of cooperation with the Ministry of Finance during the preparation of the NPAA in the part of future budget planning of these expenses in the national budget or their provision from other sources of financing;
- Greater involvement of the EU Accession Negotiations Group, as well as the establishment of a body within the Ministry of Finance that will provide full support in this exercise, beyond the already established structures by specific chapters in which the Ministry of Finance is a stakeholder.

The planning of the activities in the NPAA is still done in the usual way, connecting the activities with specific legal acts. The planning of activities for the implementation of Strategic Documents of North Macedonia and the EU has not yet been recognized by the administration as mandatory. Overcoming this condition can be achieved in two ways:

- Through the introduction of a mandatory connection of the planned activity in the NPAA with an appropriate strategic or planning document of the EU; or
- Through the adoption of a special action plan for the implementation of EU strategic documents that are relevant to the state.

In order to implement the Green Agenda for the Western Balkans, the Republic of North Macedonia needs to develop an Action Plan that will be supported by a list of projects and actions that will ensure the implementation of the plan. At the same time, the practice of preparing action plans lacks further stratification of measures and activities to the local level. The documents do not pay enough attention, nor do they analyse the potential of the municipalities to meet not only the requirements of the national documents, but also to achieve higher goals by using the local advantages for green transition. For those reasons, state institutions should pay attention to the following:

- The action plan for implementation of the Green Agenda should clearly identify the measures and authorities at the central and local level that are responsible for their implementation, the time frame and the necessary financial resources;
- For larger municipalities, it is recommended to develop local action plans for the Green Agenda, which has already been promoted as an initiative in the EU for the Green Deal. Namely, the European Commission, in order to speed up initiatives for the application of the Green Deal at the local level, Local

Green Deal - Blueprint for Action which aims to support Green Transformation and sustainability at the local level.

- Determining measures to raise awareness of the Green Agenda, but also greater involvement of the business community and civil society, including vulnerable categories of persons, as a necessary prerequisite in the development of the Action Plan for the Green Agenda in order to develop a partnership approach in the implementation of significant social reforms and ensuring a just green transition.

In order to achieve the multi- sectoral nature of the Green Agenda, it is recommended that the Government establish a mechanism for coordination with competent authorities and stakeholders, as well as monitoring the implementation of the Green Agenda. The formation of an intergovernmental body can help better coordination, but the past practice has shown that such bodies rarely meet, while the membership of ministers or deputy ministers does not always give the required result, especially around developing an expert debate. Hence, to strengthen inter-sector cooperation, it is necessary:

- Strengthening the coordination mechanism, whereby coordination should be included in the competences of one of the state authorities, which will be responsible for encouraging and monitoring activities aimed at implementing the Green Agenda;
- Clear allocation of competence to one of the state authorities is expected to increase accountability and responsibility in terms of implementing the Green Agenda.

Fast and urgent actions related to the improvement of administrative capacities are necessary, which is a recommendation in each of the reports of the European Union, and even more so that the strengthening of capacities is a long-term process. For those reasons, it is recommended to strengthen the administrative capacities:

- It should be a comprehensive process that should not only be understood as an increase in the number of employees, but also as raising the level of expertise and knowledge of the public administration on the topics that are in the domain of their work;
- Establishing a systemic approach in public administration training, where already existing training mechanisms will be linked to topics from the accession process, combined with topics relevant to the Green Agenda and the use of pre-accession assistance;
- To be carried out on the basis of a needs assessment for the NPAA which directly derives from the

recommendations of the European Commission in the section on administrative capacities, through a strengthened system of coordination of activities by the Ministry of Information Society and Public Administration as the competent authority in this area.

- Taking measures in the sectors that are relevant to the Green Agenda and Climate Change and raising awareness among the management level of civil servants about the interconnection of those sectors, that is, how to achieve synergy that will ensure the achievement of maximum results; and
- Conduct an assessment of how many of the staff working in the sectors that have general competence, can be redistributed to the sectors in the authorities that have competence in one of the areas of the Green Agenda and climate change. In this way, it would be possible to improve the administrative capacities without necessarily burdening the budget with new employments.

The programming of IPA-3 should be based both on the strategic and planning documents of the state, as well as on the Green Agenda and the achievement of the national climate contributions according to the Paris Accord. In order to ensure a systemic and comprehensive approach in the process of planning future activities that will be financially supported through the national budget and other sources, the following should be taken into account:

- Carrying out an analysis and mapping of all actions that are foreseen in the key strategic and planning documents of North Macedonia, and determining their implementation status. In this way, it would be determined whether any of the proposed actions are in accordance with the Green Agenda and the NDP and it would be possible to revise and harmonize them with the Green Agenda.
- Improving budget planning and introducing climate mainstreaming to align with the Green Agenda. Only a climate mainstreamed budget will follow the priorities and goals of the Green Agenda and contribute to the prevention of climate change.
- For the sake of improving budget planning and greater efficiency in spending and meeting goals, it is necessary to consider and accept a Methodology for climate mainstreaming and assessment of the participation in meeting the goals of the national determined contributions from the Paris Accord and the Green Agenda.
- When determining the priorities regarding new capital investments for which funds will be provided in the national budget, it must be determined as a selection

criterion how much it contributes to meeting the requirements of the Green Deal and the NDP. It is necessary for North Macedonia to direct investments in support of the Green Transformation and not to be guided solely by economic benefit, because in the long run such investments can be short-lived and hinder the fulfilment of the obligations arising from the accession to the EU.

