



Brussels, 17.12.2014  
C(2014) 9850 final

**COMMISSION IMPLEMENTING DECISION**

**of 17.12.2014**

**adopting a multi-annual Action Programme for the former Yugoslav Republic of  
Macedonia on Environment and Climate Action and Transport for the years 2014-2016**

## COMMISSION IMPLEMENTING DECISION

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### **adopting a multi-annual Action Programme for the former Yugoslav Republic of Macedonia on Environment and Climate Action and Transport for the years 2014-2016**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures of the implementation of the Union's instruments for financing external action<sup>1</sup> and in particular Article 2(1) thereof,

Having regard to Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance<sup>2</sup> and in particular Article 7 thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>3</sup> and in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EU) No 231/2014 lays down the objectives and main principles for pre-accession assistance to beneficiaries listed in Annex I to that Regulation.
- (2) In accordance with Article 7 of Regulation (EU) No 231/2014 the assistance should be implemented through annual or multi-annual, country-specific or multi-country programmes. These programmes should be drawn up in accordance with the framework for assistance referred to in Article 4 of Regulation (EU) No 231/2014 and the relevant country or multi-country indicative strategy papers referred to in Article 6 of that Regulation.
- (3) In accordance with Article 6(3) of Regulation (EU) No 236/2014, the Commission may adopt multi-annual action programmes for a period up to seven years under the IPA II. For years other than the initial commitment year, the commitments are indicative and depend on the future annual budgets of the Union.
- (4) Where the Commission adopts multi-annual action programmes with split commitments for the policy areas referred to in points (a) to (c) of Article 3 of the Regulation (EU) No 231/2014 the programmes shall, where appropriate,

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<sup>1</sup> OJ L 77, 15.03.2014, p. 95

<sup>2</sup> OJ L 77, 15.03.2014, p. 11

<sup>3</sup> OJ L 298, 26.10.2012, p.1

include an indicative list of major projects. The Commission shall adopt a separate decision on the approval of the financial contribution to the selected major projects.

- (5) The Council established an Accession Partnership or a European Partnership for all beneficiaries listed in Annex I to Regulation (EU) No 231/2014. The Commission adopted an indicative strategy paper for the former Yugoslav Republic of Macedonia for 2014 - 2020 on 19 August 2014<sup>4</sup> which provides indicative allocations for the sectors for pre-accession assistance.
- (6) Considering the proposals for action submitted by the beneficiaries concerned, the multi-annual Country Action Programme on Environment and Transport for the year 2014-2020 aims at providing assistance for actions in the following sectors *transport and environment*;
- (7) It is necessary to adopt a financing decision, the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012<sup>5</sup> (hereinafter referred to as 'the Rules of Application').
- (8) The Commission should be able to entrust budget implementation tasks under indirect management to the IPA II beneficiary specified in this Decision, subject to the conclusion of a Financing Agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012 and first subparagraph of Article 14(3) of the Commission Implementing Regulation (EU) No 447/2014<sup>6</sup>, the authorising officer responsible needs to ensure that the entrusted entity guarantees a level of protection of the financial interests of the Union equivalent to that required under Regulation (EU, Euratom) No 966/2012 when the Commission manages Union funds.
- (9) The entrusted entity is currently undergoing a complementary assessment of its systems and procedures. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entity's positive assessment under Council Regulation (EC, Euratom) No 1605/2002<sup>7</sup> and Commission Regulation (EC) No 718/2007<sup>8</sup> and the entity's present compliance with the requirements of points (a) to (d) of Article 60(2) of the Regulation (EU, Euratom) No 966/2012, budget implementation tasks can be entrusted to this entity. In accordance with Article 60(1)(c) of Regulation (EC, Euratom) No 966/2012, the authorising officer responsible needs to ensure that measures are taken to supervise and support the implementation of the entrusted tasks. A

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<sup>4</sup> C(2014) 5861 final

<sup>5</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

<sup>6</sup> Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II)

<sup>7</sup> Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1).

<sup>8</sup> Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA) (OJ L 170, 29.6.2007, p.1).

description of these measures and the entrusted tasks are laid down in the Annex to this Decision.

- (10) The Commission should be able to entrust budget-implementation tasks under indirect management to the entities specified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds.

The UNDP and GIZ are currently undergoing the assessment under Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entities' positive assessment under Regulation (EU, Euratom) No 1605/2002 and on the long-standing and problem-free cooperation with them, budget-implementation tasks can be entrusted to these entities.

The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.

- (11) Pursuant to Article 94(4) of the Rules of Application, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (12) The action programmes or measures provided for by this Decision are in accordance with the opinion of the IPA II Committee set up by Article 13 of the IPA II Regulation,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### *Adoption of the programme*

The multi-annual Action Programme for the former Yugoslav Republic of Macedonia on Environment and Climate Action and Transport for the years 2014-2016 under the Instrument for Pre-accession Assistance (IPA II) as set out in the Annex, is hereby approved.

#### *Article 2*

##### *Financial contribution*

The maximum amount of the European Union contribution for the implementation of the programme referred to in Article 1 is set at:

EUR 19,000,000.00 and shall be financed from the budget line 22.02.01.02 of the general budget of the EU for year 2014;

EUR 33,047,043.88 and shall be financed from the budget line 22.02.01.02 of the general budget of the EU for year 2015;

EUR 29,224,565.82 and shall be financed from the budget line 22.02.01.02 of the general budget of the EU for year 2016.

