

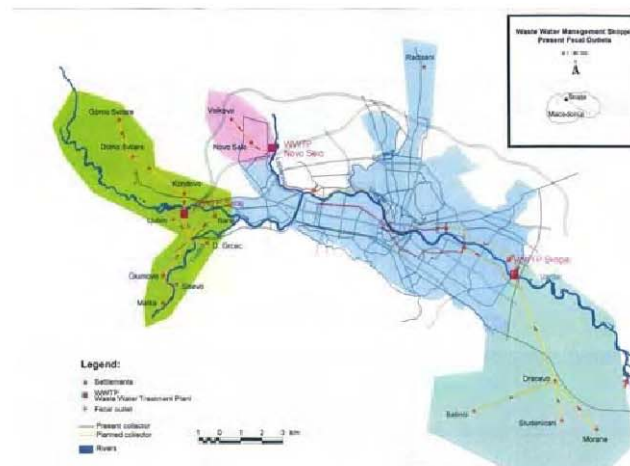
10.4 IEE

Project: Study on Wastewater Management in Skopje

**ENVIRONMENTAL AND SOCIAL
CONSIDERATION SURVEY**

**(Initial Environmental Examination – IEE
level Study)**

FINAL REPORT



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Skopje**

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LIST OF ABBREVIATIONS

EIA	Environmental Impact Assessment
HZW(M)	Hazardous Waste (Management)
LEAP	Local Environmental Action Plan
LSG	Local Self Government
IPPC	Integrated Prevention and Pollution Control
MEIC	Macedonia Environmental Information Centre
MoAFWM	Ministry of Agriculture, Forestry and Waste Management
MoEPP	Ministry of Environment and Physical Planning
MoH	Ministry of Health
MoLSG	Ministry for Local Self Government
NEAP	National Environmental Action Plan
NGO	Non Governmental Organization
No	Number
NPAA	National Programme for Approximation of the EU Acquis
NWMP	National Waste Management Plan
PPP	Public Private Partnership
RM	Republic of Macedonia
SWM	Solid Waste Management
TA	Technical Assistance
ToR	Terms of Reference
VAT	Value Added Taxes
WM	Waste management
WTP	Willingness to pay
ZELS	Association of the Units of Local-Self Government

1 ANALYSIS OF GUIDELINES, POLICY, LEGAL AND ADMINISTRATIVE FRAMEWORK

1.1 LEGAL ANALYSIS

This report was prepared in the framework of the project "Feasibility Study for Waste Water Treatment Plant for Skopje". The purpose of this report is to identify and describe the regulations and guidelines governing the conduct of the EIA and specify the content, water and waste water management, protection of sensitive areas, protection of endangered species, land use control, etc.

The legislation which has been taken into consideration for the purpose of this analysis is the following:

- *Law on Environment (Official Gazette no. 53/05; 81/05)*
- *Law on Waters (Official Gazette no.4/1998; 19/00; 42/2005)*
- *Draft Law on Waters (From 2007)*
- *Law on ambient air quality (Official Gazette no. 67/2004)*
- *Law on Water Supply, Drainage, Treatment and Discharge of Urban Wastewater (03/2000; 68/2004; 28/2006)*
- *Law on local self government (Official Gazette no. 5/2002)*
- *Law on the city of Skopje (Official Gazette no. 07-3430/1 August 12th 2004)*
- *Law on Financing the Local Self Government Units (Official Gazette no. 61/04; 96/04; 67/07)*
- *Law on expropriation (Official Gazette no. 33/95, 20/98, 40/99 u 31/2003),, 46/2005)*
- *General Law on Court (Official Gazette no. 58/2006)*
- *Law on General Administrative Procedure (Official Gazette no. 38/2005)*
- *Law on Agricultural Land (Official Gazette no.25/98;18/99; 02/2004)*
- *Law on Noise (Official Gazette nos. 21/84, 10/90 and 62/93)*
- *Ordinance on the content of announcement of the notification of the intention to implement a project, on the necessity of an EIA, on the study on project EIA, of the report on the adequacy of the study on EIA. (Off. Gazette no.33/06)*
- *Ordinance on additional criteria the manner, the procedure and the expenses for enrolment in and withdrawal from the list of experts. (Official Gazette 33/06)*
- *Ordinance on the content of the requirements that need to be fulfilled by the study on EIA (Official Gazette 33/06)*
- *Ordinance on the form, content procedure and manner of developing the report on the adequacy of the study on EIA of the project and the procedure for authorisation of persons from the List of Experts for EIA responsible for the preparation of the report (Official Gazette 33/06)*

- Decree on determining projects for which and criteria on the basis of which the screening for EIA (Official Gazette No. 74/05)
- Decree determining the activities of installations requiring integrated environmental permit or compliance permit with an operational plan and time table for submission of application for compliance permit with an operational plan (Official Gazette no. 89/05 from 21.10.2005)
- Rulebook on the procedure for obtaining a compliance permit with an operational plan (Official Gazette no. 4/06 from 13.01.2006).
- Rulebook on the procedure for obtaining A integrated environmental permit (Official Gazette no. 4/06 from 13.01.2006).
- Rulebook on the procedure for obtaining B integrated environmental permit (Official Gazette no. 4/06 from 13.01.2006).
- Regulation for classification of waters (Official Gazette no. 18/99)
- Regulation for categorization of water courses (Official Gazette of RM No. 18/99),
- Decree on limit values for the levels and the types of polluting substances in ambient air and alarm thresholds, terms for achievement of these limit values, margins of tolerance for the limit value, target values and long-term goals. (Official Gazette no. 50/2005);
- Rulebook on maximum permissible concentration and quantities on other harmful matters that may be released into the air by individual pollution sources (Official Gazette no.3/90).
- Draft Ordinance on the conditions, manner and requirements to the design, construction and operation of the collection system and the municipal waste water treatment plants, as well as the technical standards, parameters, emission standards and quality norms for the pre-treatment, removal and treatment of waste water, taking into account the load and method of treatment of the municipal waste water that are discharged into water bodies of the sensitive areas.

Some related, ratified Conventions have also been taken into consideration:

- Convention of Environmental Impact Assessment in a Transboundary Context (Espoo, February 1991) Ratified by means of Law on Ratification (Official Gazette of RM" No. 44/99)
- United Nations Framework Convention on Climate Change (New York 1992). The Convention was ratified by means of the Law on ratification (Official Gazette of RM no. 6/79). The Law entered into force on 28th of April 1998;
- The Kyoto Protocol to the United Nations Framework Convention on Climate Change. The Protocol was ratified by means of the Law on Ratification (Official Gazette of RM" No. 49/2004).
- Convention on transboundary air pollution (Geneva, November 1979) (Official Gazette of SFRJ 11/86). The convention is ratified by means of succession.

R.Macedonia is aspiring to become a Member State of the EU, therefore the EU legal transposition is in process. Having that in mind, the EU Directives in the Water Sector have been taken into consideration. Those are the following:

- *Water Framework Directive (2000/60 /EC) as amended by Decision 2455/2001/EC;*
- *Urban Wastewater Treatment Directive (91/271/EEC) as amended by Directive 98/15/EC and Regulation (EC) 1882/2003;*
- *Nitrates Directive (91/676/EEC) as amended by Regulation (EC) 1882/2003;*
- *Drinking Water Directive (98/83/EC) as amended by Regulation (EC) 1882/2003;*
- *Surface Water for Abstraction Directive (75/440/EEC) as amended by Directives 79/869/EEC and 91/692/EEC (to be repealed under the Water Framework Directive (2000/60/EC) as from 22/12 2007);*
- *Bathing Water Directive (2006/7/EC) repealing Directive 76/160/EEC;*
- *Dangerous Substances to Water Discharges Directive (76/464/EEC) as amended by Directive 91/692/EEC and 2000/60/EC (to be repealed under the Water Framework Directive (2000/60/EC) as from 22/12 2013, except for Article 6, which was repealed with effect from 22/12 2000);*
- *Sewage Sludge Directive (86/278/EEC);*
- *Measurement of Drinking Water Directive (79/869/EEC), as amended by Directives 81/855/EEC and 91/692/EEC, and Regulation (EC) 807/2003 (to be repealed under the Water Framework Directive (2000/60/EC) as from 22/12 2007);*
- *Ground Water Directive (80/68/EEC)), as amended by Directive 91/692/EEC;*
- *Mercury Discharges from Chlor-Alkali Industries Directive (82/176/EEC)), as amended by Directive 91/692/EEC;*
- *Cadmium Discharges Directive (83/523/EEC)), as amended by Directive 91/692/EEC;*
- *Other Mercury Discharges Directive (84/15/EEC) , as amended by Directive 91/692/EEC;*
- *Hexachlorocyclohexane (HCH) Discharges Directive (84/491/EEC), as amended by Directive 91/692/EEC;*
- *List One Substances Directive (86/280/EEC) , as amended by Directives 88/347/EEC, 90/415/EEC and 91/692/EEC;*
- *Fish Water Directive (78/659/EEC)), as amended by Directive 91/692/EEC and Regulation (EC) 807/2003;*
- *Shellfish Water Directive (79/923/EEC), as amended by Directive 91/692/EEC.*

This report consists of several chapters, comprising few relevant issues: Environmental Impact Assessment; General overview of Water Management Waste Water Management; Sludge Management; Emission Standards.

The First chapter presents the steps and manner of conduct of the EIA procedure (three specific procedures in the environmental impact assessment process. These are 'screening' (i.e., the stage of determining whether an EIA is required); 'scoping' (i.e., the stage of determining the scope or extent of the environmental impact assessment) and 'review' (i.e., the stage of reviewing the EIA study to see if it has been undertaken to an acceptable standard and in accordance with the legal requirements so that a decision can be made as to whether or not development consent should be granted); , giving special attention to the EIA for Waste Water Treatment Plants and the responsible authorities regarding the EIA procedure, as well as the delegation of the responsibilities between the Central and Local Government.

1.1.1 EIA INTRODUCTION

The European Union Environmental Impact Assessment Directive (EIA Directive *85/337/EEC as amended by 97/11/EEC and 2003/35/EC*) sets out the requirements for undertaking environmental assessments of potential environmental impacts of public and private projects which are likely to have a significant impact on the environment before development consent is granted in the form of approval for project implementation. Impacts on the environment can include impacts on human beings and biological diversity; soil, water, air and other natural resources and climate; historical and cultural heritage as well as the interaction between these elements (as per Article 76 sub paragraph (2) of the Law on Environment 2005).

