## ANNEX I –IPA III Action Fiche

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|  | Indicative title of the Action | **EU FOR REFORMS AND RESILIENCE** |
|  | Programming year | **2023** |
| CRITERIA FOR RELEVANCE ASSESSMENT | IPA III Window and thematic priorit(y)/(ies) | **WINDOW 3-GREEN AGENDA AND SUSTAINABLE CONNECTIVITY*****Thematic Priority 1: Environment and climate change******Thematic Priority 2: Transport, digital economy and society, and energy*** |
| Links with specific policy instruments of the enlargement process | The overall objective of the Action is to **enhance the structural reforms in the areas of energy, civil protection, and transport in line with the EU policies.** The Action encompasses three components:**Component 1: Supporting energy transition from fossil fuels toward clean energy in line with the Green Agenda for the Western Balkans**North Macedonia suffers of a fragmented legislative framework in the energy sector. The Energy Efficiency Law was adopted in 2020 but the implementing rules are not yet fully in place. The draft laws on energy infrastructure and on biofuels still need to be adopted, and aligned with the relevant EU Regulations. Further measures are needed to align the national legislation with the Clean Energy package. The country also needs to prepare the assessment required by the Energy Efficiency Directive and implement the PROSUMER (households and small businesses) related legislation. Regarding renewable energy sources, in line with the national strategic documents, it can be seen that there is a possibility to achieve 38 % of energy produced by Renewable Energy Sources (RES) in gross final energy consumption by 2030 if all measures in the National Energy and Climate plan (NECP) are in place. For this purpose, the Action will provide consistent advice on policy actions and incentives that the Government can do to reach the targets. Although there is an interest in investments in RES based on the PROSUMER concept, the number of households and registered commercial “prosumers” is insignificant due to administrative and legal barriers. To make the prosumers concept more attractive based on recent Energy Community policy documents and requests from stakeholders, modifications and amendments should be applied to the existing Energy Law, the Rulebook on RES, the ERC tariff system for electricity, and the Value Added Tax Law. Some of the main recommendations by the Energy Community include broadening the type of consumers eligible to become prosumers, increasing the maximum installed capacity per prosumer, making new RES technologies eligible, introducing advanced forms of prosumer schemes (virtual net billing), differentiating the compensation and billing periods, and changing the intervals, and adding new elements to the manner of calculating network costs for prosumers transactions. The Government of North Macedonia has requested the support of the World Bank to design an ambitious national program for Rooftop Solar PV (RSPV), including the design of potential financing mechanisms. The World Bank has secured financial support and will provide technical assistance.Furthermore, the public sector at the central and local government levels has limited capacity to implement or enforce energy management systems (EMS) in public buildings, develop Energy Efficiency (EE) measures prescribed in NECP and improve energy efficiency. According to the Energy Efficiency Law, municipalities must adopt and implement a three-year EE programme. This process should be coordinated and supported by the Energy Agency (EA), operating under the Ministry of Economy’s supervision. The line ministry is responsible for the energy policy and its capacity is limited. There is also a flawed monitoring system related to verifying energy savings. The software developed for this task (MVP) is not implemented yet, thus step-by-step guidance is needed. There is no obligation for energy audits and issuing energy efficiency certificates for public buildings in accordance with the new bylaws. The Energy Efficiency Fund, supported by the World Bank, which is expected to be the primary financial lever for EE and RES in the public sector, will be established by Q1 2023. There is also a need to develop the market for energy services in line with the Energy Service Company (ESCO) model, which may be used to overcome the lack of financial and technical resources in the public sector. However, promoting the ESCO market for the public sector requires the development of a contract template and clearly defined procedures ranging from public procurement of energy services to accounting procedures and monitoring and verification of energy savings.Considering the regional Action Plan for the Green Agenda, the element of Just Transition has to be considered as one of the most important concepts that will ensure the transition from coal, ensuring the co-existence of a healthy economy and clean environment. The process for achieving this vision is translated into a national Just Transition Action Plan that is being developed with ongoing EU assistance and national Green Agenda Action Plan which is under preparation.Talking about energy policy, it is important that the country creates a strategy addressing energy poverty, which with the current energy crises, is a reality. Therefore, it is vital to consider doing a proper assessment of energy poverty on central and/or local level, develop and execute an informed plan and impactful energy poverty projects. This component aims at achieving the following outputs:* 1. *Strengthened national energy policy and institutional framework through:*
* *Policy advise and consultancy support for:*
* Aligning the national legislation with new EU *acquis* and putting in place effective and streamlined secondary legislation on energy efficiency and renewables.
* Conduct an energy poverty diagnostic on central and/or local level and create the necessary action plans, following the methodology by the EU Energy Poverty Advisory Hub (EPAH).
* the Ministry of Economy (Energy Department) to lead a modern and effective national energy policy and providing high-level advice to the relevant authorities on strategic energy-related issues and implementation actions.
* Development of Energy Strategy 2026-2030 and supporting the implementation of its measures.
* Support the development, public awareness and implementation of policies and measures on the National Energy and Climate Plan and De-Carbonisation Road map on the Energy Community.
* Developing policies, legislation, and measures to support investment in renewables, stimulating investments of households and businesses and their connection to the grid.
* Building on the policy dialogue and recommendations developed by another IPA initiative, provide further support to the “just transition process” and implementation of the Just Transition Action Plan
* Support the national authorities in establishing a Plan of reconstruction of public buildings at the state level to ensure that at least 3% of the public buildings are renovated to become energy efficient every year.
* *Capacity-building measures:*
* Support the preparation of energy audits and technical documentation to improve buildings’ energy efficiency.
* Establishment of *one-stop-shop* on energy issues to inform and assist consumers, businesses, and municipalities about renewables, energy efficiency renovations and relevant financial instruments, in line with the Energy Performance in Building Directive (EU) 2018/844.
* Strengthening the capacity of the Energy Agency for efficient implementation of the energy policies/regulations to promote the development of energy services market and access to this market.
* Support the Public Utility Companies (PUCs) to prepare feasibility studies for PPP and investment projects to save energy and reduce the emission of GHG. Support the PUCs for enabling electricity smart grids with the aim to better interconnect energy networks.
* Support the National Energy Resources JSC Skopje to become a functional gas transition system operator and ensure proper implementation of the Network Codes, related to capacity allocation, congestion management, tariffs, balancing, interoperability, and cooperation with neighbouring transmission system operators.
* Feasibility and technical studies for potential use of renewables, including wind, geothermal and biomass and small distribution systems for them, as well as for the national gas network and energy storage.