The implementation of this Decision is subject to the availability of the appropriations for the year 2015 and 2016 following the adoption of the general budget of the European Union referred to in the first paragraph or as provided for in the system of provisional twelfths.

The financial contributions referred to in the first sub-paragraph may also cover interest due for late payment.

### *Article 3*

#### *Implementation modalities*

This programme shall be implemented by indirect management.

The budget implementation tasks under indirect management may be entrusted to the entities identified in the Annex subject to the conclusion of the relevant agreements.

A multi-annual Financing Agreement shall be concluded between the Commission and the Government of the former Yugoslav Republic of Macedonia in conformity with the Framework Agreement to be concluded between the same parties.

### *Article 4*

#### *Non-substantial changes*

The following changes shall not be considered substantial provided that they do not significantly affect the nature and objectives of the actions:

- a) increases or decreases for not more than 20% of the maximum contribution set in the first paragraph of Article 2, and not exceeding EUR 10 million;
- b) cumulated reassignments of funds between specific actions within each budgetary year not exceeding 20% of the maximum contribution set in the first paragraph of Article 2;
- c) within the limits of 20% referred to in points a) and b) above, up to 5% of the contribution referred to in the first paragraph of Article 2 of this financing decision may serve to finance action which were not foreseeable at the time the present financing decision was adopted, provided that those actions are necessary to implement the objectives and the results set out in the programme.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 17.12.2014

*For the Commission*  
*Johannes HAHN*  
*Member of the Commission*



Brussels, 29.11.2017  
C(2017) 8050 final

**COMMISSION IMPLEMENTING DECISION**

**of 29.11.2017**

**amending Commission Implementing Decision C(2014) 9850 final adopting the Multi-annual Action Programme for the former Yugoslav Republic of Macedonia for Environment and Climate Action and Transport for the years 2014-2016**

## COMMISSION IMPLEMENTING DECISION

of 29.11.2017

### **amending Commission Implementing Decision C(2014) 9850 final adopting the Multi-annual Action Programme for the former Yugoslav Republic of Macedonia for Environment and Climate Action and Transport for the years 2014-2016**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures of the implementation of the Union's instruments for financing external action<sup>1</sup> and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>2</sup> and in particular Article 84(2) thereof,

Whereas:

- (1) By Commission Implementing Decision C(2014) 9850 final of 17 December 2014 the Commission adopted the Multi-annual Action Programme for the former Yugoslav Republic of Macedonia for Environment and Climate Action and Transport for the years 2014-2016.
- (2) The EU financial contribution to the Multi-annual Action Programme needs to be increased and extended until 2019 in compliance with the financial plan of the two operational programmes, in order to ensure the progress in their implementation and in achieving the programme objectives.
- (3) The Government of the former Yugoslav Republic of Macedonia revised in July 2017 the Operational Programme on Transport with the objective to enhance the reforms in the Sector Transport in line with the recommendations of the Commission. This needs to be reflected in the Multi-annual Action Programme.
- (4) The measures provided for by this Decision are in accordance with the opinion of the IPA II Committee set up by Article 13 of Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance<sup>3</sup>

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<sup>1</sup> OJ L 77, 15.03.2014, p. 95.

<sup>2</sup> OJ L 298, 26.10.2012, p.1.

<sup>3</sup> OJ L 77, 15.03.2014, p. 11.



HAS DECIDED AS FOLLOWS:

*Article 1*

Commission Implementing Decision C(2014) 9850 final of 17.12.2014 is amended as follows:

1. In Article 1, the words "years 2014 – 2016" are replaced by the words "years 2014 – 2019".
2. In Article 2, at the end of the first paragraph, the following words are added:  
"EUR 27,857,599.77 and shall be financed from the budget line 22.02.01.02 of the general budget of the EU for year 2017.  
  
EUR 46,087,343.04 and shall be financed from the budget line 22.02.01.02 of the general budget of the EU for year 2018.  
  
EUR 43,035,713.45 and shall be financed from the budget line 22.02.01.02 of the general budget of the EU for year 2019".
3. In Article 2, second paragraph, the words "for the years 2015 and 2016" are replaced by the words "for the years 2018 and 2019".
4. The Annex is replaced by the Annex to the present Decision.

*Article 2*

The Financing Agreement concluded between the European Commission and the Government of the former Yugoslav Republic of Macedonia shall be modified accordingly.

Done at Brussels, 29.11.2017

*For the Commission*  
*Johannes HAHN*  
*Member of the Commission*

## ANNEX

### to Commission Implementing Decision amending Commission Implementing Decision C(2014) 9850 final adopting the Multi-annual Action Programme for the former Yugoslav Republic of Macedonia for Environment and Climate Action and Transport for the years 2014-2016

#### 1 IDENTIFICATION

<b>Beneficiary</b>	The former Yugoslav Republic of Macedonia
<b>CRIS decision number</b>	<i>IPA/2014/037-702</i>
<b>CRIS/ABAC Commitment references</b>	IPA/2014/037-702
<b>Total cost</b>	TOTAL cost: EUR 232,532,077.61 2014 EUR 21,647,058.82 2015 EUR 38,878,875.15 2016 EUR 34,381,842.14 2017 EUR 32,773,646.80 2018 EUR 54,220,403.58 2019 EUR 50,630,251.12
<b>EU Contribution</b>	TOTAL EU Contribution: EUR 198,252,265.96 2014 EUR 19,000,000.00 2015 EUR 33,047,043.88 2016 EUR 29,224,565.82 2017 EUR 27,857,599.77 2018 EUR 46,087,343.04 2019 EUR 43,035,713.45
<b>Budget lines</b>	22.02 01 02  Estimations for 2018 and 2019 are subject to availability of funds after vote of annual budget.
<b>Management Mode/ Entrusted entities</b>	Indirect management by the entities listed below: <ul style="list-style-type: none"> <li>• For indirect management with the former Yugoslav Republic of Macedonia, the Operating Structure responsible for the execution of the actions is the Central Financing and Contracting Department in the Ministry of Finance (CFCD) as a contracting authority, the Ministry of Environment and the Ministry of Transport. Verification of the control systems and expenditure is ensured by the Audit Authority.</li> <li>• Indirect management for the Activity 3.1: "Implementation of pilot measures for sustainable use of natural resources" under the Operational Programme for Environment and Climate Action by the UNDP</li> </ul>