This EU Directive has been transposed into law in the Republic of Macedonia. Hence, it is required that before development consent is granted for certain types of projects in the Republic of Macedonia, an EIA has to be carried out. The EIA process is meant to anticipate potential environmental harm and to avoid or mitigate such harm while balancing environmental, social and economic objectives.

Environmental Impact Assessment of certain projects is required to be carried out in the Republic of Macedonia in accordance with the Law on Environment (Official Gazette nos. 53/05 and 81/05), which is a framework Law in the area of environment, and it regulates the procedure for EIA, and it provides legal base for issuance of subsequent legislation, which provide more detail elaborate of the EIA procedure as well.

Subject to environmental impact assessment are the projects determined in the *Decree on determining projects for witch and criteria on the basis of witch the screening for EIA* (Official Gazette No. 74/05), due to their character, scope or location of their implementation, may have significant impact on the environment.

In this Decree, projects are classified in two groups: projects listed in Annex I are all subject to compulsory EIA while for projects in Annex II, for which projects an environmental impact assessment will be made on the basis of case-by-case examination of the characteristics, size and location, in light of the latest scientific

and technical developments, and the provisions in the regulations, which specify the lowest limit values of emissions into the environment.

The assessment is carried out by determination, description and assessment of the impacts made or that may be made by the given project during its execution, operation and termination of operation on:

- *human beings and biological diversity;*
- *soil, water, air and other natural resources, and climate;*
- *historical and cultural heritage, as well as on the*
- *inter - action between the elements mentioned above.*

1.1.1.1 EIA Procedure description

The EIA procedure consists of several steps or phases, which are: notification on the intention of the project implementation, screening, scoping, assessment and evaluation of the direct and indirect impact on the environment from the project implementation or non-implementation. The impact of the project on the environment is assessed in accordance with the status of the environment in the area affected at the time of submission of the notification on the intention to carry out the project. When assessing the project environmental impact, the following is taken into account:

- *the project preparation, execution, implementation and termination, including the results and effects arising from the completion of the project;*
- *removal of the polluting substances and restoration of the affected area into its original condition, if such obligation is prescribed by special regulations, and*
- *normal functioning of the project, as well as the likelihood of accidents.*

The first step of the EIA procedure - Notification on the intention for project implementation

Legal entities and natural persons intending to implement a project (hereinafter: Investor) are obliged to send a notification, in written and electronic form on their intention to implement the project, together with an opinion of the need of environmental impact assessment (hereinafter: notification) to the Ministry of environment and physical planning (hereinafter: MOEPP), more particularly to the Administration of environment, which is the responsible authority for the entire EIA Procedure.

The information that is needed for incorporation in the notification is proscribed in the "*Ordinance on the information contained in the notification of intent to implement a project and the procedure for determining the need for environmental impact assessment of a project*" (Off. Gazette no. 33/06).

The Administration of environment informs the investor within 10 days from the date of the receipt of the notification, on the need for supplementing the notification if it's incomplete. The Administration of environment within five working days of the receipt of the full notification is obliged to publish the notification in at least one daily newspaper available throughout the territory of the Republic of Macedonia, and on the Website of the MOEPP. The manner of publication of the notification is proscribed in the *“Ordinance on the content of announcement of the notification of the intention to implement a project, on the necessity of an EIA, on the study on project EIA, of the report on the adequacy of the study on EIA”* (Off. Gazette no.33/06).

The second step – Screening (determining whether an EIA is required)

Screening is a stage of the Environmental Impact Assessment (EIA) process during which the MOEPP determines whether an EIA is required for a certain project when a notification on the project implementation intention is made. The specific content and manner of conduct of the screening is proscribed in the *“Decree on determining projects for witch and criteria on the basis of witch the screening for EIA”* (Official Gazette No. 74/05). After receiving a full notification, the MOEPP is supposed to complete the environmental impact assessment screening procedure within 30 days from the date of receipt, and informs the Investor by means of decision whether or not an environmental impact assessment shall be carried out. Based on such information, the Investor applies for environmental impact assessment scoping, which is the next step of the EIA procedure. The investor may, with the submission of the notification on the intention to carry out a project, simultaneously submit to the MOEPP a request for environmental impact assessment scoping of the project. If this is the case, then the MOEPP shall issue a single decision containing also the scoping of the environmental impact assessment study for the project. The decision from the screening is to be published, within five days from the date of issuance, in at least one daily newspaper available throughout the territory of the Republic of Macedonia, on the web site as well as on the notice board of the MOEPP. Within eight days from the date of publication of the decision, the Investor, the legal entities or natural persons concerned, as well as the citizens' associations established for the purpose of environment protection and improvement may lodge an appeal against the decision to the Second Instance Commission of the Government of the Republic of Macedonia responsible for resolution of administrative matters in the area of environment.

The next step of the EIA procedure – Scoping

The scoping stage is the process during which the MOEPP determines the content and extent of the matters which should be covered by the EIA report on environmental impact assessment study (EIA Study). The purpose of the scoping stage and the Scoping Opinion is to inform the Investor of the issues that the final report on EIA Study should respond to. For the purposes of determining the scope of the study on environmental impact assessment, the MOEPP may authorize persons from the List of Experts. Regarding the List of experts, a more specific content is given in the *“Ordinance on additional criteria the manner, the procedure*

and the expenses for enrolment in and withdrawal from the list of experts" (Official Gazette 33/06), and "Ordinance on the form, content procedure and manner of developing the report on the adequacy of the study on EIA of the project and the procedure for authorisation of persons from the List of Experts for EIA responsible for the preparation of the report" (Official Gazette 33/06).

In drafting the opinion on the scope of the environmental impact assessment study, the MOEPP shall take into account the opinions of the Investor and the opinions obtained after publication of the decision for screening. The opinion that has to be given on the scope of the study should contain in particular:

- alternatives to be taken into consideration;
- basic review and research required;
- methods and criteria used for anticipation and assessment of the effects;
- measures for improvement to be taken into consideration;
- legal entities that should be consulted during the preparation of the
- study on the project environmental impact assessment; and
- structure, content and length of environmental information.

Once scoping is completed the EIA study can be undertaken. The Investor prepares the study on the project environmental impact assessment required for the carrying out of the project environmental impact assessment procedure and submits it to the MOEPP in written and electronic form.

The specific content of the EIA study is proscribed in the "Ordinance on the content of the requirements that need to be fulfilled by the study on EIA" (Official Gazette 33/06). The Investor preparing the study on the project environmental impact assessment is obliged to engage at least one person from the List of Experts, who shall sign the study as a responsible person with regard to its quality. If the study is prepared by more than one person, other experts or legal entity, the Investor shall appoint at least one person from the List of Experts, who shall sign the study as a responsible person with regard to its quality. Bodies of the state administration, bodies of the municipality and of the City of Skopje and of the municipalities of the City of Skopje holding information relevant to the development of the study on the project environmental impact assessment are obliged to make such information available to the Investor in response to his request in accordance with the right to access to information. Within five days from the receipt or completion, MOEPP publishes the study on the project environmental impact assessment, announces that the study on the project environmental impact assessment has been prepared and is available to the public in at least one daily newspaper, available throughout the territory of the Republic of Macedonia, local radio/TV station, while non technical report of the study is published on the Website of the MOEPP. This report is submitted for consultation to the municipality or the City of Skopje on the territory of which the project will be implemented. Any person, state administration body, the Mayor of the Municipality, of the City of Skopje and of the municipalities of the City of Skopje may submit their opinion in written form to the MOEPP within 30 days from the date of publication of the study

on the project environmental impact assessment. If the submitted study on the project environmental impact assessment does not contain the set out requirements, the MOEPP shall return the study to the Investor and shall set a term for its supplement or revision which may not be longer than 40 days from the date of receipt of the study. If the Investor fails to supplement the study on the project environmental impact assessment as required, the MOEPP shall forward the study to the person assigned, to prepare the report on the environmental impact of the project.

EIA Reviewing

After the environmental impacts have been identified and assessed by the Study on the Project Environmental Impact Assessment (the EIA Study), the EIA process continues with the review stage. Review is the process of checking the adequacy of the EIA study. The report on the adequacy of the study on the project is prepared by the MOEPP or by persons appointed thereby from the List of Experts for project environmental impact. The preparation of the report is carried out on the basis of the study on the project environmental impact assessment, as well as on the basis of the opinions submitted with regard to the study on the project environmental impact assessment. The report states whether the study on the project environmental impact assessment fulfils the requirements, proposes the conditions which should be set out in the permit for the project implementation, as well as measures for prevention and reduction of harmful impacts. The term for preparation of the adequacy report on the study on the project environmental impact assessment is not longer than 60 days, from the date of the submission of the study on the project environmental impact assessment, together with the opinions thereon. The term may be extended for justified reasons, and especially in complex circumstances, but by not more than 30 days. During this stage the MOEPP is obliged to provide a public hearing at least 5 days before the expiry of the term referred above, and ensure availability of information needed to the public, for participation in the public hearing in accordance, as well as inform citizen's associations established for the purpose of environment protection and improvement in the area in which the project would be implemented. If certain deficiencies are found in the study on the project environmental impact assessment are find out in the course of the preparation of the report, the MOEPP shall return the study to the Investor, who shall supplement and finalize it within not more than 30 days. The report on the project environmental impact assessment is supposed to be submitted in written form. Within five days from the completion of the report, the MOEPP submits the report to the bodies of the state administration holding responsibility for the performance of the activities to which the project relates, and to the bodies of the municipality, of the City of Skopje and of the municipalities of the City of Skopje on the territory of which the project would be implemented, and publishes it in at least one daily newspaper available throughout the territory of the Republic of Macedonia, and on the Website of the MOEPP. The specific form, the content, the procedure and the manner of development of the adequacy report on the study on the project environmental impact assessment, is proscribed in the "*Ordinance on the form, content*

procedure and manner of developing the report on the adequacy of the study on EIA of the project and the procedure for authorisation of persons from the List of Experts for EIA responsible for the preparation of the report" (Official Gazette 33/06).

On the basis of the study on the project environmental impact assessment, the report on the adequacy of the study on the project environmental impact assessment, the public debate and the opinions obtained, the MOEPP issues a decision on whether or not to grant consent for the application of the project implementation, within 40 days from the date of submission of the report.