*1.2 Improved energy efficiency in construction industry and agriculture through:** Developing a Plan for reconstructing public buildings on the state level; a Plan for increasing the number of nearly zero-energy buildings; and long-term Building Renovation Strategy.
* Developing more robust standards and information on the energy performance of buildings to set better incentives for public and private sector renovations, including a phased introduction of mandatory rules for deep renovation, and a possible extension of building renovation requirements for the public sector to use funds for Renovation Wave.

*1.3**Study on* *introducing renewable energy in agriculture*The activity will consist in an analysis of the potential sustainability and replicability of putting in operation Agri-PV and/or other renewables-based installations in rural areas to demonstrate the benefits of integrating agriculture and solar-energy /renewable harvesting and promote innovation in traditionally conservative rural areas. Experimental AgriSolar farms can potentially provide opportunities for farmers, cooperatives, schools, promoters of technologies-based on renewable and public stakeholders (Ministry of Agriculture, Ministry of Economy, Energy Agency, municipalities) to learn how renewables can contribute to making agriculture sustainable, competitive, and resilient to climate change. The assessment will look into the current and planned policies of the Government to incentive the proliferation of AgriSolar farms or farms in which energy is produced from other renewables (such as biomass), will comprise a cost-benefit analysis and suggest what incentives can the Government provide for private entrepreneurs/farmers to develop new small-scale energy generation facilities in farms and connect the production to the grid. The Action will also look at similar initiatives inside the EU, their results, replicability and sustainability and adaptability to the environment of North Macedonia by considering all enabling factors and potential bottlenecks. Although the country enjoys favourable conditions for the successful development of solar energy (280 days of sunshine per year) solar growth remains limited – only 20% of the gross final energy consumption is from renewable energy and the solar power landscape is dominated by large-scale investments, many of which still in the pipeline[[1]](#footnote-1). The Action will support this process by raising the awareness of farmers on the benefits of AgriSolar, Biomass, wind, and other renewables, exploring the potential for investments in the area in the country, including the possibility to access related IPARD funding and loans from financial institutions for private investments in the area. **Component 2: Improving administrative and operational capacities for prevention, mitigation, and response to disasters** North Macedonia is vulnerable to extreme temperatures, fires, landslides, droughts and floods. Its vulnerability is exacerbated by new challenges such as climate change, migration, pandemics. The civil protection sector has to adapt its rules, governance and technical and technological capacities to respond adequately to increased disaster risks. It is fundamental to simplify the institutional configuration to improve decision-making efficiency and optimise the use of resources. The legal framework that regulates the system for emergency preparedness and response is defined by the *Law on Protection and Rescue* and the *Law on Crisis Management* and other laws and bylaws. There are two responsible central level institutions: the Protection and Rescue Directorate and the Crisis Management Centre, with overlapping responsibilities. The role of the National Disaster Risk Reduction Coordinator has yet to be consolidated.North Macedonia needs also to upgrade the systems for collection, analysis and rapid dissemination of information, which enables better decision-making even before emergencies occur, during operations and in the transition to early recovery. A basic early warning system in the country exists however the data management and analysis need to be strengthened to allow turning forecasts into an appropriate early warning for the public. There are public warning procedures, but early warning messages' consistency and complementarity are limited by the confusion of responsibilities between the Crisis Management Centre and the Protection and Rescue Directorate. Coordinating emergency preparedness and response activities requires a strong Emergency Operations Centre, which are in position to provide a common interdependent operational framework and resilient services and are able to operate when most of the critical infrastructure and services of the State are hampered. The 2005 Law on Crisis Management establishes such a 24/7 centre, which includes the 112 Emergency call number. The Crisis Management Centre has taken over responsibility for this phone number which has been activated with EU funds in February 2022. For now, the system from the operational side/call takers is in function only from Skopje Operational Centre. Currently, all the Regional Centres of the Ministry of the Interior, Fire Brigades and Medical services in Skopje are connected. Once the necessary personnel are recruited and trained by the Crisis Management Centre, seven regional centres will be incorporated into the E-112 service. In a second phase, all emergency medical services and fire brigades from all cities will be connected to the system. The old numbers 192, 193, 194 and 195 will also be in operation for some time. The E-112 system is available to all nationals and foreigners for fixed and mobile telephone lines. SMS to 112 is also available. Electronic call services (automatic emergency calls from cars in traffic accidents) are also available to all travellers in North Macedonia. In addition, ELS from Google and Apple is configured and receives all calls from mobile lines in the system. The system receives approximately 1,800 calls per 24 hours.In a second phase, the complete implementation of all the functionalities of the E-112 is expected. More specifically, the system must perform the following functionalities: 1). Use of the E-112 application to report cases in which voice is not possible, or data must be sent; 2). Reverse the functions of the E-112 to be able to warn citizens of danger (mandatory in EU countries from 2022); 3). Greater integration of the intervention forces with the use of data terminals within the units and stations, enhancing alarm, coordination and data feedback to the service allowing public security agencies to be more flexible in sending units; 4). Expansion of interoperability with the Police Case Management system; and 5). Improvement of TETRA interfaces and advanced mobile location services.In parallel, there are also other operational coordination bodies activated in emergency situations. Their designation and use depend on the type of crisis; their competencies and coordination powers are not stable, and the coordination mechanism must be re-established each time an emergency arises. As regards information and communication technology, North Macedonia uses primarily TETRA radio system, which relies on solid infrastructure, created with EU funding. Due to lack of financial resources however, not all relevant stakeholders are connected to this system and not all are fully equipped with modern and secure radio communication equipment, IT systems, satellite communications, and broadband coverage. A well-trained and experienced workforce is the most valuable resource of any emergency preparedness and response system. In the absence of a single and permanent centre for emergency operations, North Macedonia does not have a training centre for emergency preparedness and response that would conduct regular and integrated training for multiple stakeholders and promote a culture of readiness. A systemic training approach needs to be put in place to cover the full spectrum of people involved in the emergency preparedness and response at the various levels and allow them to acquire the necessary skills, knowledge, and practical experience. This would require an increase in the number of certified trainers, improving formal assessment programmes and integration of the existing training standards, development of solid training programmes for intensive and extensive training.This component aims at achieving the following results:*2.1 Improved National strategic, legal, and institutional framework for crisis management,* encompassing:* Streamlining and simplifying the legal, institutional, and financial framework applicable to prevention, preparation, and response to crisis, ensuring clear responsibilities, autonomous financial management and strong inter-institutional cooperation and coordination.
* Update of the National Risk Assessment and the emergency and crisis planning procedures based on this Risk Assessment.
* Establishing of a National Advisory Board also including representatives from the private sector, NGOs, religious and civil society organisations, academia, and research institutions, and community-based and associations.
* Developing a systematic community engagement approach, including sustainable and real volunteering programmes.
* Development of a new National Protection and Rescue Strategy 2026-2030.