4. USED LITERATURE

Communication from the Commission to the European Parliament, the European Council, the Council, the ECO-SOC and the Committee of the Regions on the European Green Deal;

Working document of the Commission – Guide for the implementation of the Economic and Investment Plan

Communication from the Commission to the European Parliament, the European Council, the Council, the ECO-SOC and the Committee of the Regions on the Green Agenda for the Western Balkans

National Programme for the Adoption of the Acquis, revision 2022

Country Reports of the European Commission for North Macedonia 2019 - 2022

Paris Accord and the United Nations 2030 Agenda

III. ANNEX - Overview of the recommendations of the European Commission from 2019, 2020, 2021 and 2022 , as well as the strategic response and goals for sustainable development

Notes and recommendations		Answer of the Government (NPAA)	IPA	Investment plan for the Western Balkans (EIPWB)	Sustainable Development Goals (SDG)
CHAPTER 14 - TRANSPORT POLICY					
Road transport	11. Legislation on clean energy and energy-efficient road transport vehicles as well as intelligent transport systems still needs to be aligned with EU law. No progress was made in transposing legislation on clean energy and energy-efficient vehicles for road transport, intelligent transport systems, nor progress on approving five-year road and rail maintenance plans. Legislation on clean energy and energy efficient vehicles for road transport and intelligent transport systems is not in line with EU law. Legislation on clean energy and energy efficient vehicles for road transport and intelligent transport systems is not aligned with EU law.	There is no specific action related to climate mainstreaming.	There is no specific program/project associated with this recommendation.	Flagship initiative 4 - Renewable energy sources Investments in the wind park and solar power plant in North Macedonia will be significantly advanced and will serve as an example for future proof investments by exploiting the potential for renewable energy sources in the region.	Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable Target 11.2: By 2030, ensure access to safe, affordable and sustainable transport systems for all, improve road safety, especially by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, people with special needs and the elderly
CHAPTER 15 - ENERGY					
Notes and recommendations		Answer of the Government (NPAA)	IPA	Investment plan for the Western Balkans (EIPWB)	Sustainable Development Goals (SDG)
Energy	21. The National Energy Strategy until 2035 is being prepared and should be finalized by mid-2019. The EU's energy and climate policy priorities and targets for 2030 and the forthcoming integrated energy and climate strategy should be taken into account.	The national energy strategy that lasts until 2040 has been adopted. It reflects the EU's energy and climate policy priorities and targets for 2030, as well as the integrated energy and climate strategy. North Macedonia and Greece signed a cooperation agreement for transmission system operators in September 2021. Work on the construction of the gas pipeline between Negotino-Bitola and Skopje-Tetovo-Gostivar is progressing. The national energy and climate plan was adopted in May 2022. Investments in a solar power plant in Oslomej were launched in 2022.	There is no specific action associated with this recommendation/note	There is no specific action associated with this recommendation/note	Goal 7 - Ensure access to affordable, reliable, sustainable and modern energy for all Target 7.1: By 2030, significantly increase the share of renewable energy sources in the global energy mix Target 7.2: By 2030, to significantly increase the share of renewable energy sources in the global energy mix Goal 13 - Take urgent action to combat climate change and its impacts Target 13.2: Integrating climate change measures into national policies, strategies and plans
	22. The transition to clean energy requires coordination, including a governance mechanism, an action plan and a monitoring mechanism for a "just transition" process. This process should include mitigating the negative social and economic impacts of the planned closure of coal-fired power plants in the respective regions.	There is no specific action planned.	There is no specific program/project for this recommendation.	Flagship initiative 5 - Transition from coal The construction of the North Macedonia-Kosovo gas interconnection will begin and the continuation of the already ongoing investment of the North Macedonia-Greece interconnector. The gas interconnection North Macedonia - Serbia will be ready for construction	Goal 7 - Ensure access to affordable, reliable, sustainable and modern energy for all Target 7.1: By 2030, significantly increase the share of renewable energy sources in the global energy mix Goal 13 - Take urgent action to combat climate change and its impacts Target 13.1: Strengthening resilience and adaptive capacity of climate-related hazards and natural disasters in all countries
	23. Investments in hydropower should comply with relevant environmental legislation. Investments in hydropower need to comply with relevant EU environmental legislation. Investments in hydropower should comply with relevant EU environmental legislation. Investments in hydropower should comply with relevant environmental legislation	There is no specific action planned.	There is no specific program/project for this recommendation.		//
	24. Given the energy crisis, it becomes even more important for the government to increase its administrative capacity in dealing with energy policy, strategic planning and implementation of activities in the relevant institutions.	There is no specific action planned.	There is no specific program/project for this recommendation.		//
	25. The Energy Law is moderately aligned with the Renewable Energy Directive.	There is no specific action planned.	There is no specific program/project for this recommendation.		//