The decision contains assessment of whether the project environmental impact assessment study fulfils the requirements, and the permit conditions for the project implementation in, as well as measures for prevention and reduction of the harmful effects. The MOEPP, within five days from the day of issuance of the decision, submits the decision to the Investor, to the body of the state administration responsible for issuance of permit or decision for the project implementation and to the municipality or the City of Skopje on the territory of which the project would be implemented.

The decision has to be published in at least one daily newspaper available throughout the territory of the Republic of Macedonia, on the web site as well as on the notice board of the MOEPP. This decision ceases to have a legal effect within two years from the date of its issuance if the project implementation has not commenced. Upon request by the Investor, the validity of the decision may be extended, provided that no significant changes have occurred in the conditions in the area affected, new information related to the main content of the study and the development of new technology that may be used in the project. The body responsible for issuance of permit or decision for the implementation of project which is subject to environmental impact assessment can not issue the permit or the decision for the project implementation, if the investor fails to submit the decision granting consent to the implementation of the project or the decision according to which the project is not subject to environmental impact assessment or a decision of the Government of the Republic of Macedonia concerning projects. The body responsible for issuance of permit or decision for the implementation of project which is subject to environmental impact assessment shall immediately inform the body MOEPP of the applications submitted for projects implementation for which no environmental impact assessment has been carried out.

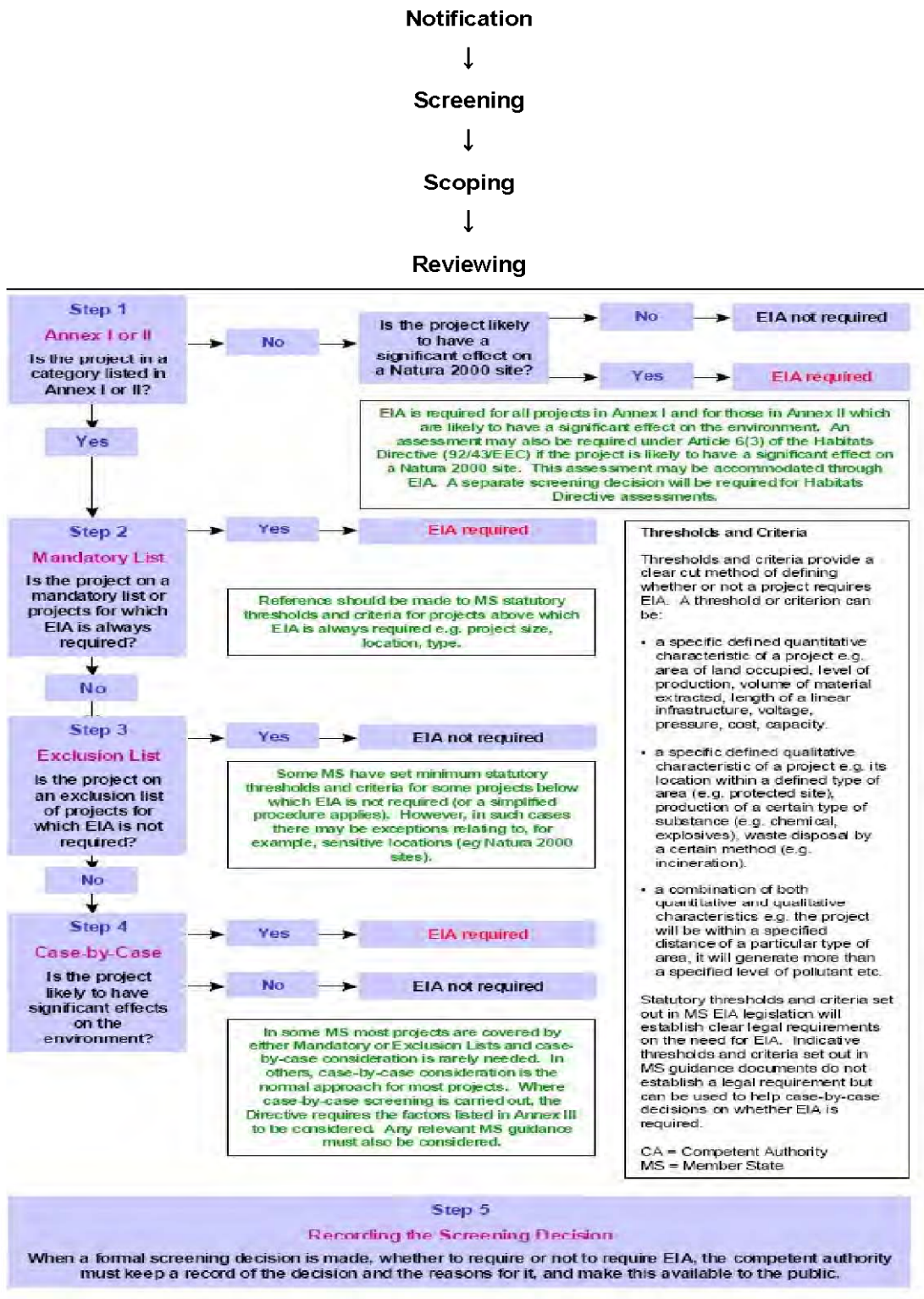
In case during the environmental screening of a project, it is established that the project is likely to cause significant transboundary environmental impact on the territory/ies of other countries, the MOEPP shall notify the affected country within the time period applicable for the domestic public. The MOEPP shall take into account the information received by the country affected, together with the comments from its public, while taking the decision for the project implementation approval.

1.1.1.2 The cost of carrying out the project environmental impact assessment procedure

The costs for the proceeding of the notification on the project implementation intention, for the environmental impact assessment scoping and for the preparation of the report on the adequacy of the study on the project environmental impact assessment are paid by the Investor. The costs of organizing a public hearing and providing information availability to the public are borne by the MOEPP.

The specific content of the level of the expenses for implementation of the environmental impact assessment procedure, which are borne by the Investor, are to be prescribed in a subsequent legislation act.

Summary Diagram of Screening, Scoping and Review in EIA process



1.1.2 Water Management

The existing legal framework dealing with the urban wastewater treatment comprises the following Laws:

- *Law on Waters (Official Gazette of RM" No. 4/98, 19/00; 42/2005)*
- *Draft Law on Waters (from 2007)*
- *Law on Local Self Government (Official Gazette No. 07-346/1 January 24th 2002)*
- *Law on City of Skopje (Official Gazette No. 07-3430/1 August 12th 2004)*

Water management is stated in the Law on Waters (Official Gazette No.4/98, 19/00 and 42/05) provides the legal basis for water quality and management, although it is not based on the concept of integrated water management. In addition a wide range of laws, decrees and rulebooks regulate specific aspects of water management, water classification, water quality, drinking water, water protection, prevention of pollution at source, emissions control, water extraction, storage and handling of substances endangering or potentially endangering waters. Several by-laws are complementing this law.

The Law on Waters ("Official Gazette of RM" No. 4/98, 19/00; 42/2005) provides a legal basis for water protection and management in the Republic of Macedonia. It regulates the manner of water resources use and exploitation, protection against harmful effects of water, protection of water against exhaustive water extraction and pollution, water resources management, sources for and manner of financing water management activities, concessions, transboundary water resources, and other issues of relevance with regard to the provision of a unique water use regime.

The provisions of this Law refer to spring waters, running waters, stagnant waters and ground waters; impounded storm water; drinking water; wastewater; beds and banks of watercourses and torrents, lakes and accumulations; as well as thermal and mineral waters. Waters have been defined as a good of general interest and are owned by the State.

Water management is carried out at the level of four river basins such as Vardar River Basin, Crn Drim River Basin, Strumica River Basin and Juzna Morava River Basin. However, except for drinking water, the Law favors water use issues to water protection. As a result of fragmented water management dispersed among different state administrative bodies, there is competence overlapping created by the Law itself. Therefore a new Law on Waters has been drafted, in order to overcome the insufficiencies of the existing Law on Waters, and to transpose the requirements of the EU Directives in the Water Sector.

The Draft Law on Waters is a framework law, and contains general standards and principles, rights, obligations and competences of the state administrative bodies, local self-government units, as well as the rights and obligations of legal entities and natural persons in the domain of water management. According the draft law, Water Management are the overall actions, activities and measures to achieve the objectives like rational and efficient water use, sustainable water

recourses development, protection of the waters and protection from adverse effects of waters.

The Draft Law regulates issues referring to: surface waters (including permanent watercourses or watercourses through which water flows occasionally, lakes, reservoirs and springs), ground waters, as well as the riparian lands and wetlands; management of waters, riparian lands and wetlands, including also the water resources distribution, water protection and conservation, as well as the protection against harmful impact of waters; water management structures and services; organizational arrangements and financing of water management; as well as the manner, the conditions and the procedures under which water can be used or discharged. The objectives of this Law are to provide availability of sufficient quantities of good quality water in conformity with the principles of sustainable water management, for drinking and food production; agriculture needs; industry needs, hydro-energy needs; needs regarding parks and other public areas, tourism, navigation, as well as for other needs; protection, conservation and continuous improvement of the available water resources, improvement of the state of aquatic ecosystems and water dependent ecosystems, protection and improvement the aquatic environment through rational use of water, and progress reduction of the harmful discharges and gradual elimination of the hazardous substances emissions into the waters; mitigate the consequences resulting from the harmful impact of the water and of water shortage.

The water management is based on the Principle of sustainable water management, more particularly on: Ecological-social-economic concept; Precaution principle; Principle of prevention; minimization of resource use principle; Integration principle; Polluter pays principle; Cost recovery principle; The principle of pollution prevention at the source of the pollution Time perspective principle; Public participation and access to information principle; Integration of stakeholder principle.

The draft law stipulates that the water management shall be performed within hydrographical units delineated by watersheds of river basins, taking into account mutual linkage between surface and groundwater bodies. The territory of the Republic of Macedonia consists of four river basins: the river basins of the rivers Vardar, Crn Drim, Strumica and Juzna Morava. The defining of the boundaries of the river basin districts is made by the Assembly of the Republic of Macedonia, on a proposal made by the Government.

1.1.2.1 Competence

Management of waters, riparian lands and wetlands is under the competence of the bodies of the state government, more particularly the administrative body competent for water management (MOEPP). The Draft Law on Waters also delegates competences to the municipalities, the City of Skopje and municipalities in the City of Skopje. Each river basin district, shall be managed by a unit of the MOEPP.

Competences of the municipalities, the City of Skopje and municipalities in the City of Skopje are also set according the Law on Local Self Government and the Law on the City of Skopje.