*2.2 Strengthened capacities for crisis response* * Support the establishment of a comprehensive Permanent Training Mechanism for protection and rescue forces members, including developing a National Emergency/Disaster Management Training Strategy, training needs analysis, training programme, and a national database of trained experts on relevant topics.
* Capacity building activities to improve the forest police capacities to fight against illegal and criminal activities affecting the forest resources.
* Capacity building activities for the personnel involved in the fire, rescue, and civil protection tasks to support the implementation of the National Disaster Risk Management (DRM)/Disaster Risk Reduction (DRR).
* Support to the implementation of a national public awareness and education campaign on crisis events.
* Implementation of unified command system, centralising incident notification and response and, more broadly, sharing of disaster management information across the Government.
* Establishing a unified model of Emergency Management System, supported by phase 2 of the 112 Emergency Call (E112), in line with the EU requirements.
* Establishment of Emergency Operational Centre, connected with Common Emergency Communication and Information System (CECIS) and E112, and equipped with modern communication technology.

**Component 3: Enhancing transport safety and connectivity** The number of fatalities in road traffic accidents in North Macedonia in 2019 (last pre-Covid19 year), was 63 victims/million inhabitants in 2019, higher than the average in EU countries (42 fatalities/million inhabitants in 2019). North Macedonia needs to align its policy targets with the EU 2030 intermediate and the Vision Zero target by 2050. To achieve these goals, North Macedonia needs to put in place a new approach based on:* Promoting “Vision Zero” target and raising the commitment of policymakers and society on zero tolerance to loss of life due to poor road safety.
* Introducing the “Safe System” Approach encompassing safe vehicles, infrastructure, road use (speed, sober driving, wearing safety belts and helmets), and better post-crash care.
* Supporting new driving attitudes and trends that affect the level of attention behind the wheels (mobile phones, connectivity, automation, etc).

The legal framework for transport sector is broadly aligned with the EU *acquis* but does not fully reflect the new EU developments*.* TheRoad Safety Management in North Macedonia is implemented through several institutions and bodies that reflect a multi-sectoral approach to road safety. The EUIF funded project supported the elaboration of the Law on Road Traffic Safety Agency (RTSA), promoting inter alia the establishment of a Road safety Agency.The objective of this component will be achieved through the following outputs:*3.1 Improved Transport policy and legal harmonisation – to be achieved through:** Strengthen the capacities of the Ministry of Ministry of Transport and Communication (MoTC) in order to proceed to lead a modern and even more effective national transport policy, as well as providing TA for high-level advice on transport-related issues and implementation actions, in line with the EU’s overall objectives for a cleaner, greener, safer, and smarter mobility.
* Alignment with the EU *acquis* on transport safety and passengers’ rights (e.g. the Regulation 181/2011 concerning the rights of passengers in bus and coach transport and the Regulation 1371/2007 for the rights of passengers in rail transport), as well as implementation of the rights of passengers in all modes of transport.
* Harmonising the current North Macedonian standards in the railway infrastructure sector with the TSIs and EN standards (in the project should be included the Institute for standardization and other relevant institutions to obtain maximum harmonisation) and establishing of verification body in North Macedonia (DeBO).

*3.2 Improved Transport safety enforcement and implementation capacity through:** Preparation of a new Road Safety Strategy and Action Plan.
* Capacity-building and institutional strengthening measures covering:
* The Road Traffic Safety Agency (RSA) should be established by the end of 2022 and therefore there will be the need for a continuous and sustained support in establishing and functioning of the overall road safety system in the country, including the set-up of a unified database regarding road safety features that should be established within the executive body. The system for continuous road crash data collection is still not established at a national level and the action plans on road safety inspection and audit need to be followed up and implemented. This measure will also comprise a design and implementation of modern public awareness and education measures, sensitising the society of the road safety issues within the newly established RSA.
* The inspection bodies - Railway Safety Directorate (RSD) and State Transport Inspectorate (STI), which are responsible for supervising the implementation of relevant laws and rules in the transport sector, nevertheless, both need to strengthen its enforcement and technical capacities, due to understaffing and lack of professional expertise for inspection.