<b>Timetable for spending allocation of each budgetary commitment</b>	Budgetary commitment 2014 must be spent by 31/12/2019 Budgetary commitment 2015 must be spent by 31/12/2020 Budgetary commitment 2016 must be spent by 31/12/2021 Budgetary commitment 2017 must be spent by 31/12/2022 Budgetary commitment 2018 must be spent by 31/12/2023 Budgetary commitment 2019 must be spent by 31/12/2024
<b>Programming Unit</b>	DG NEAR, D3 The former Yugoslav Republic of Macedonia, Kosovo
<b>Implementing Unit/ EU Delegation</b>	EU Delegation to the former Yugoslav Republic of Macedonia

## 2. DESCRIPTION OF THE ACTION PROGRAMME

### 2.1. SECTORS SELECTED UNDER THIS ACTION PROGRAMME

- **Rationale for the selection of the specific sectors under this programme:**

This Programme covers two sectors identified in the indicative strategy paper for the former Yugoslav Republic of Macedonia, 2014-2020, namely environment and climate action, and transport. Assistance to both sectors will be provided within the framework of multi-annual operational programmes with split commitments.

In the area of environment and climate action, the country needs to continue aligning with and implementing the relevant EU *acquis*. Substantial financial resources and investments in environmental infrastructure and technology are needed, in particular in the waste and water sectors. On climate action, programme will contribute to the implementation of Paris Agreement, once ratified, and of the country's contribution to it, leading to minimizing the adverse effects of transport on the environment, including low-emissions and climate-resilient development. Assistance will contribute to improving environment protection through sound management of natural resources and reduction of pollution, contributing to a cleaner environment and an improved quality of life. Assistance will further support the alignment of national legislation, and provide support to approximation of other environment protection and climate action related requirements with the EU *acquis* and relevant standards.

The objectives of the environment related actions in the programme coincide with the objectives of the sector of environment and climate action of the indicative strategy paper.

In the area of transport, the country needs to further develop its integrated transport system, which is one of the drivers of economic growth. The country's geographical location has contributed to the development of international traffic along Pan-European Corridors X (North-South) and VIII (East-West), which will remain a priority for infrastructure investments under this programme. Improved transport networks and services can increase the competitiveness of companies and foster economic growth by improving the mobility of people and goods. The overall objective of the programme in the transport sector is to support the development of the country's transport network into a more modern, safer and more environment friendly transport system. Infrastructure investments will be complemented by support to improving road safety, to strengthening administrative capacity for the alignment of national transport legislation with the relevant EU *acquis* and its implementation.

The objectives of the transport related actions in this programme coincide with the objectives of the sector of transport of the indicative strategy paper.

The selection of the two sectors, the implementation modality (multi-annual programme with split commitments) as well as the revisions in the multi-annual programme are based on the following elements:

- With Commission Implementing Decision (2014) 9850 of 17 December 2014 the Commission adopted a multi-annual Action Programme for the former

Yugoslav Republic of Macedonia on Environment and Climate Action and Transport for the years 2014-2016, based on the Operational programmes 2014-2020 in these sectors agreed with the national authorities. The revision of the multi-annual programme extends the EU commitment to cover the allocations for the period 2017-2019.

- The reforms in the selected sectors require strong political commitment and a long-term vision. Moreover, the global challenges and the Paris Agreement impose a more enhanced role of the states in curbing global warming and reducing the climate change impacts. The parliament elections in December 2016 and the entry in office of the new Government in June 2017 creates a new momentum in the reform process and opens a window for continuing the support to the country through investments in infrastructure and in sector reforms. The Sector Operational Programme for Transport is amended in order to be brought in line with the current sector challenges and with the strategic directions that the EU is promoting in the regional connectivity context. The amendment puts emphasis and resources to key reform measures that are likely to foster sustainable and efficient management of the transport network.
  - The sectors of environment and climate action, and transport require important long-term investments in order to meet the EU standards and achieve the sector objectives outlined in the indicative strategy paper for the country. This investment requires both the necessary time horizon for implementing the planned investments (full financial framework) and the needed flexibility in financial management, which can only be provided through a multi-annual programme with split commitments.
- **Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors:**

Assistance in the environment and climate action sector has been provided under Component III of the Instrument for Pre-Accession I (IPA I) through the Operational Programme for Regional Development as well as through Transition Assistance and Institution Building Component. Italy, Switzerland, United Nations Development Programme (UNDP), Kreditanstalt für Wiederaufbau (KfW), the World Bank and other international organisations and bilateral donors are also providing assistance to this sector. Donor coordination remains important, even though donor assistance is likely to decrease in volume and areas of intervention.

Several lessons can be drawn from the implementation of IPA and other assistance projects over the previous multi-annual financial perspective, 2007-2013.