Energy efficiency	21. Funding for the promotion of energy efficiency should be improved, including through the establishment of an Energy Efficiency Fund. Municipalities should take steps to fully comply with their obligation to develop and implement municipal programs for energy efficiency. Funding to promote energy efficiency should be increased, including through the establishment of an Energy Efficiency Fund. Household heating is a serious problem and has a major impact on air pollution. Municipalities should take steps to fully comply with their obligation to develop and implement municipal programs for energy efficiency. When it comes to efficiency, funding needs to be improved, including through the establishment of the Energy Efficiency Fund. Air pollution is exacerbated by household heating and remains a serious problem. Municipalities should take steps to fully comply with their obligation to develop and implement municipal programs for energy efficiency. Financial incentives for energy efficiency should be improved, including by establishing an energy efficiency fund. Municipalities are encouraged to take steps to fully comply with their obligations to develop and implement energy efficiency programs.	There is no specific action planned.	Instrument for pre-accession assistance (IPA II) – Sectoral operational program for action on environment and climate 2014-2020. Action III Allocated 4 MEUR added to World Bank's " Public Sector Energy Efficiency Project " The World Bank Public Sector Energy Efficiency Project is complementary to the IPA-funded Climate Change and Energy Efficiency Grant Scheme. Status: Under implementation (started June 2020). Project description: The projects are aimed at (i) reducing energy consumption in the public sector; and (ii) supporting the development and implementation of a sustainable financing mechanism for energy efficiency in the public sector. This project has three components. 1) Energy efficiency investments in the public sector have the following subcomponents: (i) EE investments in the municipal sector; (ii) EE investments in central government buildings; and (iii) Technical studies to support investments. 2) Technical assistance and implementation support, aimed at providing a strong foundation for EE in the public sector. 3) The seed capital for the proposed EE Fund is intended to be used to support EE Fund staff, operational costs, marketing, initial audits/design and investments. Instrument for Pre-Accession Assistance (IPA III 2021-2027) – 2021 EU Green Economy Action Document Status: EC funding decision taken in December 2021. Brief description (scope): About 22 MEU awarded for the "Greening Business" Grant a) Objective of the grant: To ensure the implementation of Result 1. Activity 1.2: Investing in green businesses, which includes financing business projects focused on greening business operations and practices, investments in circular economy and energy efficiency, innovations in business sectors with a high impact on the environment such as transport, heating, industry, etc." the grant can be awarded without a call for proposals to the Fund for Innovation and Technology Development (FITR). Instrument for Pre-Accession Assistance (IPA III 2021-2027) – 2021 EU Action Document on Environmental Standards and Clean Air Status: EC funding decision taken in December 2021. Short description: Outcome 2, Output 2.4: Prerequisites for expansion of central heating in Skopje established by the action aims to complete the feasibility study for further expansion of the central heating network	Goal 7 – Ensure access to affordable, reliable, sustainable and modern energy for all Target 7.2: By 2030, double the global rate of improvement in energy efficiency
	22. The country has drafted a new law on energy efficiency, aligned with the Energy Efficiency Directive and the Energy Performance of Buildings Directive. This new law is currently in the public consultation phase. The preparation and application of by-laws remains a significant challenge, due to the limited human and technical capacity of the Energy Sector of the Ministry of Economy and the Energy Agency. A new Law on Energy Efficiency has been adopted which aims to comply with the EU Energy Efficiency Directives and Energy Performance Directives. Existing legislation should be implemented. The adoption of implementation legislation remains a challenge, due to limited human and technical resources in the energy sector of the Ministry of Economy and the Energy Agency. The Energy Efficiency Law transposes the Energy Efficiency and Energy Performance Directives, but implementation is lacking. The adoption of the legislation for implementation remains a challenge, due to the limited human and technical capacity in the Energy Sector of the Ministry of Economy and the Energy Agency. Passing the legislation for implementation also remains a challenge, due to the limited human and technical capacity in the Energy Sector of the Ministry of Economy and the Energy Agency.	There is no specific action planned.	There is no specific program/project for this recommendation.	
Bio-fuels	31. The provisions on the sustainability of biofuels are not yet aligned with EU law. The provisions on the sustainability of biofuels have not yet been harmonized.	A draft law on biofuels has been prepared within the EU-IPA funded project. The draft law is in the process of inter-sectoral coordination (published in ENER).	Title of the project: Strengthening the administrative capacity of the Energy Sector in the Ministry of Economy and the Energy Agency Reference number: EuropeAid/129822/D/SER/MK Program Title: Technical Assistance and Institution Building (TAIB 2009) Status: Implemented Brief description (scope): To strengthen the institutional capacities of the Ministry of Economy, the Energy Sector and the Energy Agency, for developing, monitoring and evaluating the reforms in the energy sector are necessary for compliance with the energy legislation and other relevant obligations of the EU.	Goal 16 - Promote peaceful and inclusive societies for sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels Target 16.1: Developing effective, accountable and transparent institutions at all levels