The proposed Action will contribute to addressing specific issues recognised in the EC Country report **(SDW(2021) 294 final), Chapter 15**: **Energy**, such as the need for increasing the technical/engineering capacity of the Energy Department in the Ministry of Economy and the Energy Agency and adopt and implement energy efficiency legislation. In **Chapter 27: Environment and climate change**, the Action is also contributing to overcoming the issues recognised in the Report about the civil protection and the need to strengthen the legal framework and institutional capacities of civil protection authorities, and the cooperation and coordination between the Protection and Rescue Directorate and the Crisis Management Centre. Concerning **Chapter 14: Transport**, the Action is also in line with some of the recommendations of the EC: strengthen the operational and administrative capacity of the inspection bodies and develop enforcement capacity to reduce fatalities on road and rail infrastructures; implement the connectivity reform measures on rail reform and open the rail transport market, and set-up a national system to continuously collect data on road crashes.The Action is also in line with the Conclusions/Recommendations of the **Stabilisation and Association Sub-Committee on Transport, Environment, Energy and Regional Development** held in March 2021, which, in **Energy**, recommended ensuring coherence of the National Energy and Climate Plan with the EU Green Deal; strengthen institutional capacities for energy efficiency in the Ministry of Economy and the Energy Agency; adopt the secondary legislation for the implementation of the Energy Efficiency Law; and transpose the Renewable Energy Directive, by the adoption of the Law on Biofuels, as envisaged in the new Law on Energy. About **crisis management and civil protection**, to ensure streamlined, coordination and efficient disaster mitigation and response activities at all levels; connect to CECIS; increase cooperation and coordination between the Protection and Rescue Directorate and Crisis Management Centre, with the mid-term perspective of merging the two; better defining the role of the National Coordinator for the national platform on Disaster Risk Reduction and implementing the 112-emergency number. In relation to **Transport,** strengthen operational and administrative capacity for all modes of transport; strengthen the operational and administrative capacities of all inspection bodies; raise road safety, better education and awareness raising; and adopt the Law on Road Traffic Safety Agency and make the Agency operational. The Action follows the **Economic Reform Program (ERP) 2022-2024** and represents a significant contribution to overcoming the country's challenges. The programme recognises that the country still faces challenges in terms of the necessary reforms to achieve a decent level of competitiveness and inclusive growth of human capital, the green transition and the competitiveness of national companies, their integration into global value and the formalization of the economy. In **green transition**, the ERP establishes two measures related to energy: measure 5. Promotion of renewable energy sources, where the greater use of renewable energy resources (RES) and the improvement of energy efficiency is one of the main strategic objectives in the energy sector; and measure 6. Improvement of Energy Efficiency. Within these measures, the planned activities are in line with this Action. In **Transport**, the ERP proposes a measure 10. Implementation of an Intelligent Transport System (ITS) along Corridor X, whereby developing this measure, one of the strategic objectives stated in the National Transport Strategy will be fulfilled i.e. maintaining a high level of safety and traffic flow in all conditions and will impact competitiveness through improvements in network capacity, and traveller mobility and enhance economic productivity.Regarding the Commission Communication **"A credible enlargement perspective for and enhanced EU engagement with the Western Balkans" (COM (2018)65),** this Action is in line with the objectives of the Communication in the field of energy when it establishes that energy security, market integration and energy transition, including energy efficiency and renewable energies are dimensions of EU’s Energy Union that should be expanded to the Western Balkans. In transport, the Communication underlines the need to support the creation of a proper transport union with the Western Balkans by implementing the Transport Community Treaty. Among other aspects, the Communication expresses the need to promote the integration of road and rail operations; open the regional rail market and reduce the disproportionately high number of road fatalities. The proposed Action will contribute as well to achieve the objectives of the **Economic and Investment Plan (EIP) for the Western Balkans (COM (2020) 641 final).** Boosting investment and economic growth is only possible if the Western Balkans firmly commit to and implement fundamental reforms in line with the European values. In this sense, this Action is a fundamental element in promoting and improving the investments included in the EIP related to clean **energies**. For the EIP, decarbonisation is a critical pillar in line with the objectives of the European Green Deal. Improved connectivity and the extension of the Energy Union to the Western Balkans will also be necessary for a successful transition to clean energy. The EIP will strongly support energy market integration, decarbonisation, and clean energy, just transition, further digitisation of the system and smart grids, energy efficiency and energy security. Aspects, many of them, objectives of this Action. Concerning **transport,** the Action is also in line with the priorities of EIP. The EU will prioritise investments in sustainable transport projects related to the European Trans-European Network (TEN-T), which are of strategic interest to the region and the EU. These investments should be supported by the Western Balkan side, among other aspects, through the adoption and implementation of the regional rail, road safety, transport facilitation and road action plans prepared by the Transport Community; speedy progress on transport connectivity reform measures to accelerate integration with the TEN-T, the EU acquis and its digital and clean energy technologies; and progressive adoption and implementation of all EU transport legislation and technical standards.The Action mainly contributes to the **Green Agenda for the Western Balkans**, reflecting the **European Green Deal** in the region, particularly climate action, including **decarbonisation, energy, and mobility**. The specific initiatives on the agenda are in line with the Proposed Action: assist partners in aligning with the *acquis* related to decarbonisation; assist in the development of National Energy and Climate Plans; assist in the development of renovation schemes for public and private buildings; assist in the implementation of programs that address energy poverty, etc. Regarding smart and sustainable mobility, some initiatives are also in line with the Action: support the performance of the road safety action plan and the road action plan, including road maintenance and resilience. The Green Agenda also proposes initiatives that contribute to the Action results related to **crisis management**. More specifically, actions related to protecting and restoring ecosystems, such as deforestation and illegal logging. The increase of dramatic forest fires in the Western Balkans and pest and disease outbreaks require better risk prevention in sustainable forest management and land use.Furthermore, the Action is also in line with the **TEN-T** connections with the EU, contribution to safe mobility, sustainable mobility and it is in synergy with the reforms promoted by the **Transport Community Treaty-TCT**. It will contribute to the current TEN-T policy based on Regulation (EU) No 1315/2013 which addresses the implementation and development of a Europe-wide network of railway lines, roads, inland waterways, maritime shipping routes, ports, airports, and railroad terminals. The ultimate objective of the policy is to close gaps, remove bottlenecks and technical barriers, as well as to strengthen social, economic, and territorial cohesion within the EU and through its extension ensure closer integration of the western Balkans region with the EU.This Action will support the implementation of the objectives of the **Communication “Europe on the Move – Sustainable Mobility for Europe: safe, connected and clean”** of May 2018, and the **EU Road Safety Policy Framework 2021-2030-Next steps towards “Vision Zero”** of June 2019**,** which confirmed the EU's long-term goal of moving close to zero fatalities in road transport by 2050 and added that the same should be achieved for serious injuries. It also proposed new interim targets of reducing the number of road deaths by 50% between 2020 and 2030 and reducing the number of serious injuries by 50% in the same period, as recommended in the Valletta Declaration.The Action also supports the **Connectivity Agenda** which is transformed into the adopted Action plans of the Transport community, with improving connectivity within the Western Balkans, as well as between the Western Balkans and the European Union, and which puts a special emphasis on the preparation and financing of concrete regional infrastructure investment projects and on the implementation of technical standards and reform measures (e.g.: aligning/simplifying border crossing procedures, railway reforms, information systems, road safety and maintenance schemes, unbundling and third-party access).The proposed Action will also contribute to achieving the objectives of the **New EU Forest Strategy 2030** (COM (2021)572 final). Climate change continues to affect the European forests negatively. It has also brought previously hidden vulnerabilities that aggravate other destructive pressures such as pests, pollution, and disease. It affects wildfire regimes, leading to conditions where the extent and intensity of forest fires in the EU will increase in the following years. In this sense, the Action is in line to protect, restore and enlarge the EU’s forests to combat climate change, reverse biodiversity loss and ensure resilient and multifunctional forest ecosystems. This is a precondition for avoiding escalating socio-economic costs from forest disasters and protecting people, land and houses from floods, fires and landslides. |
| Contribution to the IPA III Programming Framework objectives | The Action is designed to contribute to the achievement of the specific objective of the IPA III Programming Framework, **thematic priority** **1: Environment and climate change,** and **thematic priority 2: Transport, digital economy and society, and energy** within **Window 3:** **Green Agenda and Sustainable Connectivity.** More specifically, under thematic priority 1, the Action addresses the specific objective “to support the protection of the environment, improve its quality and contribute to actions and policies against climate change to accelerate the shift towards a low carbon economy” and the strengthening of the administrative capacity for disaster risk reduction, disaster risk management and emergency response with enhanced participation in the Union civil protection mechanism. The Action is also in line with the specific objective of thematic priority 2 “to promote smart, sustainable, inclusive, safe transport and to remove bottlenecks in key network infrastructures, to improve access to digital technologies and services, to accelerate the shift towards a low-carbon economy promote clean energy transition and a European integrated energy market” and in particular the support to the energy institutional reform, the de-carbonisation and the reform of the transport sector in line with the Transport Community Treaty.Overall, the proposed Action is aligned with the area of interventions of **IPA III 2021-2027 Strategic Response for North Macedonia**, under Window 3, thematic priority 1, regarding:Objective 1.2: To conserve, restore and manage natural resources and to promote their sustainable use* Building the national capacities for implementation of the national legislation.
* Improving capacities for nature conservation instruments, land-use planning controls and enforcement measures.
* Improving capacities for management of protected areas (monitoring programme, action plans for conservation of species and habitats, land-use planning controls and enforcement measures.