The Law on Local Self Government regulates the authorities of the municipality, citizens rights and responsibilities, organization of the municipality, administration, ownership of the municipality supervision, cooperation between local self governments and Government, official languages etc. This Law also states that the City of Skopje is a separate unit for local self-government that represents the common interests of the citizens of Skopje.

The units of the local self-government independently perform the following concrete activities:

1. adopt development programs which are of importance to the unit of local self-government and citizens on issues under its jurisdiction;
2. adopt the budget and the annual financial statement;
3. adopt a program for regulation of the construction land;
4. perform activities regarding regulation and use of the construction land in accordance with the law;
5. determine zones and collect real estate tax in accordance with the law;
6. regulate and organize the construction and maintenance of local roads, streets and other infra-structure facilities of local importance in accordance with the law;
7. determine the names of streets, squares, bridges and other infra-structure facilities of local importance in accordance with the law;
8. regulate and organize the supply of drinking water and drainage of waste and atmospheric waters in accordance with the law;
9. regulate and organize operations concerning the public cleaning in accordance with the law;
10. regulate and organize operations pertaining to public illumination in accordance with the law;
11. regulate the manner of maintenance and use of parks and other public areas of local importance;
12. regulate the manner of transportation in urban and suburban (i.e. local traffic) in accordance with the law;

13. regulate the maintenance of street and traffic signalization in accordance with the law;
14. regulate the maintenance and use of cemeteries in accordance with the law;
15. regulate the regulation, maintenance and use of river beds in accordance with the law;
16. regulate the maintenance and use of public markets in accordance with the law;
17. regulate the cleaning of chimneys;
18. regulate the maintenance and the manner of use of public parking areas;
19. establish media of importance to the local self-government in accordance with the law;
20. establish secondary schools in accordance with the law;
21. give opinions on the establishment of primary schools;
22. finance facilities for primary schools above the level provided by the Republic in accordance with the law;
23. raise initiatives, give opinions and proposals for the development of networks of institutions in the area of culture, sports, social and child welfare, pre-school education, basic health care, protection of animals and plants protection and promotion of the environment, as well as in other areas of importance to the interests of citizens;
24. participate through their representatives in the work and decision-making in the management boards of schools in the primary education and in institutions established in the areas of culture, sports, social and child welfare, pre-school education, health cared, protection of animals and plants, and the promotion of the environment;
25. encourage and create conditions for the promotion and operation of crafts, tourism and catering business;
26. perform operations in the area of civil protection in accordance with the law;
27. perform certain ownership authorizations for goods in common use and for natural resources in their territory in accordance with the law;
28. establish governing and administrative organs with the framework of their jurisdiction;

29. establish public services, public institutions and public enterprises for the performance of matters of local relevance in accordance with the law and exert control over their operations;
30. establish inspection agencies and services in areas for which the units of local self-government have original jurisdiction in the regulation and performance of issues from those areas;
31. determine offenses and penalties when the ordinances of the unit of local self-government are violated and
32. perform other activities determined by law.

The units of local self-government, in conjunction with respective organs of State administration, shall perform the following activities:

1. adopt a general urban plan approved by the organ of State administration responsible for urban issues;
2. adopt a detailed urban plan and urban documentation for the populated places within the unit of local self-government, of which the appropriate organ of State administration responsible for urban issues gives approval upon obtaining an opinion from other organs and organizations determined by law and
3. in accordance with the law, establish and provide funds for construction, equipment and maintenance of institutions in the areas of pre-school education, culture, sports, social and child welfare, basic health care, protection of animals and plants, protection and promotion of the environment, as well as in other areas of importance to citizens' interest, above the level provided by the Republic.

The Republic may, by this and other laws, entrust to the units of local self-government the responsibly to perform certain activities under jurisdiction of the organs of State administration for a more efficient and rational exercise of the rights and duties of its citizens and for the satisfaction of certain needs of direct interests of the citizens. When entrusting the performance of certain activities under jurisdiction of the organs of State administration to the organs of local self-government, the physical size, the number of inhabitants, the extent of economic development and peculiarities of the unit of local self-government has to be specifically taken into consideration.

The Law on City of Skopje defines those activities of local importance that can not be divided and are of equal importance (or have influence on) for city of Skopje are implemented by City of Skopje's administration and bodies; Activities of local importance that functionally can be divided and are of importance for City of Skopje are implemented by municipality administration and bodies. This Law

defines the authorities of City of Skopje, including communal services and environment protection.

More particularly, the City of Skopje competences in the communal services include:

- *construction, usage, protection and maintenance of the arterial and collective streets and other infrastructural facilities;*
- *supplying the drinking water from the unique water supply system of the City of Skopje;*
- *channeling and treatment of waste waters;*
- *channeling and discharge of atmospheric waters;*
- *treatment and delivery of technological water;*
- *building, organizing, maintaining and using the only geographic information system of the City of Skopje;*

Moreover, the Council of City of Skopje has an authority to:

- *Establish public utilities within its competence and keep their operations under constant surveillance.*
- *Adopt action plans and financial plans regarding the financing of the public utilities established by the City of Skopje;*
- *Make decisions on issuing licenses for carrying out activities of public interest of local importance in compliance with the law;*

Another law that needs to be mentioned is the Law on Financing the Local Self-Governments (Off. Gazette no. 61/04; 96/04; 67/07).

This law regulates the financing of the local self-government units, and the city of Skopje as a separate local self-government unit (together with the Law on city of Skopje).

Sources of financing of the Municipality are: own sources of revenue, grants from the Budget of the Republic of Macedonia, from the budgets of the Funds, and borrowing.

Own sources of revenues are:

(1) Local taxes determined by law:

- *The property tax;*
- *The tax on inheritances and gifts determined by law;*
- *The tax on the transfer of real estate;*
- *Other local taxes established by law*

(2) Local fees determined by law:

- *Utilities fees;*
 - *Administrative fees and*
 - *Other local fees determined by law.*
- (3) Local charges determined by law are:
- *Charges for urbanization of construction land;*
 - *Charges for communal activities*
 - *Charges for spatial and urban plans and*
 - *Other local charges established by law.*
- (4) Revenues from ownership are:
- *Revenues from leasing;*
 - *Revenues from interests;* Revenues from property sale which does not disturb the public functions and competencies of the municipalities.
- (5) Revenues from donations;
- (6) Revenues from fines established by law;
- (7) Revenues from self-contribution;
- (8) Other revenues established in accordance with law.

Revenues from personal income tax

The municipalities realize revenues from the personal income tax which is collected in the current year. Revenues from personal income tax collected in the current year are distributed to the municipalities as follows:

- *3.0% from the personal income tax from salaries of physical persons collected in the municipality where they are registered with a permanent domicile and residence.*
- *100% from the personal income tax from physical persons who are performing craft activity, registered in the territory of the municipality in accordance with the Law on Craft Activity.*

Revenues from donations

Donations in financial means are revenue to the municipal budget. Donations in assets are registered as property of the Municipality. The purpose and the manner of usage of donation will be regulated by an agreement between the donor and the Mayor, for which a Municipal Council shall give a prior consent.

Revenues from self-contribution

In order to meet certain needs of the citizens the municipality may introduce self-contribution through a referendum; The decision of the Council of the Municipality shall regulate the purpose, sector, duration for which the self- contribution shall be introduced, total amount of revenues that will be collected, payers of self-contribution, exempted persons, amount of the self- contribution (base and rate),

manner of calculation, supervision by the citizens over the intended purpose of the funds, as well as other issues.

Grants from the Budget of the Republic of Macedonia and budgets of the Funds

Grants from the Budget of the Republic of Macedonia and budgets of the Funds, provide additional revenues for the Municipality for financing their competencies as determined by law. From the budget of Republic of Macedonia and the budgets of the funds the following types of grants shall be allocated:

- *Revenues from value added tax;*
- *Earmarked grant;*
- *Capital grant;*
- *Block grant and*
- *Grant for delegated competency*

The type, amount and allocation of the grants for each municipality are an integral part of the budget of the Republic of Macedonia and budgets of the Funds. The line Ministries and the Funds by 30 March of the current year the latest, announce the set criteria, procedures and terms for distribution of earmarked and capital grants.

Revenues from value added tax (VAT)

Revenues from VAT are a grant for financing the competencies of municipality set by law. The revenues from VAT are provided by:

- 3.0% from the total amount of collected VAT from the previous fiscal year.

Distribution of the revenues from taxes are executed at least 50% according to the criteria per capita and other criteria established by the Ordinance for Methodology of distribution of revenues from VAT enacted by the Government of the Republic of Macedonia. The Government of Macedonia passes the Ordinance upon proposal by the Minister of Finance previously agreed with the Committee for Monitoring the Development of System for Financing the Municipalities not later than June 30 of the current year for the next year.

The above mentioned Methodology determines the special criteria for the City of Skopje to correct the significant differences between the City of Skopje and the other municipalities in the Republic of Macedonia.

This law also regulates the issue of the capital grant. Capital grant is a grant intended for financing municipal capital investment projects. The capital grant is used for financing investment projects, on the bases of the program determined by the Government of the Republic of Macedonia. The line Ministries and the Funds in distribution of the capital grants shall give priority to projects that have previously secured the total of the necessary funds. The line Ministries and the Fund control the execution of the capital grant. In case of certain irregularities the line Ministries and Funds cease the payment of finances and have to inform the

Ministry of Finance. The financing of capital investment shall be ceased in the municipalities which have failed to use the grants for the intended purpose.

1.1.2.2 Water management by international river basin districts

The MOFA in cooperation with the MOEPP shall seek to establish international river basin districts with the relevant neighboring states for river basins which extend beyond the territory of the Republic of Macedonia. The management of transboundary waters shall be performed in accordance with the draft law on waters and in accordance with the international treaties ratified by the Republic of Macedonia.