CHAPTER 27-ENVIRONMENT AND CLIMATE CHANGE

Notes and recommendations	Answer of the Government (NPAA)	IPA	Investment plan for the Western Balkans (EIPWB)	Sustainable Development Goals (SDG)
31. Weak and insufficient administrative capacities at the central and local level Regarding horizontal issues, administrative capacity at all levels remains weak and financial resources are still insufficient to implement existing legislation. Regarding horizontal issues, administrative capacity at all levels remains weak, with insufficient financial resources to implement existing legislation. Regarding horizontal issues, administrative capacity at all levels remains weak, with insufficient human and financial resources to implement and enforce legislation		Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Activities 2014 – 2020 Action I Status: In the procurement phase – the project has been cancelled 2 times (the last time was cancelled on 04/07/2022) and a new reshaping of the project is currently underway. Brief description of the project: The implementation and planning of the approach in the priority areas included the development of a Plan for strengthening the administrative capacity at the national and local level for the environment and climate change.		Goal 16 - Promote peaceful and inclusive societies for sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels Target 16.1: Developing effective, accountable and transparent institutions at all levels
32. Additional efforts are needed for effective public participation and consultation in decision-making processes; There is a continuous dialogue with civil society, but further efforts are needed to improve access to information, public participation and consultation in decision-making processes. Dialogue with civil society and public consultation processes in this sector need to be significantly improved. Lack of transparency and access to information is a recurring problem.	There is no specific action planned.			
33. It is necessary to improve the implementation of the Environmental Impact Assessment (EIA) and public consultations, especially at the local level; Environmental impact assessment procedures and strategic environmental assessment should be further improved. The implementation of the environmental impact assessment and the Strategic Environmental Assessment Directives should be improved, especially the public consultation processes and the quality of the report. There is no improvement in the implementation of the environmental impact assessment, with shortcomings especially in the public consultation processes and in the quality of the reports.	The Environmental Law is scheduled to be adopted in the first quarter of 2022. However, the law was expected to be drafted within the framework of the IPA-funded project, which was delayed.	Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Activities 2014 – 2020 Action I Status: Under construction Status: Project Support The implementation of the horizontal legislation was foreseen for procurement in 2021.		
34. The Environmental Inspection Law has not been adopted and the Environmental Liability, INSPIRE and Environmental Crime Directives have not yet been fully harmonized and implemented. The Law on Environmental Inspection has yet to be passed. Some progress has been made on the INSPIRE and environmental crime directives, but none in the area of environmental liability. The Law on Environmental Inspection and the amendments to the Law on Environmental Impact Assessment are yet to be adopted. Limited progress has been made in the INSPIRE directive and in the area of environmental responsibility.	The Law on Environmental Inspection was passed in 2022. The annual inspection plan for 2022 was adopted on February 14, 2022. In 2022, amendments to the Law on the Environment were adopted, which include provisions relating to responsibility for the environment, especially the management of contaminated sites.	Instrument for pre-accession assistance (IPA III 2021-2027) – EU action document on environmental standards Status: In the implementation phase The program document stated that the action will cover these recommendations.		Goal 3: Ensure healthy lives and promote well-being for all at all ages Target 3.9: By 2030, significantly reduce the number of deaths and illnesses from hazardous chemicals and pollution and contamination of air, water and soil

Air quality	4.1. Implementation of harmonized air quality legislation remains weak;	//	Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Activities 2014 – 2020	//	Goal 3: Ensure healthy lives and promote well-being for all at all ages
	4.2. The lack of sufficient administrative and financial resources is still the main obstacle to implementing measures to improve air quality; Insufficient coordination between central and local authorities, as well as weak inter-sectoral cooperation, limit the implementation of measures to reduce air pollution. Progress on the air pollution reduction program has been slow. Limited implementation and resources, weak intersectoral cooperation and coordination between central and local authorities limit the impact of air pollution reduction measures.	The adoption of a new Law on Ambient Air Quality in line with EU air quality legislation was planned for the fourth quarter of 2022, but this law was planned to be developed within the framework of the IPA project which was cancelled.	Action I Project title: Support in the implementation of Air Quality Directives Reference number: EuropeAid /140684/IH/SER/MK Status: Under development (cancelled on 08/04/2022) Brief description (scope): The general objective of the agreement is to improve the quality of ambient air in the country by: producing legislation in accordance with EU law, relevant documents to improve the air quality assessment of all relevant pollutants, by defining and prioritizing measures to improve air quality and by improving the air quality management capacities in the country. Namely, the purpose of the agreement is to provide assistance in completing the national legal framework for air quality through the preparation of a new law and numerous by-laws in accordance with the EU directives from the clean air package. In addition, the activities include the development of national planning documents for the improvement of air quality by carefully considering the relationship between ambient air quality criteria and emissions from different sources. Furthermore, trainings are planned for the competent authorities at the central and local level which will support the process of improvement and completion of monitoring as well as assessment of air quality in order to better control air pollution. The agreement should also include activities to strengthen administrative capacities to improve emissions inventories and dispersion modelling. Instrument for Pre-Accession Assistance (IPA III 2021-2027) – EU Clean Air Action Document Status: Under development Short description: The project will address this recommendation from the EC Report, through the implementation of measures to improve air quality by ensuring efficient coordination between central and local authorities and the allocation of sufficient financial resources.		Target 3.9: By 2030, significantly reduce the number of deaths and illnesses from hazardous chemicals and pollution and contamination of air, water and soil
	4.3. Air pollution levels are high in major cities; The number of pollutant exceedances remains well above EU limits, and air pollution is high in major cities during winter. Few cities have prepared an air quality plan, but the pace of their implementation needs to be accelerated.	The air quality plan in Bitola for 2021 was prepared. The 2021 air pollution reduction program and the preparation of four air quality plans were launched in August and October 2022, together with five air pollutant inventories	Instrument for Pre-Accession Assistance (IPA III 2021-2027) – EU Clean Air Action Document Status : In the programming phase Brief description: This action aims to improve the quality of life and reduce health risks in Skopje and the largest urban agglomerations by reducing air pollution.		Goal 3: Ensure healthy lives and promote well-being for all at all ages Target 3.9: By 2030, significantly reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and pollution Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable Target 11.6: By 2030, reduce the adverse impact of cities on the environment per capita, including by paying special attention to air quality and municipal and other waste management.
4.4. Insufficient human, technical and financial support for the national air quality monitoring network has resulted in several outages. The National Air Quality Monitoring Network has been revamped by replacing several analysts, but still requires significant reinforcement.	In several municipalities such as Berovo, Prilep, Ohrid, automatic stations for monitoring the quality of the ambient air were installed, as well as the replacement of measuring instruments at several of the already existing monitoring stations.	Supply of IT and other specific equipment for environmental monitoring and information system (LOT 1: Supply of air quality equipment for environmental monitoring system) Reference number: EuropeAid /140455/IH/SUP/MK Status: Under construction Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Action 2014–2020. Brief description (scope): The purpose of the procurement agreement is to strengthen monitoring, data collection, data management and reporting capacities by establishing a national environmental information system and monitoring network structure. Also to improve air quality measurements in the country, to further meet the requirements of the CAFÉ Directive 2008/50/EC.		Goal 3: Ensure healthy lives and promote well-being for all at all ages Target 3.9: By 2030, significantly reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and pollution Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable Target 11.6: By 2030, reduce the adverse environmental impact of cities per capita, including by paying special attention to air quality and municipal and other waste management	