Objective 1.4: To improve policymaking and enforcement laws* Further align the national legislation with the EU acquis, standards and best practice and support the implementation in all areas concerning environment, i.e., noise, chemicals, etc., including strengthening the capacities at national and local levels for implementation and enforcement of the legislation.
* Improve the capacities of the civil protection sector to ensure streamlined, coordinated, and efficient disaster mitigation and response action at all levels.
* Improve the capacity of the country to actively participate into the European Union Civil Protection Mechanism, to establish national disaster strategy, operational plans and systems for management and prevention of floods, fires, earthquakes, and other disasters.

Under thematic priority 2, Objective 2.1 To develop a harmonised transport sector, that is internationally compatible and integrated in the TEN-T network that stimulates the economic and social development of the country, promote environmentally friendly infrastructure, preserves the environment, and secures the needs of future generations* Improvement of the road and rail safety, through intervention in infrastructure and soft measures implementation, including but not limited to preparation of strategic documents, capacity building of the relevant stakeholders, improvement of the administrative and operational capacities, communication activities and campaigns, surveys, and analysis, etc.
* Further elevation and advancement of the transport sector integration to the EU transport area with approximation of the legal framework with the EU *acquis* and European standards and increasing transport stakeholder capacity to assume the obligations of an EU membership.

Objective 2.3 To gradually shift towards safe and clean energy* Alignment of the national legislation and policies with the EU *acquis*, standards and policies including the liberalisation of the energy market and ensuring connectivity with the European energy market and effectuation of energy services agreements.
* Improving the sector policy making, based on improved use of data, strong sector policy dialogue and clear monitoring of the progress in the reforms of the energy sector.
* Reinforcement of institutional set-up and building of the necessary administrative and regulation capacities including the administrative capacities at local level in the process of entering the data in the electronic tool for monitoring and verification of energy efficiency plans and measures (MVP) as well as the information system.
* Implementation of energy efficiency measures in public buildings including installation of Photovoltaic (PV) rooftop.
* Introduction and smooth operation of the energy certification in North Macedonia.
* Investments in renewable energy sources.
* Upgrade of the technical capacity of the energy grids to integrate renewable energy sources.
* Investments in energy efficiency.
* Improvement in the country’s energy mix including gasification as intermediary solution from thermal energy dominated mix to prevailing contribution of the renewable energy sources.
* Dealing with energy poverty and protection of vulnerable consumers. Implementation of information campaigns that will raise public awareness about the importance, effects and benefits from energy efficiency and organising trainings for the public entities for fulfilling of their obligations arising from the Energy Efficiency Law.
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| Links with national, regional and global strategies | The proposed Action is in line with the following global, regional, and national strategies:* The objectives of **United Nation’s 2030 Agenda for Sustainable Development**, more specifically, the Action contributes to the following:
* **Goal** **7.** Ensure access to affordable, reliable, sustainable, and modern energy for all. Affordable and clean energy,
* **Goal 13.** Take urgent action to combat climate change and its impacts. Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries; Target 13.2 Integrate climate change measures into national policies, strategies, and planning; and Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation.
* **Goal 9**. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
* **Goal 11**. Make cities and human settlements inclusive, safe, resilient, and sustainable. Target 11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
* **Sendai Framework for Disaster Risk Reduction (2015-2030)**. The Sendai Framework for Disaster Risk Reduction 2015-2030 was adopted at the Third UN World Conference in Sendai, Japan, on March 18, 2015. The Sendai Framework articulates the following: the need for improved understanding of disaster risk in all its dimensions of exposure, vulnerability and hazard characteristics; the strengthening of disaster risk governance, including national platforms; accountability for disaster risk management; preparedness to “Build Back Better”; recognition of stakeholders and their roles; mobilisation of risk-sensitive investment to avoid the creation of new risk; resilience of health infrastructure, cultural heritage and work-places; strengthening of international cooperation and global partnership, and risk-informed donor policies and programs, including financial support and loans from international financial institutions. There is also a clear recognition of the Global Platform for Disaster Risk Reduction and the regional platforms for disaster risk reduction as mechanisms for coherence across agendas, monitoring and periodic reviews supporting UN Governance bodies.
* The **Southeast Europe (SEE) 2030 Strategy** whose objective is to reach regionally sustainable economic growth shared by all. The Strategy aims to reduce poverty and inequality, empower women, improve social inclusion, decelerate depopulation of the region through enhancing the quality of life for its citizens and speed up the green agenda and digital transition, without widening socio-economic inequalities and disrupting competitiveness and private sector development, through a genuinely regionally owned political process. The SEE establishes, among others, priority 1: Promoting economic growth through trade creation, sustainable and responsible tourism and enhancing transport connectivity; priority 2: Promoting investment, research and innovation in renewable energy to increase the share of carbon free energy supply and improve energy efficiency; and 3. Enhancing capacity to improve detection and risk reduction of natural disasters to minimise their impact on economic growth.