1.1.3 Waste Water Management

The existing legal framework dealing with the urban wastewater treatment comprises the following Laws:

- Law on Waters (Official Gazette of RM" No. 4/98, 19/00; 42/2005)
- Law on Water Supply, Drainage, Treatment and Discharge of Urban Wastewater (Official Gazette 03/2000; 68/2005; 28/2006)
- Draft Law on Waters (from 2007)
- Law on Local Self Government (No. 07-346/1 January 24th 2002)
- Law on Communal Services (No. 08 – 2808/1 from September 05th, 1997; No. 07-2540/1; April 16th 1999 No. 07-1514/1 and March 16th 2004 No. 07-1185/1)
- Law on Environment (Official Gazette nos. 53/05 and 81/05)
- Rulebook on the procedure for obtaining A integrated environmental permit (Official Gazette no. 4/06 from 13.01.2006).
- Rulebook on the procedure for obtaining B integrated environmental permit (Official Gazette no. 4/06 from 13.01.2006).
- Decree on Categorization of Watercourses, Lakes, Accumulations and Ground Water Resources (Official Gazette of RM No. 18/99),

In order to prevent the entry of substances into the water that may cause changes in the chemical, physical, biological and radiological properties of waters, the Law on Waters ("Official Gazette of RM" Nos. 4/98; 19/00) stipulates that legal entities and natural persons that discharge wastewater are obliged to build wastewater treatment facilities and plants. For the purpose of the protection of waters against pollution, the Law prohibits legal entities and natural persons to:

- Discharge substances that may cause communicable and parasite diseases into surface waters, lakes, accumulations and ground waters;
- Use abandoned wells as septic tanks;
- Throw mineral oils and mineral oils mixtures off vessels;

According to the Decree on Categorization of Watercourses, Lakes, Accumulations and Ground Water Resources ("Official Gazette of RM" No. 18/99), natural and artificial watercourses, sections of watercourses, lakes, accumulations and ground waters are divided into five water categories. The categorization is

carried out in order to set norms on the construction of facilities and devices for pollution mitigation or for wastewater treatment, limitation of discharge or prohibition of discharge of wastewaters.

Categories from I to V consist of watercourses whose water has to comply with the requirements of each of the classes from I to V.

The draft law on waters is in its final stage of adoption and it provides provisions dealing with waste water management, and it generally prohibits the actions or emission leading to pollution of waters and discharge of waste water, or which facilitates pollution or discharge of waste water, unless it is specifically permitted.

Instruments for the implementation of pollution prevention at the source and for emission control, as stipulated in the Draft Law on Waters, are the permits for discharge into waters. Permits specify the conditions for and the manner of discharging into waters, as well as the measures that should be undertaken to prevent pollution. With regard to certain installations and activities, the Draft Law on Waters refers to the Law on Environment, concerning integrated environmental permits (IPPC). Such permits, while addressing the aspects of water protection and water pollution control, shall in all cases apply stricter standards.

Any legal or natural entity, including the state bodies and the municipalities, City of Skopje and municipalities in the City of Skopje, can discharge waste waters or discharge and dispose materials and substances into recipient waters only upon prior permit for discharging into waters. The permit has to be issued in accordance with the river basin management plan. The permit for structures and facilities which are subject to a permit for discharging into waters, and which under the Law on environment are subject to an A integrated environmental permit, the permit shall be obtained under conditions, in a manner and in a procedure set forth in the Law on environment. The A- integrated environmental permit shall substitute the permit for discharging into waters. The permit for structures and facilities which are subject to a permit for discharging

into waters, and which under the Law on environment are subject to an B integrated environmental permit, the permit shall be obtained under conditions, in a manner and in a procedure set forth in this Law.

1.1.3.1 Permit for discharging into waters

The state administrative body competent for execution of the expert works in the area of water management (according the Governmental decision from April 2007) further as the MOEPP, is responsible for issuing the permit, based on an application submitted by a legal or a natural entity (hereinafter: applicant). The applicant can file for a request for obtaining the permit, after the EIA procedure is finished.

The specific content and the form of the application, as well as the documentation required for issuance of the permit attached to the application are prescribed in

the Rulebook on the procedure for obtaining A integrated environmental permit – (Official Gazette no. 4/06 from 13.01.2006).

1.1.3.2 Proceedings regarding the application for issuance of a permit

If there are any deficiencies, the MOEPP shall instruct the applicant to supplement the application within a period no longer than 30 days from the day of receipt of the request for application, and determine which data should be additionally provided with the application and, depending on the type of deficiencies and the availability of the data, specify a period not shorter than 15 days within which the application should be supplemented. If the applicant fails to act in accordance, the MOEPP shall reject the application with a Decision. This decision may be appealed by the applicant, within 15 days from the receipt. One copy of the application has to be submitted by the MOEPP to the:

1. State administrative bodies in charge of the activities which will be executed with the structure and/or facilities,
2. The local self-government unit on the area of which the structure and/or facilities shall be constructed;
3. A competent administrative body of another state.

The applicant may additionally file a request for amendments and supplements to the contents and the scope of the application for issuance of a water use permit.

The MOEPP has the obligation to publish the application, in two daily newspapers available on the entire territory of the Republic of Macedonia and on the Ministry's web page within 7 working days from the date of the receipt. The MOEPP is also obliged to provide to the public, access to the information needed for shaping of the opinions and attitudes. The period in which the public expresses its opinions and remarks is not shorter than 15 days.

1.1.3.3 Rights and obligations of the organs of the municipality and the City of Skopje regarding the application

The Mayor of the municipalities and of City of Skopje shall, within 15 days from the date of receipt of the application submit to MOEPP, an opinion in writing regarding the notions included in the request. The MOEPP has to, on the basis of a written request, furnish or make available to the mayor of the municipality and of City of Skopje regarding the application, all information needed for shaping of the opinion.

The Mayor of the municipalities and of City of Skopje regarding the application, may organize a public hearing regarding the application, in a manner and procedure stipulated in the Statute and other acts of the municipality and of City of Skopje. Where the mayor of municipalities and of City of Skopje, fails to submit the written opinion, it shall be considered to have no remarks regarding the application. The State administrative bodies in charge of the activities which will be executed with the structure and/or facilities, the local self-government unit on the area of

which the structure and/or facilities will be constructed, competent administrative body of another state, may within 15 days from the receipt of the application, submit in a written form their opinions and suggestions towards the request for application.

Issuance of a permit

The MOEPP will issue the permit or reject (if it concludes that with the issuing of the permit the public interest will be endangered, or the provisions of a ratified international treaty by Republic of Macedonia will be violated) the application within the term not longer than 6 months after the date of receipt of the application i.e. the receipt of the data needed for supplementing the application. The applicant may appeal against the issued permit with the minister managing the state administrative body competent for water management within 30 days from the date of receipt of the permit.

Contents of the permit for discharging into waters

The permit has to include:

1. data on the holder of the permit,
2. list of structures and facilities in accordance with the submitted technical documentation,
3. the manner and the conditions of construction, reconstruction and upgrading of the structures and facilities,
4. the operating regime of the water management structures and facilities,
5. the manner and the conditions for discharge of the waters and the consequences from any change in the water regime,
6. the manner and the procedure for measuring the quality and the quantity of the waters which are discharged, as well as the method of provision of data from those measurements,
7. the manner, procedure and conditions of payment of the fee for waste water discharge;
8. discharge of waste waters and waste substances;
9. the degree of treatment of the waste waters;
10. deadlines for commencement and completion of activities of construction, maintenance, exploitation, changing, upgrading, rehabilitation and closure of the finished water management and other structures;

Amendments to the permit for discharging into waters

The permit can be amended or supplemented if the quantity or quality of discharged water has changed, or the technological process of operation has changed. For the request for amendments, a technical documentation shall be attached. This technical documentation should include the reasons for and information on the changes in the water quantity and quality, the place and the manner of impounding of the waters, as well as other information needed.

Duration of the permit for discharging into waters

The duration of the permit starts at the moment when the permit takes full legal effect, and is issued for a specified period of time depending on the water management structures and facilities but not longer than 10 years. For the purpose of extension of the duration of the permit, the holder can submit an application for extension of the permit, 6 months at the latest before the expiration of the validity of the permit for discharge into waters. The MOEPP, may extend the term specified in the permit for completion of the works and activities for construction, maintenance, exploitation, reconstruction, upgrading, rehabilitation or closure of the constructed water management and other structures and facilities, provided that there are justified reasons.

Establishment of protection zones and zones sensitive to Waste Water discharge

As it was previously mentioned, the Draft Law stipulates general water protection, through provisions by which performance of activities causing changes in water regime (set of parameters defining the qualitative and quantitative status of waters at a given place in a given time). Therefore the draft law sets the grounds for establishing protection zones and areas, and grounds for determination of the regime of activities within such zones and areas. The protection zones and areas are to be established by the Government of the Republic of Macedonia, at the proposal of the Minister managing the MOEPP and the Minister managing the MOH. In this respect, they are to be established, among others for water bodies sensitive to urban waste waters discharge. The requirements and procedures for establishing of water protection zones has to be more specifically prescribed by the Government.

Urban waste waters discharge sensitive areas

A water body must be identified as a sensitive area in relation to urban waste water discharge if it shows one of following criteria: surface waters which are found to be eutrophic or which are susceptible to become eutrophic in the near future, if no protective measures are undertaken; areas of water bodies intended for the abstraction of drinking water which contain a concentration of more than 50 mg/l of nitrate or which are susceptible to reach such a concentration in the near future; the receiving water body of discharged waste waters from agglomerations of more than 2000 equivalent population where further than secondary (biological) treatment of the municipal waste waster is required.

As previously mentioned any discharge of waste water into a water body, drains, and sewers or on riparian lands and wetlands is prohibited, unless a prior permit is obtained.

A waste water permit can be granted, if the content of waste substances in the waste water is kept as low as this is possible with state-of-the-art techniques and practices and, with application for the BAT for installations requiring IPPC permit, the effluent does not contain priority hazardous substances, the effluent properties are in compliance with regulations as to the emission limit values and quality objectives of certain dangerous substances (which have to be proscribed by the Minister managing the MOEPP, and because it's a draft law, such emission limit values have not been proscribed yet), in compliance with the respective river basin management plan, it is in compliance with international agreements ratified by Republic of Macedonia.

The Draft Law on waters contains some particular provisions on groundwater, which prohibit direct discharge of any priority substances and pollutants into the groundwater and prohibit authorization of such activities. However, the law also proscribes exceptions from this prohibition, only if there is absolutely no risk of groundwater pollution and in several other cases.

The specific requirements applicable for an authorization of a direct or indirect discharge into groundwater, and measures and activities to be undertaken to ensure that the input of any pollutant into the groundwater is avoided, including substances from agricultural fertilizers and plant protection, have to further proscribed by the Minister managing the MOEPP in agreement with the Minister managing the managing the Ministry of Health.

Plants operating with Hazardous Substances

The structures and facilities which use or apply water-relevant hazardous substances in production, processing, filling, storage or any other manners have to be constructed, installed, operated and maintained in such manner that excludes any direct or indirect pollution of waters. This includes also pipelines for transport of such substances. Also they must satisfy BAT requirements, and have to have an integrated ecological permit. These requirements do not apply to structures and facilities for storage and filling of liquid manure and other by-products from agricultural activities.