Overall, substantial further efforts are still required to strengthen the Operating Structure with more competent staff, logistics and improved management. National capacities for strategic planning and institutional coordination will need to be enhanced, and a monitoring framework will need to be established. Requests for IPA assistance for reforms in the environment and climate action sector should be identified in a more systematic, demand-driven manner on the basis of a solid methodology. Cooperation between the different stakeholders in the sectors subject to this programme should improve. The Government will be carefully monitored and assisted by the Commission with respect to improving on these points and on putting

the sector approach into practice. In this context the Government will be required to meet relevant preconditions outlined further below.

Under IPA I, the sectors environment and transport combined received around EUR 109 million. This included grant funding for developing Corridor X-road with substantial support from the national budget, European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD). EBRD and the World Bank are also supporting the local and regional road network rehabilitation. In addition, EBRD provides support for the railway sector and air navigation services. IPA II assistance in the field of transport can build on a project pipeline established under IPA I, in line with the National Transport Strategy.

The 2017 connectivity package under Round 2 was endorsed at the Trieste Summit in July 2017, and includes the railway construction project Orient/East-Med Corridor: the former Yugoslav Republic of Macedonia – Bulgaria CVIII Rail Interconnection (Beljakovce – Kriva Palanka). The project concerns the construction of 34 km rail line between Beljakovce to Kriva Palanka, which is a second section of the eastern part of the Rail Corridor VIII. It is part of the “missing link” of around 89 km rail on Corridor VIII in between Skopje and the border with Bulgaria. The new railway lines, both first and second section, will be electrified and meet the EU technical specifications for interoperability. The design speed of the line is 100km/h. The project will reduce regional travel time between Kumanovo and Kriva Palanka by rail to approximately 35 minutes against current travel time of approximately 50 minutes by road, and increase the transport volume of freight and passengers against road. Once the third and last section of the rail towards Bulgaria is completed (subject of this decision under Action 6), the railway link to the Black Sea would be shorter by approximately 200 km, and to Istanbul by approximately 150 km.

***List of Actions foreseen under the selected Sectors:***

***Sector: Environment and Climate Action***

INDIRECT MANAGEMENT WITH THE IPA II beneficiary		OTHER IMPLEMENTATION ARRANGEMENTS (INDIRECT MANAGEMENT DELEGATION AGREEMENT)	
Action 1 Approximation of environmental and climate change legislation in priorities areas	EUR 16,132,826.00	./.	./.
Action 2 Investments in water and waste management	EUR 66,595,000.00	./.	./.
Action 3 / Activity 3.2 Implementation of pilot measures of climate action and energy efficiency in public buildings	EUR 3,400,000.00	Action 3 / Activity 3.1: Implementation of pilot measures for sustainable use of natural resources	EUR 4,000,000.00

TOTAL	EUR 86,127,826.00	TOTAL	EUR 4,000,000.00
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***Sector: Transport***

INDIRECT MANAGEMENT WITH THE IPA II beneficiary		OTHER IMPLEMENTATION ARRANGEMENTS	
Action 4 Road transport infrastructure	EUR 41,413,499.80		
Action 5 Reforms and Horizontal sector assistance	EUR 5,945,939.55		
Action 6 Rail Transport Infrastructure	EUR 60,765,000.61		
TOTAL	EUR 108,124,439.96		

## 2.2. DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

<b>SECTOR</b>	<b>Environment and climate action</b>	<b>EUR 90,127,826</b>
<b>Action 1</b>	<b>Approximation of environmental and climate change legislation in priority areas</b>	<b>EUR 16,132,826</b>

### *(1) Description of the Action, objective, expected results and key performance indicators*

Assistance under this action will contribute to improving the country's environment protection and sustainable, low-emissions and climate-resilient development, as well as citizen's quality of life through approximation of environment and climate action related legislation with the *acquis* and its implementation. The main objectives of this action will be to harmonise national legislation in prioritised areas with EU legislation, to prepare planning documents allowing to undertake measures and activities for the legislation implementation within specified timeframe, to improve the environmental statistics, to improve administrative capacity for implementation and enforcement of the environmental legislation and leading the process of accession to the EU and ensure gradual move towards sector based approach.

The expected results are:

- Strategies on the implementation of the *acquis* prepared.
- Environment and climate action legislation in priority areas aligned with EU *acquis*.
- Relevant administrative structures responsible for ensuring *acquis* implementation strengthened.
- Environment and climate action legislation in priority areas implemented.
- Natura 2000 sites identified and selected, based on sound scientific data (around 90%).

Key performance indicators:

<b>Indicators</b>	<b>Means of Verification</b>	<b>Institution in charge</b>
Level of transposition of environmental legislation	Progress monitoring Tables of concordance	Ministry of Environment and Physical Planning (MoEPP) and European Commission
Percentage of actions completed/implemented in the strategic framework	Meta plan for planning documents	MoEPP
Completion of environmental statistics framework	Framework for improvement of environmental statistics	State Statistical Office, MoEPP



Institutions responsible for approximation of environmental legislation in priority areas capable to undertake approximation tasks	EC Progress Reports. Progress monitoring, Implementation Questionnaires Reports regarding implementation of activities	MoEPP and European Commission
Availability of information to public, decision making and reporting	Country data Reporting status	MoEPP and European Environment Agency
Completion of sector based approach conditions/framework	Policy Dialogue discussions, Roadmap	MoEPP and European Commission