The Strategy for Energy Development of North Macedonia until 2040. The Strategy provides the directions for development of the energy sector in the country, considering the energy policy trends at global and European level, and particularly in the framework of the Energy Community. Energy trends are emphasizing more ambitious transition towards low-carbon economy, with renewable energy sources (RES) and energy efficiency (EE) among the most important enablers transition. The Strategy follows good practices of EU RES and EE policies, as well as decarbonisation, taking into account targets and trajectories with realistic dynamics that are adjusted to domestic specifics and priorities of the Government.* The **National Energy Efficiency Action Plan 2019-2022**. Macedonia has signed the Treaty for establishing the Energy Community and as a result has undertaken several commitments, which refer to the harmonization of national legislation in the field of energy and environment with EU legislation. One of the commitments is to prepare a National Energy Efficiency Action Plan (NEEAP) which should report on the measures that have been implemented in the previous three years, but also to propose measures to reduce consumption in the period from the next three years. Having in mind that the data collection process for the preparation of the Action plan started in 2019 and the development of the document continued in 2020, as well as the situation with Covid-19, this Action plan covers the period from 2016-2019, and measures for 2020, 2021 and 2022 are proposed.

The National Energy and Climate Plan 2021-2030. The NECP takes a holistic approach and address the five main dimensions of the Energy Union in an integrated way recognising the interactions between the different dimensions: decarbonisation (addressing two segments: greenhouse gas emissions and renewable energy sources), energy efficiency, security of energy supply, internal energy market, and research, innovation, and competitiveness. NDC Implementation Road Map for North Macedonia 2020-2030. The Enhanced Nationally Determined Contributions (ENDC) Implementation Roadmap follows the framework of undertaking and communicating ambitious efforts in GHG mitigation as indicated in Article 3 of the Paris Agreement. The goal of the roadmap is to provide a pathway for the implementation of specific mitigation actions in North Macedonia. As such, the roadmap is a tool that can be used to: 1. Increase awareness and provide guidance for key stakeholders on the actions necessary to achieve the ENDC target. 2. Set out a pathway with concrete mitigation actions and interventions leading to emission reductions and transformational change in the energy, agriculture, forestry, and land use change (AFOLU) and waste sectors.The National Protection and Rescue Strategy 2022-2025. This National Strategy is intended to provide a four-year roadmap (2022-2025) for the Government of the Republic of North Macedonia to review, assess and improve capacity, capability, plans, and operations covering Disaster Risk Management, as well as to expand the focus into Disaster Risk Reduction. The Strategy also has an accompanying Action Plan to guide implementation efforts. The approach used to develop this strategy and its accompanying action plan is based on a set of Core Principles which mirror the evolution of Disaster Risk Management globally. These Core Principles provide the foundation and logic for improving how the Government of the Republic of North Macedonia will plan, prepare for, respond, and recover from disasters, both artificial and those caused by natural hazards.* The **Sustainable and Smart Mobility Strategy of the European Union** and the connected **Sustainable and Smart Mobility Strategy Western Balkans** Perspective of the Transport Community which has defined objectives related to 10 key areas for making the transport sector more sustainable, smart, and resilient.
* The **National Transport Strategy 2018-2030**. General Objective No.4 ‘’Establishment of reliable and safe transport system for all transport modes & urban transport’’ with the aim to reduce death toll on the roads by 50% by 2030. The proposed investment will also contribute to the specific objective No.4.2. ‘’To improve road traffic and road infrastructure safety (incl. Urban transport safety)’’
* The Action takes in consideration the priorities set out in the **National Programme for Adoption of the *Acquis (NPAA),*** this three-year programme is revised and updated every year with activities that are proposed that will remove the remarks deriving from the progress report of the EC, as well as with short-term and mid-term priorities from the Accession Partnership Agreement.
 |
| Coherence with the Sector Approach | The Action falls under three Sector Working Groups: SWG on Energy, SWG on Environment and Climate Change and SWG on Transport North Macedonia has made good progress in introducing the **Sector Approach**. Key strategy documents, especially those developed after 2017, use a rich data collection and measure success with SMART indicators. They are developed through a participatory process and benefit from the participation of relevant stakeholders, including civil society organizations and international donors. Authorities, donors, and civil society can discuss general and specific strategic directions and thus increase the compliance of the strategies with international and EU standards. The SWGs are supported technically by the line ministries and guided methodologically by the Secretariat for European Affairs. The SWGs work in two formats: technical, involving the experts from the participating organisations, and decision-making, involving the heads of the participating bodies. The SWGs have the mandate to lead the sector policy dialogue, which includes the definition of sector priorities and the reporting on their implementation. The contents of these AF were consulted with the stakeholders in the plenary and technical sessions of the SWGs held in March, April and May 2022.As of 2020, the country put in place a **Performance Assessment Framework** (PAF), streamlining the policy objectives; based on a set of impact and outcome indicators, targets, and baseline data. The indicators formulated and agreed upon for this window provide a robust system for measuring compliance with the evidence-based approach to policy making. The PAF is available under <https://pafnorthmacedonia.mk/PAF/> The **institutional set-up** is supportive to on-going and planned sector reforms with clear responsibilities allocated to the relevant national authorities.The sector **policy budgeting** needs improvement. North Macedonia does not yet benefit from a robust medium-term expenditure framework to anchor the costs for the major reforms and ensure their credibility. The ongoing PFM reform programme is expected to address this issue through the adoption of the new organic budget law. North Macedonia has demonstrated continuous progress in PFM and Domestic Revenue Mobilisation. There are improvements in the fiscal framework, budget planning, budget execution, revenue mobilisation, transparent reporting of the budget, internal control, external control, and Parliamentary oversight. |
| Regional dimension | Not applicable |
| Indicative budget (in EUR) | Total: EUR 15 millionEU funding: EUR 15 millionNational co-financing: EUR xxxx million |
| Implementation Modality | Direct Management |
| Budget Support Readiness (only in the action is implemented through Budget Support) | Not applicable |