Waste Water Collection, Removal and Treatment

As far as the waste water removal is concerned, the Draft Law on Waters delegates the general obligation to the municipality and the City of Skopje to collect, remove and treat the waste water arising or generated in their area of jurisdiction, including the disposal of the sludge. The municipalities, City of Skopje and municipalities in the City of Skopje have to ensure that municipal waste water is entering collection systems and is being treated before discharge, and that plants are designed, constructed, operated and maintained in such way, as to ensure sufficient performance under all normal local climatic conditions, treated

waste water and sludge arising from waste water treatment are reused whenever appropriate; the removal of waste water and sludge minimizes the adverse affects on the environment. It is the responsibility of the municipality and the City of Skopje to provide, improve and extend the sewage system and to cleanse and maintain the sewers so as to ensure that the area is appropriately drained, make provisions to empty the sewerage system as and when necessary by means of sewage disposal works; allow for the discharge of commercial or industrial waste effluent into the sewers in accordance with the regulations and provide for their disposal, and finally oversee the compliance of the waste water removal with the provisions on monitoring.

Municipal Waste Water Collection, Removal and Treatment

It is within the responsibility of the Government in cooperation with the Mayor of the municipality and the City of Skopje to ensure that a waste water collection system is provided at any agglomeration of more than 2000 population equivalent and that the waste water is appropriately treated before discharge to such purity-level as to allow the receiving waters to meet the relevant quality objectives; appropriate treatment is provided of all waste waters discharged from collection systems in agglomerations smaller than 2000 population equivalents; secondary (biological) or equivalent treatment is provided from collection systems of agglomerations of more than 2000 population equivalents in case the waste water is discharged into receiving waters of sensitive areas. Where the establishment of a collection and removal system is not justified either because it would produce no environmental benefit, or because it would involve excessive cost, individual systems or other appropriate systems which achieve the same level of environmental protection shall be used. For the realization of the above mentioned requirements for the waste water collection system, the Government of Republic of Macedonia at proposal of the MOEPP in agreement with the MOTC shall adopt a programme for realization of the requirements regarding the waste water collection systems. The proposal of the programme shall be developed on a basis of the programme proposals of the council of the municipality and of the City of Skopje.

The conditions, manner and requirements for the design, construction and operation of the collection system and the municipal waste water treatment plants, technical standards, parameters, emission standards and quality norms for the pre-treatment, removal and treatment of the waste water, will be proscribed by the Minister managing the MOEPP, in cooperation with the Minister managing the MOTC, taking into account the load the and method of treatment of the municipal waste waters that are discharged into water bodies of the sensitive areas and the special needs of protected areas .

These conditions, manner and requirements have been drafted during the CARDS 2004 project, taking into consideration the requirements of the Urban Waste Water Directive (271/91/EEC). According the NPAA, this draft Ordinance should enter into force at the end of 2008:

- Draft Ordinance on the conditions, manner and requirements to the design, construction and operation of the collection system and the municipal waste water treatment plants, as well as the technical standards, parameters, emission standards and quality norms for the pre-treatment, removal and treatment of waste water, taking into account the load and method of treatment of the municipal waste water that are discharged into water bodies of the sensitive areas.

This Ordinance regulates the conditions, manner and requirements as to the design, construction and operation of the collection system and the municipal waste water treatment plants, as well as the technical standards, parameters, emission standards and quality norms for the pre-treatment, removal and treatment of the waste water, taking into account the load and the method of treatment of the municipal waste waters that are discharged into water bodies of the sensitive areas for areas of 2000 population equivalent or more and exempting those areas of less than 2000 population equivalent.

According this Draft Ordinance 'Appropriate treatment' means treatment of urban waste water any process and/or disposal system which after discharge allows receiving waters to meet the relevant quality objectives and relevant provisions of this and other Community Directives; 'primary treatment' means treatment of urban waste water by a physical and/or chemical process involving settlement of suspended solids, or other processes in which the BOD5 of the incoming waste water is reduced by at least 20 % before discharge and the total suspended solids of the incoming waste water are reduced by at least 50%; 'secondary treatment' means treatment of municipal waste water by a process generally involving biological treatment with a secondary settlement or other process.

The Ordinance states that the level of treatment for municipal waste water entering collection systems for all agglomerations with a population equivalent of 2000 or more shall be secondary or equivalent treatment. Municipal waste water that will be discharged to water bodies of sensitive areas shall undergo more stringent treatment (tertiary treatment such as disinfection by UV or filter membranes) than secondary treatment or an equivalent treatment. The more stringent treatment shall eliminate nitrogen and/or phosphorus and/or any other pollutants which might affect the quality or specific use of the receiving water body in a sensitive area. In the case of discharges to a water body in a sensitive area, if it can be demonstrated through analysis and monitoring that the minimum percentage of reduction of the overall load entering all municipal waste water treatment plants in that area is at least 75% for total phosphorus and at least 75% for total nitrogen, more stringent treatment is not needed.

Discharges from Commercial and Industrial Waste Water

Any industrial waste water is subject to permit for discharging into waters or integrated environmental permit before entering the municipal collection system and treatment plant. Any biodegradable industrial waste waters from plants representing more than 4000 population equivalent, which do not enter municipal

waste water treatment plants are subject to permit for discharging into waters or integrated environmental permit before discharge to receiving waters.

Pre-treatment of Commercial and Industrial Waste Water

The Minister managing the MOEPP, in agreement with the Minister managing the MOTC and the Mayor of the municipality, and of the City of Skopje have to ensure that before the commercial and industrial waste water, enter the collection system and municipal waste water treatment plants are subject to a pretreatment.

Reuse of Treated Municipal Waste Water

The law stipulates an obligation for the treated municipal waste water to be re-used whenever appropriate, provided that any adverse effects on the environment is reduced to the lowest possible level, and the obtaining of a permit for the re-use. The form of the application and of the permit, as well as the manner and procedure for issuing the permit, will be regulated with subsequent legislation, proscribed by the Minister managing the MOEPP. The maximum allowed values and concentrations of the parameters for re-use of the treated waste water will be proscribed by the Minister managing the state MOEPP in agreement with the minister managing the MOH.

Water Management structures and facilities

According the Draft law, water management structures and facilities are, among the others, structures intended for impounding, conveying and treatment of polluted waste waters and removal thereof into a recipient, and for prevention of a sudden excess discharge of hazardous and harmful substances. In order to safeguard the water resources and aquatic ecosystems and respond to the requirements of the society at large, certain water management utilities and services are of public interest. Among them are the water management utilities for collection and drainage, treatment and discharge of wastewater. The Law on Communal Services defines the communal services of public interest including collection and treatment of wastewaters (including receipt of wastewater from the customer's system, utilization of the sewage system treatment and discharge into a recipient, as well as cleaning the septic tanks). The works and services will be carried out by public or private entities founded by the competent authorities of the Republic of Macedonia or by the council of the municipalities or of the City of Skopje, in accordance with their responsibilities proscribed by this or the Law on local self government. The Law on Communal Services also defines the process of establishing the public communal enterprises, by municipalities and/or government in case systems of broader economic, technical or functional importance should be managed; organizing one communal enterprises for several municipalities; legal form of the Communal enterprises; activities of the communal enterprises; and communal enterprises can not be bankrupted. For these structures and facilities water management works approval has to be issued by the MOEPP, on written request of the investor. The request for the approval will follow a decision on construction conditions; proof that the land property issue has been settled; technical documentation at least at the level of preliminary design, put together by a professional institution or other legal or natural entity registered for such jobs.

Within 60 days from the date of receipt of the request for issuance of the approval, the approval will be granted or rejected by a decision issued by the MOEPP. Every entity discharging utilized water or waste water into a water body or the aquatic environment is obliged to install water metering devices at the water outlet, to self-register the outlet water quantity and quality and keep regular records on the parameters. All water management works, structures and facilities have to be maintained and operated in a manner proscribed by the minister managing the MOEPP in agreement with the minister managing the Ministry for agriculture, forestry and water management (MOAFWM). The legal entities managing the water management structures and facilities shall be obliged to establish and maintain registration on those structures and facilities, which has to be submitted to the MOEPP. The minister managing the MOAFWM in agreement with the minister managing the MOEPP shall proscribe the contents and the manner of registration of the data as well as the manner of submission of registration data.

As seen above in the text, the Draft Law on Waters provides grounds for the adoption of the relevant secondary legislation that shall regulate explicitly the permit conditions and procedures, water quality standards and measures for their achievement. The subsequent legislation will be in accordance with the relevant EU Directives, in the Water Sector.

Another law dealing with waste water management is the Law for Water Supply and Urban Waste Water Discharge (off. Gazette no. 68/05; 28/06). The purpose of this law is to provide adequate treatment of the industrial waste waters before they are discharged into the recipient and protection from the negative effects of the urban waste water discharge. According this law, the urban waste water discharge into the recipient, is done through the sewage system run by the provider of the service. The provider of the service by means of the law is a public enterprise, founded by the Municipality, the city of Skopje, the Government, or a private entity in which the Municipality, the city of Skopje, the Government, have most of the capital. If the sewage system is constructed by funds provided by citizens, foreign or local entities, it is assigned by a contract to the provider of the service, and is part of the entire sewage system. The construction of the sewage system is done according the law on construction and the Programme for regulation of the construction land of the municipality and the city of Skopje.