Waste management	5.1. The new Waste Management Law has not been adopted	The new Waste Management Law was adopted in 2021.	//	//	Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable Target 11.6: By 2030, reduce the adverse environmental impact of cities per capita, including by paying special attention to air quality and municipal and other waste management Goal 12: Ensure sustainable patterns of consumption and production
	5.2. Several laws on separate waste streams are pending adoption; <i>Laws on waste management and special waste streams have not yet been adopted;</i>	The set of laws on waste management and specific waste streams incorporating the principles of the circular economy were adopted in 2021.	Title of the program: Instrument for Pre-Accession Assistance (IPA II) - Sectoral Operational Program for Environment and Climate Action 2014 - 2020. Reference number: EuropeAid /174709/ID/ACT/MK Status: Under construction (forecast) Project title: Support in the implementation of waste management legislation and the extended producer responsibility (EPR) scheme Brief description (Scope): A twinning project that will support national authorities to implement waste management legislation and the Extended Producer Responsibility (EPR) scheme.	//	Target 11.6: By 2030, reduce the adverse environmental impact of cities per capita, including by paying special attention to air quality and municipal and other waste management Goal 12: Ensure sustainable patterns of consumption and production
	5.3. The regional waste management plan for the Pologsk region is in progress.	The regional waste management plan for the Pologsk region was developed with the support of the Swiss government in cooperation with the Ministry of Environment and Spatial Planning.	//	//	Target 12.4: By 2020, achieve environmentally sound management of chemicals and all waste throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their negative impacts on human health and the environment. Target 12.5: By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse
	5.4. Regional waste management structures face a lack of administrative and financial resources and are not yet fully functional. <i>The process of establishing an integrated regional waste management system continues to face delays due to insufficient administrative and financial resources and suffers from a lack of ownership.</i>	//	Supporting the implementation of regional waste management systems in the Eastern and North-Eastern regions, Reference number: NEAR/SKP/2022/EA-RP/0137 Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Action 2014–2020. Status: Under construction Brief description (scope): To strengthen the capacities and capabilities of local government structures to manage the interregional waste management system, as well as to improve public awareness and participation in waste management issues, thereby protecting the environment through reducing waste generation, improving the efficiency of waste collection, increasing waste utilization and achieving a reduction in garbage. Support in establishing a regional waste management system – Supply of waste collection equipment in the Eastern and North-Eastern regions, phase I Reference number: EuropeAid /140607/IH/SUP/MK Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Action 2014–2020. Status: In progress Brief description (scope): The purpose of this contract is the procurement, delivery, unloading, installation and commissioning of waste collection equipment in the Eastern and North-Eastern regions, in order to optimize waste collection services and ensure environmental protection from uncontrolled waste disposal in accordance with EU standards.		Goal 16: Promote peaceful and inclusive societies for sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels Target 16.1: Developing effective, accountable and transparent institutions at all levels Target 16.7: Ensure responsible, inclusive, participatory and representative decision-making at all levels
	5.5. The integrated waste management system is still delayed as the installation of the regional structures took longer than expected. <i>The establishment of the regional waste management system continues to face delays. The introduction of the regional waste management system in the northeastern and eastern regions has been further delayed due to the resistance of the municipality of Sveti Nikole to host the central waste management facility.</i>	In addition to EU IPA support for the Eastern and North Eastern regions, the Government negotiated a loan with the EBRD to finance an integrated waste management system in other waste management regions across the country.	Establishing an integrated and self-sustaining waste management system in the eastern and northeastern regions Reference number: EuropeAid /139818/IH/WKS/MK Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Action 2014–2020. Status: In procurement phase Brief description (scope): I working project Construction of Central Waste Management Facility (CWMF) consisting of (1) one sanitary landfill (1) one sorting station (1) mechanical biological treatment (MBT) plant, (1) one composting plant and (1)) one Green Point in the municipality of Sveti Nikole Construction of six (6) local waste management facilities (LWMFs), each consisting of one (1) Transfer Station, one (1) composting plant and one (1) Green Point. II TP project Support for the implementation of regional waste management systems in the Eastern and North-Eastern regions – The aim of the project is to support municipal administrations and public enterprises in the management of the new system III TP project Preparation and revision of national waste planning documents - The aim of the project is to prepare, review and harmonize the key strategic waste planning documents in the country, with the aim of delivering long-term policy measures that will enable all stakeholders to invest and developing the infrastructure and services necessary to comply with EU law on waste management.	