**(2) Assumptions and conditions**

- The EU integration process remains a government priority - Continued commitment to the EU Accession process;
- Stable macro-economic situation in the country;
- Commitment from national authorities in the process;
  - Ratification of the Paris Agreement;
  - National Sector Strategies Developed;
  - The relevant strategic documents are updated;
  - Sector Benchmarks Roadmap and Policy Dialogue Developed;
  - Indirect management with the beneficiary country continues to be applied;
- Sufficient level of implementation of IPA Programmes;
- Availability and motivation of appropriate staff for cooperation and involvement;
- Low turnover of staff in the IPA structures;
- National co-financing available;
- Sustainability of results of IPA II financial assistance ensured;
- Sufficient level of integration of the environmental and climate change requirements into the other related sectors, e.g agriculture, transport and energy;
- Continued approximation with the *acquis*, plans and policy documents prepared and/or updated;
- Commitment for gradual implementation of the sector based approach conditions;
- Continuous commitment to EU accession and provision of sufficient resources to support management of EU programmes/actions.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

**(3) Short description of the tasks entrusted to the entity:**

This action will be managed under indirect management by the Central Financing and Contracting Department in the Ministry of Finance (CFCD). The CFCD shall be responsible for carrying out the tasks relating to the implementation of the Action, including preparation, implementation and conclusion of grant and procurement contracts, and management of corresponding expenditures.

<b>Action 2</b>	<b>Investments in water and waste management</b>	<b>EUR 66,595,000</b>
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***(1) Description of the Action, objective, expected results and key performance indicators***

The objectives of this action are to reduce the high levels of soil, water and air pollution in the country, to increase environment protection, to ensure the country's sustainable development and to improve the citizen's quality of life.

The action will contribute to meet these objectives through investments in the wastewater sector and the solid waste sector. Investments in the water sector will be made through extending, rehabilitating and building selected sewage systems and through building of wastewater treatment plants. Investments in the waste sector will be made through building treatment and disposal facilities and through supplying equipment for waste collection and transportation of waste.

This action is composed of the following activities, which will support the wastewater and solid waste sectors:

- Activity 1: Establishing sustainable wastewater collection and treatment systems, in line with the relevant EU *acquis* and EU standards.
- Activity 2: Establishing sustainable integrated waste management systems, in line with the EU *acquis*.

The expected results are:

- Management of wastewater and solid waste has improved in line with EU requirements.
- Amount of untreated wastewater discharged in larger agglomerations where no or no properly functioning treatment facility exists has been reduced.
- Illegal or inappropriate practices of dumping waste have been reduced.
- Waste management on the regional level, with an emphasis on increasing separation, recycling and composting of solid waste, has improved,
- Number of households connected to a functioning wastewater system and served by a properly functioning waste collection and disposal service, in compliance with the environmental *acquis*, has increased.

Key performance indicators:

<b>Indicator</b>	<b>Means of Verification</b>	<b>Institution in charge</b>
Number/ % of households connected to sewerage systems (baseline in 2012: 65%)	State Statistical Office (SSO)	MoEPP
Number/ % of households connected to the wastewater treatment plants for agglomerations above 10 000 p.e. (baseline in 2012: 12.5%)	SSO	MoEPP

Percentage of household served with waste collection service (baseline in 2012: 70%)	SSO	MoEPP
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**(2) Assumptions and conditions**

Sector conditions set for Action 1 apply. It is foreseen that a specific methodology will be applied to ensure the sustainability of the projects.

**(3) Short description of the tasks entrusted to the entity**

This action will be managed under indirect management by the CFCD. The CFCD shall be responsible for carrying out the tasks relating to the implementation of the Action, including preparation, implementation and conclusion of grant and procurement contracts, and management of corresponding expenditures.

**(4) Major projects**

**Definition and thresholds**

A Major Project comprises a series of works, activities or services and is intended, in itself, to accomplish a definite and indivisible task of a precise economic or technical nature, which has clearly identified goals and whose total cost exceeds EUR 10 million as defined in the Framework Agreement for IPA II between the Commission and the Government of the former Yugoslav Republic of Macedonia.

The calculation of this threshold is based on an assessment of the overall allocations (three years) to a given sector of the IPA II beneficiary.

**Indicative list of major projects**

Activity 1: Establishing sustainable wastewater collection and treatment systems, in line with the relevant EU *acquis* and EU standards.

Major Project No. 1	Project location: Municipality of Bitola Project name: Extension and rehabilitation of the sewerage system and construction of a waste water treatment plant in Bitola and supervision activities.
Major Project No. 2	Project location: Municipality of Tetovo Project name: Extension and rehabilitation of the sewerage system and construction of a waste water treatment plant in Tetovo and supervision activities.
Major Project No. 3	Project location: City of Skopje Project name: Construction and rehabilitation of a part of the sewerage network in the City of Skopje and supervision activities.

Activity 2: Establishing sustainable integrated waste management systems, in line with the EU *acquis*.

Major Project No. 4	Project location: East and Northeast regions Project name: Construction of selected infrastructure facilities,
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	closure of noncompliant landfills and dumpsites and supply of equipment for handling and transferring of waste in the East and Northeast regions of the country.
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<b>Action 3</b>	<b>Support to Sustainable Development</b>	<b>EUR 7,400,000.00</b>
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***(1) Description of the Action, objective, expected results and key performance indicators***

The assistance will contribute to improving the protection of the environment through implementing pilot measures that contribute directly to the protection of nature, increase energy efficiency and mitigate impacts of climate change.

The objective of this action is to reduce the impact of climate change on the country and support the country's resource efficient and sustainable development.