1.1.4 Use of Sludge from Waste Water Treatment

The sludge is a result from the treatment of the municipal waste water. The Draft Law on Waters stipulates that the sludge has to be re-used whenever appropriate, it has to be the subject to a prior permit and provided that any adverse effects on the environment are reduced to the lowest possible level. Having in mind that this is a draft law, the subsequent legislation for which there are legal bases in the law, haven' still been adopted. This is also the case for the use of sludge. The minister of the MOEPP in agreement with the minister of MOAFWM, have the obligation to regulate the manner and the conditions for the use of sludge, the maximum values of the concentrations of the heavy metals in the soil in which the sludge is used, the values of the concentrations of the heavy metals in the sludge, the maximum

annual amounts of such heavy metals that can be introduced into the soil, as well as the type of information that sludge producers shall submit to the users on a regular basis, and the manner, conditions and procedures for issuance of a permit for use of sludge. The minister of the MOEPP is also obliged to regulate the content and the form of the application and of the permit for re- use of sludge resulting from the treatment of the municipal waste water, as well as the manner and procedure for issuing the permit. The subsequent legislation will be in accordance with the relevant EU Directives in the Water Sector and particularly the EU Directive on the protection of the environment, and in particular of the soil when sewage sludge is used in agriculture (86/278/EEC). According the NPAA, the subsequent legislation regarding this matter is planned for the year 2010. The purpose of this Directive is to regulate the use of sewage sludge in agriculture in such a way as to prevent harmful effects on soil, vegetation, animals and man, thereby encouraging the correct use of such sewage sludge. According the Directive in Table 1 are the limit values for heavy metal concentrations in sludge for use in agriculture:

Table 1 Limit values for heavy metal concentrations in sludge for use in agriculture

Heavy metals	Limit values for concentrations of heavy metals in soil mg/kg dm		Sewage sludge Max. permitted mg/kg dm	Limit values for amounts of heavy metals which may be added annually to agriculture land
	5<pH<6	6<pH		
Pb	50	300	1200	15
Cd	1	3	40	0.15
Cr	100	100	1200	15
Cu	50	140	1750	12
Ni	30	75	400	3
Zn	150	300	4000	30
Hg	1	1.5	25	0.1

1.1.5 Emission Standards

According the Law on environment, the term emission means the release or discharge of liquid, gaseous or solid substances, preparations, release of energy (noise, vibrations, radiation, heat), odor, organisms or micro-organisms, as well as release of microbiological material from any source into one or more environmental media as a result of human activity.

Emission standards are requirements that set specific limits to the amount of pollutants that can be released into the environment. Emission limit values are the mass, expressed in terms of certain specific parameters, concentration and/or level of emission, which shall not be exceeded during one or more periods of time.

In this Report, the emission standards for the following media will be elaborated: Water, Air, Soil, Noise and Odor.

1.1.5.1 Air

For the purpose of achieving the ambient air quality targets, according the Law on Ambient Air Quality (Official Gazette No.67/2004), the Government of the

Republic of Macedonia, at the proposal of the MOEPP and the MOH, specified the:

1. limit values for levels and types of pollutants in the ambient air and alert thresholds;
2. the terms for achievement of limit values for individual pollutants;
3. margins of tolerance for the limit value;
4. target value and long-term targets for individual pollutants.

The air quality is specified in the Decree on limit values (Off. Gazette no.50-05), more particularly the limit values of the levels and types of pollutants in ambient air and alert thresholds, terms for limit values achievement, limit value margins of tolerance, target values and long-term targets for ozone. The Decree sets limit values for the levels of concentrations, margins of tolerance and terms for achievement of the limit values for Sulfur dioxide, Nitrogen dioxide and nitrogen oxides, Suspended particulate matter (PM₁₀), Lead, Benzene, Carbon monoxide. Limit values are given in the Table 2.

In 2006, a Rulebook on the criteria, methods and procedures for evaluation of the ambient air quality, was adopted, and will be in force from 01.01.2008.

Another piece of legislation that tackles this matter is the Rulebook for the maximum allowed concentration and amount as well as other harmful substances that can be emitted in the air from different sources. This Rulebook sets the maximum allowed concentrations and amount of harmful substances that can be emitted in the air from industrial, communal and other sources. However this Rulebook will be substituted by a new Rulebook, which will refer to the emissions of the pollutants, and will be drafted according the EU Directives.

Table 2 *Limit values of different pollutants into the air*

Polluting Substances	Max. allowed concentrations-Limit values	
	Max. limit values	Daily average
SO ₂	500 µg/m ³	150 µg/m ³
Smoke	150 µg/m ³	50 µg/m ³
NO ₂	80 µg/m ³	85 µg/m ³
SPM (EU Directive 80/779/EEC)		120 µg/m ³
Ozone-O ₃ (EU Directive 92/72/EEC)		110 µg/m ³
CO	3 µg/m ³	1 µg/m ³
Pb		0,7 µg/m ³

Polluting Substances	Max. allowed concentrations-Limit values	
	Max. limit values	Daily average
Cd		0,7 µg/m ³

1.1.5.2 Water

The Draft Law on Waters proscribes an obligation referring to the legal and natural entities discharging waste waters, to install instruments for self-monitoring by measuring the discharged amounts of water and analyses of its quality; maintain them in a functioning order; keep records on the completed measurements, and submit these data to the MOH and the MOEPP. The legal and natural entities discharging waste water from Plants operating with Hazardous Substances, have to install instruments for measurement of the discharged amounts of water and analyses of its quality; maintain them in a functioning order; keep records on the completed measurements, and submit these data to the MOH and MOEPP. The methodology, manner and parameters for waste water monitoring, and self-monitoring, will be proscribed by the Minister managing the MOEPP. If there is any suspicion about the reliability of the submitted data, the interested parties (the legal and natural entities discharging waste waters) may request a super analysis, which will be performed by certificated entity that possesses appropriate equipment and appropriate expert staff for completion of the analysis. If the super analysis shows that the discharge harmful and dangerous substances above the permitted limits, the State administrative body competent for Hydro meteorological activities will perform controlling examinations at least twice a month, with the associated costs borne by the entities discharging waste waters in the recipient. The MOEPP has to publish the reports on waste water discharge status every 2 years.

The quality of waters with regard to their use for specific purposes, according to the current (the law in force) Law on Waters, is determined through the classification of waters and categorization of watercourses, lakes, accumulations and groundwater.

The Decree on Water Classification ("Official Gazette of RM" No. 18/99) classifies waters by the following indicators: organoleptic indicators, acidity - pH, oxygen regime, BOD₅, mineralization, eutrophication, microbiological pollution, radioactivity and harmful and hazardous substances. Limit values have been specified for each of the above indicators, with regard to five water classes. These limit values apply to waters in watercourses with non-regulated flows, to waters in watercourses with regulated flows, to groundwater and to lakes. The said water classes determine the purpose (option) of water use.

In the Table 3 there are the limit values of above mentioned indicators that classify the waters into the 4 Classes.

Table 3 Limit values of some indicators for classification of waters into the 4 Classes

Report on Environment and Social consideration Survey (IEE Study)

Indicators	Limit values of the indicators for different Class of Water			
	1 st Class	2 nd Class	3 rd Class	4 th Class
1. Dissolved oxygen mg / l O ₂ (non apply of the ground water)	8	6	4	3
2. Saturation %	90 - 105	75 - 90	50 - 75	30 - 50
	-	105 - 115	115 - 125	125 - 130
3. Biochemical oxygen demand BOD mg/l	2	4	7	20
4. Chemical oxygen demand COD permanganate index mg/ KMnO ₄	10	12	20	40
5. Total suspended matters mg/l	10	30	80	100
6. Total dissolved matters mg/l				
surface water	350	1000	1500	1500
ground water	350	1000	1500	
7. pH	6.8 - 8.5	6.8 - 8.5	6.0- 9.0	6.0- 9.0
8. Total coliform bacteria MPN	2000	100 000	200 000	-
bathing	-	20 000	-	-
9. Stage of saprogenic according to Liberman (non applicable for under ground water and lakes)	Oligo saprogenic	Mezo saprogenic	Mezo saprogenic	a -b mezo saprogenic poli-saprogenic
10. Stage of biological productivity (only for lakes)	oligo trofni	moderate	- eutrofni	-

The maximum allowed levels of different pollutants into the waters have been given into the "Decree on Water Classification(Official Gazette no. 18/99)and are given into the Table 4.

Table 4 The maximum allowed levels of different pollutants into the waters

Dangerous Substances	Unit	Maximum allowed level of pollution substances in water	
		Class	
		I - II	III - IV
1. Ammonia	mg/l N	0.1	0.5
2. Ammonia ion	mg/l N	1	10
3. Nitrate	mg/l N	10	15
4. Nitrite	mg/l N	0.05	0.5
5. Hydrogen sulfide	mg/l	-	0.1

Dangerous Substances	Unit	Maximum allowed level of pollution substances in water	
		Class	
		I - II	III - IV
6. Arsenic	mg/l	0.05	0.05
7. Antimony	mg/l	0.05	0.05
8. Copper	mg/l	0.1	0.1
9. Iron	mg/l	0.3	1.0
10. Mercuric	mg/l	0.001	0.001
11. Cadmium	mg/l	0.005	0.01
12. Cobalt	mg/l	0.2	2.0
13. Molybden	mg/l	0.5	0.5
14. Nickel	mg/l	0.05	0.1
15. Lead	mg/l	0.05	0.1
16. Argentum	mg/l	0.01	0.02
17. Chromium Cr-III	mg/l	0.1	0.5
Chromium Cr-VI	mg/l	0.05	0.1
18. Zinc	mg/l	0.2	1.0
19. Phenols	mg/l	0.001	0.3
20. Cyanide	mg/l	0.01	0.1

1.1.5.3 Noise

The Law on Noise protection (Official Gazette nos. 21/84, 10/90 and 62/93) entered into force April 2007. Regarding the limit values for noise, the Rulebook on noise in working conditions ("Official Gazette no. 29/97) and Decision on terms and conditions for noise annoyance on citizens ("Official Gazette no. 64/93) set noise emission limit values. The maximum allowed level of noise around different facilities is given in Table 5 and maximum allowed level of noise around different areas is given in Table 6

However having in mind that a new law on noise protection entered into force, and the process of harmonization of the Macedonian environmental legislation with the European legislation is ongoing, it is within the plan of the MOEPP to adopt further on subsequent legislation, in this case legislation regarding noise emission standards which will comply with the European standards. This also applies for all the above mentioned media for which the limit values were described (air, water, and the below mentioned odor and soil).

Table 5 Maximum allowed level of noise dB (A) around different facilities

Type of objects	Max. Allowed Level of Noise dB (A)	
	Day	Night
Living and working Facilities	40	35
Schools other Educational Facilities	40	40
Hospitals	35	30

Table 6 Maximum allowed level of noise dB (A) around different areas

Purpose of the area	Max allowed level I from dB (A)		Max allowed level I from dB (A)	
	Day	Night	L 10*	L 5
Areas of health institutions, spas, resting areas	45	40	60	60
Tourist-recreational areas, hospital surroundings	50	45	60	75
Living places, schools, educational institutions, public green and recreational areas	55	45	65	75
Commercial-living-working areas with surrounding streets with 50 m depth from the middle of the street	60	50	70	75
Commercial, administrative institutions without living facilities, or as an exception, some living facilities	65	50	70	85
Production, warehouses, service or transport areas without living facilities	70	70	80	90

*L10 – level of noise in duration of 10% of measurement time

*L5 – level of noise in duration of 5% of measurement time

1.1.5.4 Odor

The Waste Framework Directive specifies that the Member States have to take the necessary measures to ensure that waste is recovered or disposed of without endangering human health and without using processes or methods which could harm the environment, without causing a nuisance through noise or odors.