Impact initiative 7 – Waste and wastewater management Integrated regional waste management systems will be established in Albania, Montenegro, North Macedonia and Serbia, in parallel with the closure of landfills that do not comply with EU legislation. Similar investments elsewhere in the region should be supported in the future, including better waste management in cross-border areas.	Goal 12: Ensure sustainable patterns of consumption and production Target 12.4: By 2020, achieve environmentally sound management of chemicals and all waste throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their negative impacts on human health and the environment. Target 12.5: By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse.
	5.6. Non-compliant/illegal dumping and illegal dumping continue to be an important environmental problem	Activities have been started to close the non-compliant, illegal landfills in the Eastern region.	Project title: Closure of landfills due to non-compliance in the eastern and northeastern regions Title of the program: Instrument for Pre-Accession Assistance (IPA II) - Sectoral Operational Program for Environment and Climate Action 2014 - 2020. Reference number: EuropeAid /139269/IH/WKS/MK Status: In progress Short description: Cleaning of non-compliant landfills and small landfills Remediation and closure of a minimum of four (4) old landfills in the Eastern Region and a minimum of two (2) old landfills in the Northeast Region with reshaping and construction of a cover system including leachate and gas collection systems where necessary. Reshaping of a minimum of five (5) old landfills in the Eastern Region and a minimum of three (3) landfills in the North Eastern Region and construction of drainage to collect leachate where necessary.		Goal 12: Ensure sustainable patterns of consumption and production Target 12.4: By 2020, achieve environmentally sound management of chemicals and all waste throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their negative impacts on human health and the environment.
	5.7. Economic incentives to promote recycling are still limited, and the lack of an organized extended producer responsibility scheme hinders the market. <i>Economic incentives to promote recycling and waste prevention remain limited. Separate collection of waste streams and economic instruments to promote recycling, reuse and waste prevention remain limited. Separate collection of waste streams and economic instruments to promote recycling, reuse and waste prevention remain limited.</i>	A new Extended Producer Responsibility Act is enacted in 2021, which is expected to accelerate recycling	Support in implementing waste management legislation and the Extended Producer Responsibility (EPR) scheme Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Action 2014–2020. Reference number: EuropeAid /174709/ID/ACT/MK Status: Under construction Brief description: A twinning project that will support national authorities to implement waste management legislation and the Extended Producer Responsibility (EPR) scheme.		Goal 12: Ensure sustainable patterns of consumption and production Target 12.5: By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse.
	5.8. The National Waste Management Plan (2021–2031) and the first National Waste Prevention Plan (2021–2027) have been prepared and are awaiting adoption. <i>The National Waste Prevention Plan (2021–2027) has been prepared, but has not yet been adopted.</i>	The national waste management plan (2021–2031) was adopted.	Preparation and revision of the National planning documents for waste Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Action 2014–2020. Reference number: NEAR/SKP/2021/EA-RP/0184 Status: Under construction Brief description: The aim of the project is to prepare, review and harmonize the key strategic documentation for waste planning in the country, in order to deliver long-term policy measures that will enable all stakeholders to invest and develop the infrastructure and services necessary for compliance with the EU waste management legislation.		Goal 12: Ensure sustainable patterns of consumption and production Target 12.5: By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse.
	5.9. There is no systematic approach to the remediation of environmental hotspots. This increases the risks to human health and the environment, as illustrated by the uncontrolled leakage of methyl acrylate deposited at the former OHIS industrial site.	The rehabilitation of the small pond in the OHIS locality has begun Amendments were made to the Law on the Environment, which regulate the management of hotspots in the country.	Instrument for pre-accession assistance (IPA III 2021–2027) – EU action document on environmental standards Status: In progress Brief description: The complex cleaning operation is a joint coordinated activity of the Government of the Republic of North Macedonia, Ministry of Education, Culture, Sports, Science and Technology, EU, UNOPS and UNIDO. UNOPS established a Multi-Partner Fund for the Environment, joining various donor funds in this activity, where the EU IPA III contributes 2,500,000 euros.		Goal 3: Ensure healthy lives and promote well-being for all at all ages Target 3.9: By 2030, significantly reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and pollution