Two priority activities are planned under this action to support sustainable development:

- Activity 1: Implementation of pilot measures for sustainable use of natural resources.
- Activity 2: Implementation of pilot measures of climate action and energy efficiency in public buildings.

Expected results :

- Increased capacity of public authorities and NGOs for preparation of applications.
- Sustainable, low-emissions and climate-resilient development and climate mitigation and adaptation measures introduced.
- Resilience to climate change impacts and capacity for disaster risk reduction enhanced.
- Improved nature protection in protected areas.

Performance indicators:

<b>Indicators</b>	<b>Means of verification</b>	<b>Institution in charge</b>
Grant scheme for implementation of pilot measures for sustainable use of natural resources prepared.	Grant Scheme accepted	MoEPP and EU Delegation
Grant scheme for implementation of pilot measures for climate change and energy efficiency.	Grant Scheme accepted	MoEPP and EU Delegation

***(2) Assumptions and conditions***

For the Activity 2 "Implementation of pilot measures of climate action and energy efficiency in public buildings", sector conditions set for Action 1 apply.

### ***(3) Implementation arrangements of the action:***

- Activity 1: Implementation of pilot measures for sustainable use of natural resources (***indirect management with UNDP***)

Following the call for expression of interest, the implementation of Activity 1 under this Action is entrusted to the United Nations Development Programme (UNDP). If negotiations with the above-mentioned entrusted entity fail, this activity may be implemented in indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The application of the first ranking entity, UNDP, has presented a comprehensive detailed methodology, good understanding of the main objectives to be achieved with implementation of this action and developed well elaborated measures divided in several phases. The technical capacity of the candidate was also assessed as a high level, taking into account the extensive portfolio in this specific area applied worldwide, in the Western Balkan region and in the long standing experience in the country as well. The administrative capacities are good. GIZ has provided a good methodology and the technical capacity is convincing and has been identified as a fall back option.

- Activity 2: Implementation of pilot measures of climate action and energy efficiency in public buildings (indirect management with the beneficiary country)

As regards this activity, the CFCD will be **Contracting Authority**. The CFCD shall be responsible for carrying out the tasks relating to the implementation of the Action, including preparation, implementation and conclusion of grant and procurement contracts, and management of corresponding expenditures.

### ***(4) Short description of the tasks entrusted to the entity***

As regards Activity 1 "Pilot measures for sustainable use of natural resources" UNDP (or GIZ as fall back option) as entrusted entity will prepare, evaluate and implement a grant scheme aiming at supporting measures which promote and implement sustainable use of natural resources (water and nature), as well as measures for collection and treatment of wastewater in protected areas. UNDP (or GIZ as fall back option) as entrusted entity will further support beneficiaries in the preparation of grant applications and monitor the implementation of the grants by the beneficiaries.

<b>SECTOR</b>	<b>Transport</b>	<b>EUR 108,124,439.96</b>
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<b>Action 4</b>	<b>Road transport infrastructure</b>	<b>EUR 41,413,499.80</b>
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### ***(1) Description of the Action, objectives, expected results***

The overall objectives of IPA II assistance in this sector are to establish a modern, safer and more environmentally friendly road network in the country and to benefit the socio-economic development of the country. The priority will be given to the road

infrastructure along the South East Europe Transport Observatory (SEETO) Comprehensive Network (Corridors VIII, X and Branch Xd).

The specific objectives of this action are the following:

- To facilitate international and transit movements of people and goods with the EU and its regional neighbours by the modernisation and development of the corridors and the regional core network.
- To facilitate the effective movement of persons and goods that supports improved living standards and socio-economic environment in the regions through development of the national components of the corridors
- To promote sustainable development especially through minimizing the adverse effects of transport on the environment, including reduction of GHG emissions, and through improving road transport safety.
- To develop design studies, Environment Impact Assessments (EIA), project preparation studies as feasibility studies, cost-benefit analyses, design documentation and tender documentation of the projects where pre-feasibility studies already exist and are of the priority.

The expected results of the action include improved road infrastructure systems along SEETO comprehensive networks, increased road safety and a more favourable environment for investments and socio-economic growth.

Performance indicators:

<b>Indicators</b>	<b>Means of verification</b>	<b>Institution in charge</b>
Length (km) of roads reconstructed/rehabilitated/constructed along SEETO Comprehensive Network (baseline 16 km)	Eurostat/ State Statistical Office /Public Enterprise for State Roads and SEETO map	Ministry of Transport and Communications (MoTC)
Increased road safety measures/ decreased number of black spots along the SEETO comprehensive network	State Statistical Office /Ministry of Interior	MoTC

## ***(2) Assumptions and conditions***

- The EU integration process remains a government priority - Continued commitment to the EU Accession process;
- Stable macro-economic situation in the country;
- Commitment from national authorities in the process;
  - The Paris Agreement ratified;
  - National Sector Strategies Developed;
  - The relevant strategic documents are updated;
  - Sector Benchmarks Roadmap and Policy Dialogue Developed;
  - Indirect management with the beneficiary country continues to be applied;
- Sufficient level of implementation of IPA Programmes;
- Availability and motivation of appropriate staff for cooperation and involvement;

- Low turnover of staff in the IPA structures;
- National co-financing available;
- Sufficient level of integration of the environmental requirements into the other related sectors, e.g. agriculture and transport;
- Continued approximation with the *acquis*, plans and policy documents prepared and/or updated;
- Commitment for gradual implementation of the sector based approach conditions;
- Continuous commitment to EU accession and provision of sufficient resources to support management of EU programmes/actions.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

***(3) Short description of the tasks entrusted to the entity***

This action will be managed under indirect management by the CFCD. The CFCD shall be responsible for carrying out the tasks relating to the implementation of the Action, including preparation, implementation and conclusion of grant and procurement contracts, and management of corresponding expenditures.