**LOGICAL FRAMEWORK MATRIX**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **OVERALL OBJECTIVE(S) / (IMPACT(S))** | **OBJECTIVELY VERIFIABLE INDICATORS** | **BASELINES (VALUE AND YEAR[[2]](#footnote-2))** | **MILESTONES (OPTIONAL)** | **TARGETS** | **SOURCES & MEANS OF VERIFICATION** |
| To enhance the structural reforms in the areas of energy, civil protection, and transport in line with the EU policies | Share of renewable energy in the gross final energy consumption[[3]](#footnote-3) | 19,02% (2020) |  | ≥ 31% (2027) | SSO |
| Energy efficiency measured as Intensity of final energy consumption per unit of GDP (Chain linked volumes (2015) millions Euro)[[4]](#footnote-4) | 1856ktoe/9688. mill EUR0.19 kgoe/EUR (2018) |  | ≤ 0.16 kgoe/EUR (2027) | SSO |
| Road fatalities (number of road fatalities over population, 1,000,000)[[5]](#footnote-5) | 56,07 (2020) |  | ≤ 48 (2027) | SSO |
| Rail accidents per year[[6]](#footnote-6) | 63 (2020) |  | ≤ 43 (2027) | SSO |
| Cubic meters of burned wood mass in the forests between June and September[[7]](#footnote-7)  | 482,106 (2021) |  | ≤ 300,000 (2027) | SSO |
| **SPECIFIC OBJECTIVE(S) / OUTCOME(S)** | **OBJECTIVELY VERIFIABLE INDICATORS** | **BASELINE** | **MILESTONES** | **TARGETS** | **SOURCES OF VERIFICATION** | **ASSUMPTIONS** |
| 1.To support the energy transition from fossil fuels toward clean energy in line with the Green Agenda for the Western Balkans | Level of the progress in implementation and enforcement of energy legislation | Some progress under Chapter 15 |  | Well advanced under Chapter 15 | European Commission reports | Relevant investments in Energy, Civil Protection and disaster prevention and Transport are supported by the Government, the Donors and the IFIs.Continued political will and commitment of the Government and public administration to the accession process and to the application of the EU standards for energy and transport sectors.Political commitment of the Government to rationalise and modernise the administrative structures of the crisis management system.Progress in the implementation of the Connectivity reform measures in North Macedonia |
| 2.To improve the administrative and operational capacities for prevention, mitigation, and response to disasters  | Level of the progress in implementation and enforcement of civil protection legislation | Limited progress under Chapter 27 |  | Well advanced under Chapter 27 | European Commission reports |
| 3.To improve the transport safety and connectivity  | Level of the progress in implementation and enforcement of transport legislation | Limited progress under Chapter 14 |  | Well advanced under Chapter 14 | European Commission reports |
| **OUTPUTS** | **OBJECTIVELY VERIFIABLE INDICATORS** | **BASELINE** | **MILESTONES** | **TARGETS** | **SOURCES OF VERIFICATION** | **ASSUMPTIONS** |
| 1.1 Strengthened National energy policy and institutional framework | Number of Strategy, legal acts, Study and Plans for Energy Efficiency and Prosumer prepared | 0 (2022) |  | ≥ 6 (2026) | MoE | Good cooperation and coordination among key stakeholders including local administrations.All stakeholders are proactively involved in the implementation of the relevant activities related to energy. |
| Number of feasibility studies for PUCs on investments in renewable energy and energy efficiency prepared | 0 (2022) |  | ≥ 5 (2026) | MoE |
| Number of technical reports on measurers supporting the implementation of the Paris Agreement and decarbonisation process | 0 (2022) |  | ≥ 2 (2026) | MoE |
| Number of public awareness events on Green Agenda, Just Transition and De-Carbonisation policies | 0 (2022) |  | ≥ xx (2026) | Project report |
| Number of municipalities with a inventory of public buildings  | 0 (2022) |  | ≥ 35 (2026) | Project report |
| Number of energy audit and technical documentations prepared | 0 (2022) |  | ≥ (2026) | Project report |
| Number of municipal energy efficiency plans prepared | 0 (2022) |  | ≥ 35 (2026) | Project report |
| Number of Info Centres on energy efficiency established | 0 (2022) |  | 35 (2026) | Project report |
| Number of energy audits for ESCO and SMEs | 0 (2022) |  | ≥ xx (2026) | Project report |
| Number of feasibility study on the adaptability of pipelines used for natural gas to be used for hydrogen. | 0 (2022) |  | 1 (2026) | Project report |
| Number of staff trained (Ministry of Economy and EA) | 0 (2022) |  | ≥ 30 (2026) | Project report  |
| Number of *one-stop-shops* for consumer information in line with Building Directive (EU) 2018/844 established | 0 (2022) |  | 1 (2026) | Project report  |
| Number of bankable projects on EE, RES, Energy Communities prepared | 0 (2022) |  | ≥ 3 (2026) | Project report  |
| Number of gas transmission system operators established | 0 (2022) |  | 1 (2026) | Project report  |
| 1.2 Improved energy efficiency in construction industry and agriculture | Number of Building Renovation Strategy developed | 0 (2022) |  | 1 (2026) | Project report  |
| Number of technical reports on energy efficiency in construction industry and on public financial support and certification of the sector | 0 (2022) |  | 1 (2026) | Project report  |
| 1.3 Study on introducing renewable energy in agriculture realised | Number of in-depth analyses of feasibility of usage of renewables in North Macedonia, and proposals of business models which are replicable and sustainable | 0 (2022) |  | 1 (2026) | Project report |
| Number of actions taken by the Government in response of the assessment | 0 (2022) |  | ≥ 10 (2026) | Project report |
| 2.1 National strategic, legal, and institutional capacities for crisis management improved | Percentage of the implementation of the National protection and Rescue strategy 2022 - 2025[[8]](#footnote-8) | 0% (2022) |  | 100% (2026) | Project report | Relevant stakeholders cooperate loyally in achieving the results of the actions related to the crisis management system. Proper horizontal working group established to coordinate the appropriate implementation of the Action.Relevant staff and civil servants are willing to participate actively in the institutional/capacity-building activities. |
| Number of technical reports on necessary legal adjustments and on allocation of resources to different stakeholders | 0 (2022) |  | 1 (2026) | Project report |
| Number of updated National Risk Assessment and the emergency and crisis planning procedures | 0 (2022) |  | 1 (2026) | Project report |
| Number of National Advisory Boards including representatives from the private sector, NGOs, religious and civil society organisations, academia, and research institutions, and community-based and associations established | 0 (2022) |  | 1 (2026) | Project report |
| Number of volunteers ready to cooperate in case of disasters | 0 (2022) |  | ≥ 500 (2026) | Project report |
| 2.2 Capacities, coordination, and governance of the relevant bodies to deal with crisis events strengthened | Number of Permanent Training Mechanisms established | 0 (2022) |  | 1 (2026) | Project report |
| Number of forestry police agents and or employees of the Forestry Company trained | 0 (2022) |  | ≥ 100 (2026) | Project report |
| Number of people trained on National Disaster Risk Management (DRM)/Disaster Risk Reduction (DRR)  | 0 (2022) |  | ≥ 100 (2026) | Project report |
| Number of national public awareness and education campaign on crisis event | 0 (2022) |  | 1 (2026) | Project report |
| Number of unified command systems, centralising incident notification and response and, more broadly, the sharing of disaster management information across the Government. | 0 (2022) |  | 1 (2026) | Project report |
| Number of unified models of Emergency Management System, supported by phase 2 of the 112 Emergency Call established | 0 (2022) |  | 1 (2026) | Project report |
| Number of Emergency Operational Centres, connected with Common Emergency Communication and Information System (CECIS) and E112 | 0 (2022) |  | Xx (2026) |  |
| 3.1 Improved transport policy and legal harmonisation | Number of legal acts on adoption of:- Fourth Package of Directives of the EU, and the bylaws to create conditions for Opening the market of railway services- Regulation 181/2011 - Regulation 1371/2007- *Acquis* on road, rail, and air transport safety | 0 (2022) |  | 4 (2026) | MoTC | All stakeholders are proactively involved in the implementation of the relevant activities related to road safety. |
| 3.2 Improved transport safety enforcement and implementation capacity | Number of staff from RSA and STI trained | 0 (2022) |  | ≥ 50 (2026) | Project report |
| Number of national systems for data collection on road accidents established. | 0 (2022) |  | 1 (2026) | MoTC, PESR |
| Number of people covered by public awareness activities for road safety | 0 (2022) |  | ≥ 50,000 (2026) | Project report |
| Number of students (primary and secondary education) trained on road safety | 0 (2022) |  | ≥ 10,000 (2026) | Project report |
| **BROAD ARRANGEMENTS FOR IMPLEMENTATION (IF AVAILABLE)** | It should be flagged out if it is proposed to implement this action through the WBIFSpecify also the management modes (direct, indirect with implementing partner or IMBC) |