Water quality	<p>6.1. Considerable efforts are needed to further harmonize the legislation in the Republic of North Macedonia with EU law;</p> <p>The country should make significant efforts to implement EU law in this area.</p> <p>Limited progress has been made towards implementation and enforcement of existing legislation.</p>	<p>The groundwater cadastre, which aims to better manage and report on groundwater resources, is in the final stages of development. No progress was made in designating areas sensitive to eutrophication. The government included the establishment of infrastructure for the collection and treatment of wastewater as one of the structural reform measures in the Economic Reform Program 2022-2024. The speed of preparation and implementation of the remaining major projects remains a challenge. Under the IPA I Directive, specific implementation plans have been developed for the urban waste water and drinking water treatment directives.</p>		<p>Impact initiative 7 – Waste and wastewater management</p> <p>- The construction of treatment plants in Skopje and Pristina will be completed. These projects have a high cross-border impact and improve the living conditions of the population</p>	<p>Goal 6: To ensure the availability and sustainable management of water and sanitation for all</p> <p>Target 6.3: By 2030, improve water quality by reducing pollution, eliminating landfilling and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater and significantly increasing recycling and safe reuse globally</p>
	<p>6.2. Interdepartmental cooperation in the water sector requires significant improvement.</p> <p>Administrative capacity and inter-institutional coordination should be strengthened.</p> <p>Administrative capacity and inter-institutional coordination should be strengthened; more efforts are needed to reduce non-potable water and implement the principle of full cost recovery.</p>				
	<p>6.3. A system is needed to monitor the quality and quantity of surface and underground water and more efforts are needed to reduce non-revenue water.</p> <p>A system is needed to monitor the quality and quantity of surface and underground waters</p>	<p>The surface water monitoring network has been improved.</p>			
	<p>6.4. Finalization and implementation of river basin management plans will be a priority.</p> <p>Implementation of all river basin management plans remains a concern.</p> <p>No tangible progress was made towards finalizing river basin management plans</p>	<p>River Basin Councils have been nominated but are not yet operational.</p> <p>The adoption of the River Basin Management Plan for the River Strumica and Vardar is expected to be adopted in Q4 of 2023. However, according to the NPAA, it is planned to prepare this Watershed Management Plan within the framework of the IPA-funded project, which has not yet been forecast.</p>			
Protection of nature	<p>4.1. Sustainable and long-term funding for protected areas from the central level is still absent.</p> <p>Valorization studies and management plans have been prepared for several protected areas, but long-term funding is still lacking.</p> <p>Sustainable funding for the management of protected areas remains an important challenge, with national allocations for nature conservation largely insufficient and relying mostly on donor assistance.</p>		<p>Instrument for pre-accession assistance (IPA II 2014–2020) – Environment and climate change , Action III</p> <p>Status: Implemented</p> <p>Project title: Grant scheme for the implementation of pilot measures for the sustainable use of natural resources.</p>		<p>Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainable forest management, combat desertification and halt and reverse land degradation and halt biodiversity loss</p> <p>Target 15.a: Mobilization and significant increase of financial resources from all sources for the preservation and sustainable use of biological diversity and ecosystems</p>
	<p>4.2. Implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora Regulation is still at an early stage.</p> <p>The implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora is still at an early stage.</p>		<p>Instrument for Pre-Accession Assistance (IPA II 2014–2020) – Environment and Climate Change</p> <p>Further strengthening of capacities for effective enforcement of law in the area of nature protection</p> <p>Status: under implementation</p> <p>Brief description: The purpose of the agreement is to strengthen and improve the administrative capacities of the Ministry of Environment and Spatial Planning/Environmental Management for the implementation of EU law on nature protection, through the development of implementing legislation, provision of training and implementation of the nature of the EU. Conservation legislation such as the Birds and Habitats Directives and Council Regulation (EC) No. 338/97 for the protection of wild fauna and flora species</p>		<p>Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainable forest management, combat desertification and halt and reverse land degradation and halt biodiversity loss</p> <p>Target 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species</p> <p>Target 15.7: Take urgent action to end poaching and trade in protected species of flora and fauna and to address both demand and supply of illegal wildlife products</p>
	<p>4.3. Any further hydropower development needs to comply with EU environmental legislation.</p>		<p>Instrument for Pre-Accession Assistance (IPA III 2021–2027) – EU Clean Air Action Document</p> <p>Environmental standards</p> <p>Status: Under development</p>		
	<p>4.4. Certain steps were taken to implement the conclusions of UNESCO on the natural and cultural heritage of the Ohrid region. However, significant efforts are still needed, especially to prevent its inclusion on the World Heritage Danger List.</p> <p>The implementation of UNESCO's recommendations for the natural and cultural heritage of the Ohrid region is seriously delayed and requires serious attention from the authorities.</p> <p>, the World Heritage Committee gave on the country additional two years yes them implement the recommendations on UNESCO for the natural and the cultural heritage of the Ohrid region. The implementation of the recommendations remains insufficient and requires a stronger commitment and response from national and local authorities.</p> <p>In December 2021, the Standing Committee of the Berne Convention made a decision to open a case for the Emerald sites on Lake Ohrid and Galichica National Park as a result of concerns about the impact of uncontrolled infrastructure projects on the sites.</p>				
	<p>4.5. A law on nature protection, aligned with the birds and habitats directives has been prepared and is awaiting adoption</p>				
<p>4.6. The activities for the re-proclamation of the Mavrovo National Park should be accelerated.</p> <p>It is necessary to accelerate the activities for the re-proclamation of the status of the Mavrovo National Park as a priority in order to prevent further deterioration of its natural values.</p>					