***(4) Major projects***

***Definition and thresholds***

A Major Project comprises a series of works, activities or services and is intended, in itself, to accomplish a definite and indivisible task of a precise economic or technical nature, which has clearly identified goals and whose total cost exceeds EUR 10 million as defined in the Framework Agreement for IPA II between the Commission and the Government of the former Yugoslav Republic of Macedonia.

The calculation of this threshold is based on an assessment of the overall allocations (three years) to a given sector of the IPA II beneficiary.

***Indicative list of major projects***

Major Project	Project location: Vardar Region Project name: Construction of a new road section between Gradsko and Drenovo as part of Road Corridor X-d.
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<b>Action 5</b>	<b>Reforms and Horizontal sector assistance</b>	<b>EUR 5,945,939.55</b>
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***(1) Description of the Action, objectives, expected results***

The aim of the action is to provide horizontal assistance in the Transport sector to i.a. support the implementation of sector governance, sector wide reforms, specific transport activities not covered by Operational Programme Priority Actions 1 and 2 and to support the effective management and implementation of the Transport Sector Operational Programme 2014-2020 (SOPT).

The Specific Objectives are:

- Support the Government structures in the improvement of sector governance and the implementation of transport sector reforms and strengthen and enhance the administrative capacity of the administrative structures.
- Support horizontal activities contributing to the achievement of the objectives of IPA II assistance implementation within the SOPT 2014-2020.
- Promote and ensure visibility of IPA II assistance allocated to the implementation of the SOPT 2014-2020.

The Activity "Support to the preparation and implementation of short and medium term reform measures in the sector" is designed to:

- Improve road and rail safety;
- Strengthen the assets management, maintenance and financing in the transport sector;
- Promote development of multimodality and modal shift;
- Harmonization of road and rail design standards with EN standards and national legislation in the area transport in line with the EU acquis;
- To support the preparation and implementation of activities in the area of green urban transport and to improve the transport planning;
- Implementation of the relevant transport connectivity reform measures.

Performance indicators:

<b>Indicator</b>	<b>Means of verification</b>	<b>Institution in charge</b>
Implemented and improved road and rail safety measures / Reduction of number of accidents	State Statics office	Ministry of Transport and Communications (MoTC)/
Assets management programme in place (2 asset management systems in place)	Programme monitoring	Ministry of Transport and Communications (MoTC)
Prepared project for multimodal transport and modal shift	Programme monitoring	Ministry of Transport and Communications (MoTC)
Harmonized design standards and legislation	Law enforcement	Ministry of Transport and Communications (MoTC)
Implemented relevant transport connectivity measures	SEETO reports	Ministry of Transport and Communications (MoTC)
Total number of implemented project in the area of urban transport and strategic planning	Programme monitoring	Ministry of Transport and Communications (MoTC)

Activity "Additional Horizontal Sector Assistance" is designed to:

- achieve the administration of IPA II assistance implementation within the SOPT 2014-2020 being carried out in due course;



- support the preparation of strategic and operational documents (i.e. future transport operational programmes, technical project documentation, etc.);
- make the public well informed and aware of the support from IPA and in particular of SOPT.

Performance indicators:

<b>Indicator</b>	<b>Means of verification</b>	<b>Institution in charge</b>
Total number of technical audits made for Major Projects (2 planned)	Programme monitoring	Ministry of Transport and Communications (MoTC)/
Production of relevant sector statistics and establishment of a comprehensive data collection system	SSO, MoTC	Ministry of Transport and Communications (MoTC)
Number of communication campaigns carried out for improved visibility in transport sector	Managing authority Programme monitoring	Ministry of Transport and Communications (MoTC)

### ***(2) Assumptions and conditions***

Sector conditions set for Sector Transport / Action 4 apply.

### ***(3) Short description of the tasks entrusted to the entity***

This action will be managed under indirect management by the CFCD. The CFCD shall be responsible for carrying out the tasks relating to the implementation of the Action, including preparation, implementation and conclusion of grant and procurement contracts, and management of corresponding expenditures.

<b>Action 6</b>	<b>Rail transport infrastructure</b>	<b>EUR 60,765,000.61</b>
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### ***(1) Description of the Action, objectives, expected results***

The aim of the action is to improve the rail transport infrastructure for better cohesion with the EU member states and regional neighbours, supported by varied investments in the rail transport infrastructure network of the country. For the programming period 2014-2019 the priority will be given to the railway infrastructure along the SEETO comprehensive network (Corridors VIII, X and Branch Xd).

The specific objectives of this action are the following:

- To facilitate international and transit movements of people and goods with the EU and its regional neighbours by the modernisation and development of the Corridors and the regional core network

- To facilitate the effective movement of people and goods that supports improved living standards and socio-economic environment in the regions through development of the national components of the Corridors
- To promote sustainable, low-emissions and climate-resilient development especially through minimizing the adverse effects of transport on the environment and through improving transport safety
- To develop design studies, Environment Impact Assessments (EIA), project preparation studies as feasibility studies, cost-benefit analyses, design documentation and tender documentation of the projects where pre-feasibility studies already exist.