1. North Macedonia intends to build a 300-350 MW solar photovoltaic project in Stip and a 100 MW solar plant in Oslomej. Several smaller solar plants are also planned, including a 10 MW solar plant in Oslomej, two 10 MW solar projects in Bitola, and solar plants totalling 60 MW elsewhere [↑](#footnote-ref-1)
2. The baseline value may be “0” (i.e. no reference values are available as the Action represents a novelty for the beneficiary) but cannot be left empty or include references such as “N/A” or “will be determined later”. [↑](#footnote-ref-2)
3. Source: Energy balance 2020, State Statistical Office, table T-01: Energy indicators

 https://www.stat.gov.mk/pdf/2021/6.1.21.60\_mk.pdf [↑](#footnote-ref-3)
4. Numerator: Energy balance 2018, State Statistical Office, Final energy consumption from Table T-02: Total energy balance (<http://www.stat.gov.mk/pdf/2020/6.1.20.59_mk.pdf> )

 Denominator: EUROSTAT, GDP and main components (output, expenditure and income) [nama\_10\_gdp], Chain linked volumes (2015), million euro (<https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10_gdp&lang=en> ). [↑](#footnote-ref-4)
5. Source of numerator: <http://makstat.stat.gov.mk/PXWeb/pxweb/en/MakStat/MakStat__Transport__SoobrakajniNesreki/325_Trans_MK_T_48_en.px/?rxid=b14b7e4a-3c41-447f-93fa-e9eba26a7167>

 Source of denominator: <http://makstat.stat.gov.mk/PXWeb/pxweb/en/MakStat/MakStat__Naselenie__ProcenkiNaselenie/115_Popis_RM_1Star_Dec_eng.px/?rxid=a1e36641-ae7d-44a4-a868-ed8fb90eef27> [↑](#footnote-ref-5)
6. Source:<http://makstat.stat.gov.mk/PXWeb/pxweb/en/MakStat/MakStat__Transport__SoobrakajniNesreki/125_Trans_Mk_ZelSN_ang.px/?rxid=6263d405-f656-4350-a635-777e57b54850> [↑](#footnote-ref-6)
7. https://www.stat.gov.mk/pdf/2021/5.1.21.15\_mk.pdf [↑](#footnote-ref-7)
8. The percentage of implementation should be calculated by dividing the number of actions entirely implemented by the totsl number of actions included in the strategy. [↑](#footnote-ref-8)