The Law on environment also provides that within the scope of work of the Inspector for the environment has the right to supervise the implementation of the measures for protection against odor, through ascertaining whether:

- measures for protection against odor have been undertaken in the
- premises and the surrounding where people stay and move;
- catering and tourist activities are performed in a manner preventing
- odor spread in the environment;
- articles causing odor have been eliminated and activities causing
- odor have been prevented;
- ascertains other conditions under his/her responsibility.

However specific emission standards for odor have not been set yet.

1.1.5.5 Soil

The Law on agricultural land tackles the issue for soil protection, however currently there is no subsequent legislation regarding emission standards for soil.

1.1.6 Expropriation

The Law on Expropriation (Off. Gazette No. 33/95, 20/98, 40/99 и 31/2003; 46/2005) regulates the expropriation of the property ownership and rights (real-estate), for the purpose of construction of facilities and other issues of public interest, establishment of the public interest and assigning of the righteous compensation for the expropriated realty, calculated by the market value of the real-estate. In order to define the legal settlement, the market value of the property shall be determined based on the standards set forth in this Law when the expropriation proposal is submitted or at the request of the proprietor or possessor of other property rights at the time of defining the settlement.

Public interest means the organization, rational use and special humanization, as well as the protection and improvement of the environment by construction of facilities according the special plans, among which an waste water treatment plant. is the beneficiary of the expropriation is the State. The expropriation can be done for State purposes, for the purpose of public companies founded by the State, public funds, education, sports, for the needs of the local self government units, and the public companies and funds founded by them, for the purpose of construction of facilities and other public matters by legal and natural entities. Ownership rights and other resulting property rights shall terminate through expropriation (complete expropriation). Through expropriation, property rights may be restricted with the establishment of the right to official use, tenure, temporary limitation of the right to utilization and temporary appropriation for preparatory work on land (incomplete expropriation).

The information for the proposal for expropriation can be gained from the Cadastre.

The expropriation can be conducted for the:

- a) State for it's purposes, for the purposes of the public services founded by the State, public funds, education, science, culture, social security, and sports when it's conducted as a public service;
- b) The Municipalities and the city of Skopje, for the needs of the local self-government and the public services and funds, which are founded by the Municipalities, and the city of Skopje;
- c) For the needs of the legal and natural entities for the purpose of construction of facilities and conducting other public services.

The procedure starts with the submission of a proposal for expropriation by the expropriation beneficiaries to the Office of Legal and Property Affairs (expropriation organ), The proposal for expropriation consists of:

1. The expropriation proponent;

2. The property that is the subject of expropriation;
3. The owner of the property and possessor of other property rights of that respective property, their place of residence and headquarters;
4. The structure and other works to be conducted, which are the subject of the expropriation proposal.

The following documents must also accompany the expropriation proposal:

1. A statement from the document on spatial planning or a substitute document;
2. Figures on the property under proposal for expropriation provided in accordance with the geodesic regulations;
3. An offer stating the type and the level of compensation on property under proposal for expropriation;
4. Proof showing ownership of the property which is offered as a replacement for the expropriated property;
5. Proof of procured funds for compensation of the expropriated property.

After receiving the proposal, the expropriation organ is obliged to submit the expropriation proposal together with the documents to the owner of the property and possessor of other property rights within eight days upon the receipt of the expropriation proposal, and submit the expropriation proposal to the organ in charge of maintaining public records of properties in order to register the expropriation, within eight days upon receipt of the expropriation proposal. The expropriation organ shall arrange a discussion related to the expropriation proposal and summon the proprietor, the possessor of other property rights and the expropriation beneficiary. The discussion is to determine the existence of public interest, ownership and other property rights, the type and level of compensation, as well as other facts and circumstances relevant to expropriation. The discussion can not be arranged 15 days prior to the submission of the expropriation proposal to the owner and possessors of other property rights. The discussion may be concluded following a settlement (agreement) on compensation. The agreement substitutes the expropriation decision, while the procedures for expropriation and settlement of compensation shall be considered as final. If an agreement can not be reached according to paragraph 2 of this article, the expropriation organ depending on the facts and circumstances determined during the procedure, shall pass a decision pertaining to the expropriation proposal. If the expropriation proposal is adopted, the expropriation organ will issue a decision.

Proposals on expropriation are submitted by expropriation beneficiaries to the Property and Legal Affairs Administration (or as translated in the report Office for Legal and, which is under the Ministry of Finance. The activities and tasks within

the Property and Legal Affairs Administration are conducted in the following organizational manner: Sector for normative property-legal affairs and obligation matters; Sector for administrative procedure. The second sector has the following responsibilities: coordination of the activities of the district departments within the sector for the administrative procedure of the property and legal affairs; supervises the application of the regulation for administrative procedure, gives guides and follows the work of the district departments regarding the administrative procedure. The district departments within this sector have the following responsibilities: manages the First degree (level) administrative procedure for expropriation.

When the expropriation is conducted for State purposes, the proposal for expropriation is submitted by the Attorney of the State. When the expropriation is conducted for the purposes of the public services, founded by the State, the public funds, education, science, culture, social security, and sports when it's conducted as a public service, as well as for the needs of the local self-government and the public services and funds, which are founded by the Municipalities, and the city of Skopje, the proposal for expropriation is submitted by them, or an authorized person, assigned by them.

When the expropriation is conducted for the needs of the legal and natural entities, the proposal for expropriation is submitted by them.

As a rule, compensation for expropriated property is settled by providing corresponding property or cash unless former proprietors or possessors of other property rights and expropriation beneficiaries come to a different agreement. Compensation for expropriated land is settled by providing land that in size, quality and location represents a suitable replacement for the expropriated land.

In cases when expropriation beneficiaries are unable to provide suitable land or due to other circumstances (massive expropriations, expropriation of small lot portions), the compensation shall be settled in cash. The market value of the expropriated land is determined on the basis of factors, which in accordance with customs and conditions and depending on the time and place of the market, shall define the market price of the land. When determining the market value of expropriated land that is intended for farming, forestry or other production, the status, cadastral class, climate and economic conditions must be taken into consideration. The construction suitability and location shall be taken into account for land intended for construction. Former proprietors of expropriated land are entitled to compensation of the value of non-depreciated portions on investments that are relevant to the purpose, the maintenance and improvement of land. Former proprietors are entitled to compensation for plantations, crops and forests on land based on factors which are used to determine their market price, unless they have been included in the market value of the land. Compensation for expropriated buildings or other structures shall be settled by providing other buildings or structures that in size, quality, purpose and location represent a suitable replacement for the expropriated buildings or structures. In cases when expropriation beneficiaries are unable to provide suitable buildings or structures,

the compensation shall be settled in cash. The market value of expropriated property may not be less than the predominant price on the free market for identical or similar properties.

The market value has to correspond to free market prices determined in agreements on properties at the time and place when the compensation on expropriated property is determined. Expropriation beneficiaries, and former proprietors or possessors of other property rights may reach an agreement until the expropriation decision becomes final. If such an agreement can not be reached, the expropriation organ is obliged to schedule hearings for settlement of compensation within eight days after the expropriation decision becomes final. If an agreement can not be reached following the hearings for settlement, the expropriation organ is obliged to submit the case with all accompanying documents to the authorized court within eight days after the expropriation decision becomes final. The agreement shall define the type and level of compensation. The agreement shall be entered into a register that is to include all information relevant for the fulfillment of obligations by expropriation beneficiaries, former proprietors and possessors of other property rights. The agreement shall be concluded with the signing of the register by both parties, and shall represent an enforcement document.

If compensation in cash is provided for the property, the mortgage creditor and possessor of other property rights on the expropriated property shall be compensated in the same amount. In cases of dispute, the expropriation beneficiary shall deposit the compensation in cash on a special bank account by order of the expropriation organ. The bank shall effect the compensation payment based on a settlement approved by the administrative organ and a court decision.

Expropriation beneficiaries shall bear all costs for the settlement of expropriated property and those incurred during the expropriation procedure.

The organ in charge of maintaining public records of properties

The State Authority for Geodetic Works is an individual state body in charge of conducting the geodetic works and registering the real estate rights. It does its work through regional departments located in 29 larger cities throughout the Republic of Macedonia and the head office located in the capital – Skopje.

Under the jurisdiction of the State Authority for Geodetic Works are the following activities: survey, cadastre, maintenance of the survey and cadastre and registration of real estate rights.

The Real Estate Cadastre is a collection of data from the survey, the cadastre classification of land and of the registered real estate rights. The survey and the real estate cadastre also comprises the changes that have occurred on the real estate and real estate rights that have occurred after the survey, i.e. after the

establishment of the real estate cadastre (maintenance of survey and real estate cadastre).

Real estate is: land, buildings, auxiliary building parts and other objects built on the land.

The Real Estate Cadastre is for commercial, scientific, management, statistical, tax and urban needs and use, for the protection of real estate rights, the preparation of specific records of real estate and for other needs of state bodies and other institutions, companies, other legal persons and the citizens.

With the survey of real estate, there is data provided for the horizontal and vertical presentation of land and other data related to the land, data for the buildings, data for the auxiliary building parts and other objects and for the beneficiaries of the real estate rights on the territory of the Republic of Macedonia.

The survey consists of: basic geodetic works; setting up networks of geodetic points; determination of cadastral units; photography of real estate and preparing geodetic map originals.

Following the survey, there is cadastral classification of the land, registration of real estate rights and the establishment of the real estate cadastre.

In the real estate cadastre the following rights are registered: the right of ownership, material and personal easements, encumbrances and other rights for which registration is proscribed by law. The registration of real estate rights in the real estate cadastre is compulsory and is done *ex officio* or at the request of the client. For the registration of real estate rights in the real estate cadastre done at the request of the client there is a fee that is charged, and for the *ex officio* registration it is free of charge.

5. The evaluation of land is established by a committee of evaluation experts hired for the purpose. Comparable data on prices are gathered through consultation with Public Revenue Office whose data from recently concluded contracts on sale and purchase of land in the region are extracted.