Industrial pollution and risk management	5.1. The new law on industrial emissions and its corresponding implementing legislation have not yet been adopted. The law on industrial emissions has not yet been adopted. The Law on Industrial Emissions is still awaiting adoption.	The draft law on industrial emissions has been finalized and published in ENER. In October 2022, the first public debate was held.			Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation Target 9.4: By 2030, upgrade infrastructure and scale up industries to make them sustainable, with increased resource efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in line with their appropriate abilities.	
	5.2. The administrative capacity in these areas should be strengthened both at the local and central level. Insufficient enforcement of polluter liability prevents the establishment of a system to prevent industrial and chemical accidents. There is no progress in polluter liability, which negatively affects the establishment of a system to prevent industrial and chemical accidents.	/	Instrument for Pre-Accession Assistance (IPA II 2014–2020) – Environment and Climate Change Project title: Further strengthening of capacities for effective enforcement of law in the field of industrial pollution Status: In the process of selection (Twinning project)			Goal 3: Ensure healthy lives and promote well-being for all at all ages Target 3.9: By 2030, significantly reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and pollution
	5.3. Alignment of national rules with the SEVESO III directive, the EU Ecolabel regulations and the environmental management audit system is still at an early stage. Efforts are needed to comply with the Seveso III directive, the EU Ecolabel regulations and the environmental management audit system. Efforts are needed to comply with the Seveso III directive, the EU Ecolabel regulations and the environmental management audit system. More efforts are needed to comply with the Seveso III directive, the EU Ecolabel regulations and the environmental management audit system.		Instrument for Pre-Accession Assistance (IPA III 2021–2027) EU Clean Air Action Document, Environmental Standards Status: Under development			Goal 3: Ensure healthy lives and promote well-being for all at all ages Target 3.9: By 2030, significantly reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and pollution
climate changes	6.1. Alignment of the legal framework with the law is still at an early stage. Alignment of the legal framework with EU law remains at an early stage. Alignment of the legal framework with EU law remains low and human and financial resources are very limited, the Climate Action Law has yet to be adopted. The Law on Climate Action remains to be passed	Ministry of Environment and Spatial Planning finalizes draft law on climate action for further processing	Preparation of a long-term strategy and Law for climate action Instrument for Pre-Accession Assistance (IPA II) – Sectoral Operational Program for Environment and Climate Action 2014–2020. Reference number: EuropeAid /139221/IH/SER/MK Status: Completed in 2021 Brief description: The purpose of this agreement was to develop a long-term Climate Action Strategy and Act in order to establish a strong and sustainable framework for climate action until 2050, given the current situation and conditions in the country, while allowing for future strengthening in compliance with the EU accession and the interests of the country		Goal 13: Take urgent action to combat climate change and its impacts Target 13.2: Integrating climate change measures into national policies, strategies and planning	
	6.2. It should also continue efforts to implement the Paris Agreement, which North Macedonia ratified in November 2017. More efforts are needed to implement the Paris Agreement. More efforts are needed to implement the Paris Agreement.	The long-term climate action strategy and its action plan adopted in September 2021. Several documents were developed as a supporting tool for the implementation of an enhanced nationally determined contribution Work to update the GHG inventory continued. A monitoring, reporting and verification platform is being developed. North Macedonia prepared and submitted NDC and Improved NDC	Instrument for Pre-Accession Assistance (IPA III 2021–2027) EU action document on clean air Status: Under development Brief description: The action is in line with the Paris Agreement (ratified by the country in 2017), which aims to significantly reduce global greenhouse gas emissions, prevent global warming and reduce the impact of human activity on the climate.			Goal 13: Take urgent action to combat climate change and its impacts Target 13.2: Integrating climate change measures into national policies, strategies and planning
	6.3. Technical, institutional and administrative capacity remains weak and needs to be strengthened at all levels. Significant efforts are still needed to align with EU climate legislation and to strengthen technical and administrative capacity Capacity remains weak, both in terms of human and financial resources, despite the efforts undertaken.		Instrument for Pre-Accession Assistance (IPA III 2021–2027) EU Clean Air Action Document, Environmental Standards Status: In the programming phase			Goal 13: Take urgent action to combat climate change and its impacts Target 13.3: Improving education, awareness-raising and human and institutional capacities for climate change mitigation, adaptation, impact reduction and early warning
	6.4. Efforts to mainstream climate action in other sectors (such as energy and transport) should be intensified. The preparation of the national energy and climate plans in accordance with the obligation of the Energy Community and for the inclusion of climate activities in other sectors is in the final stage.	The National Energy and Climate Plan was adopted on May 31 Prepared action plan for the 1st phase of implementation of the Long-Term Strategy and the Law on Climate Action. The action plan envisages the inclusion of climate policy in the education and innovation sectors.	There is no specific program/project planned for this recommendation.			Goal 13: Take urgent action to combat climate change and its impacts Target 13.2: Integrating climate change measures into national policies, strategies and planning