The expected results of the action include improved rail infrastructure systems along SEETO comprehensive networks, increased rail safety and a more favourable environment for investments and socio-economic growth. In particular, the action will upgrade and modernize the Rail Transport Infrastructure along the SEETO comprehensive network (Corridors VIII, X and Branch X d)

Performance indicators:

<b>Indicators</b>	<b>Means of verification</b>	<b>Institution in charge</b>
Length (km) of rail infrastructure reconstructed/rehabilitated/constructed along SEETO Comprehensive Network with IPA II funds - target: 23 km by 2025	Eurostat/National Statistics Office/SEETO MAP/P.E. "Macedonian Railways Infrastructure "	Ministry of Transport and Communications (MoTC)
Goods transported on annual basis on C-VIII - target: 500,000 tonnes of freight annually as of 2025	Eurostat/National Statistics Office/SEETO MAP/P.E. "Macedonian Railways Infrastructure "	Ministry of Transport and Communications (MoTC)
Secured level crossings according to international standards and best practices - 15 reconstructed level crossings by 2023	Eurostat/National Statistics Office/SEETO MAP/P.E. "Macedonian Railways Infrastructure "	Ministry of Transport and Communications (MoTC)

## ***(2) Assumptions and conditions***

- The EU integration process remains a government priority - Continued commitment to the EU Accession process;
- Stable macro-economic situation in the country;
- Commitment from national authorities in the process;
  - The Paris Agreement is ratified;
  - National Sector Strategies Developed;

- The relevant strategic documents are updated;
- Sector Benchmarks Roadmap and Policy Dialogue Developed;
- Indirect management with the beneficiary country continues to be applied;
- Sufficient level of implementation of IPA Programmes;
- Sufficient progress on the linked infrastructure projects along the railway Corridor VIII under IPA I (Component III) and IPA II Connectivity Programme;
- Availability and motivation of appropriate staff for cooperation and involvement;
- Low turnover of staff in the IPA structures;
- National co-financing available;
- Sufficient level of integration of the environmental requirements into the other related sectors, e.g agriculture and transport;
- Continued approximation with the *acquis*, plans and policy documents prepared and/or updated;
- Commitment for gradual implementation of the sector based approach conditions;
- Continuous commitment to EU accession and provision of sufficient resources to support management of EU programmes/actions.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

***(3) Short description of the tasks entrusted to the entity***

This action will be managed under indirect management by the CFCD. The CFCD shall be responsible for carrying out the tasks relating to the implementation of the Action, including preparation, implementation and conclusion of grant and procurement contracts, and management of corresponding expenditures.

***(4) Major projects***

***Definition and thresholds***

A Major Project comprises a series of works, activities or services and is intended, in itself, to accomplish a definite and indivisible task of a precise economic or technical nature, which has clearly identified goals and whose total cost exceeds EUR 10 million as defined in the Framework Agreement for IPA II between the Commission and the Government of the former Yugoslav Republic of Macedonia.

The calculation of this threshold is based on an assessment of the overall allocations (three years) to a given sector of the IPA II beneficiary.

***Indicative list of major projects***

Major Project	Project location: North-East region Project name: Construction of railway line from Kriva Palanka to border with Republic of Bulgaria.
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## 2 BUDGET

### MULTI-ANNUAL INDICATIVE BUDGET TABLE FOR 'MULTI-ANNUAL ACTION PROGRAMME FOR THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA FOR ENVIRONMENT AND TRANSPORT FOR THE YEARS 2014-2019

	2014			2015			2016		
	EU Contribution	IPA II beneficiary Co-financing	Total expenditure	EU Contribution	IPA II beneficiary Co-financing	Total expenditure	EU Contribution	IPA II beneficiary Co-financing	Total expenditure
<b>03: Environment and climate action</b>	<b>15,000,000.00</b>	<b>1,941,176.47</b>	<b>16,941,176.47</b>	<b>18,365,000.00</b>	<b>3,240,882.35</b>	<b>21,605,882.35</b>	<b>11,000,000.00</b>	<b>1,941,176.47</b>	<b>12,941,176.47</b>
Action 1 - Approximation of environmental and climate change legislation	1,430,000.00	252,352.94	1,682,352.94	3,340,000.00	589,411.76	3,929,411.76	1,700,000.00	300,000.00	2,000,000.00
Action 2 - Investment in water and waste management	9,570,000.00	1,688,823.53	11,258,823.53	15,025,000.00	2,651,470.59	17,676,470.59	9,300,000.00	1,641,176.47	10,941,176.47
Action 3 - Support to sustainable development	4,000,000.00	0.00	4,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>04: Transport</b>	<b>4,000,000.00</b>	<b>705,882.35</b>	<b>4,705,882.35</b>	<b>14,682,043.88</b>	<b>2,590,948.92</b>	<b>17,272,992.80</b>	<b>18,224,565.82</b>	<b>3,216,099.85</b>	<b>21,440,665.67</b>
Action 4 - Road Transport Infrastructure	4,000,000.00	705,882.35	4,705,882.35	14,072,600.00	2,483,400.00	16,556,000.00	17,327,400.00	3,057,776.47	20,385,176.47
Action 5 – Reforms and Horizontal sector assistance	0.00	0.00	0.00	609,443.88	107,548.92	716,992.80	897,165.82	158,323.38	1,055,489.20
Action 6 - Rail Transport Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTALS</b>	<b>19,000,000.00</b>	<b>2,647,058.82</b>	<b>21,647,058.82</b>	<b>33,047,043.88</b>	<b>5,831,831.27</b>	<b>38,878,875.15</b>	<b>29,224,565.82</b>	<b>5,157,276.32</b>	<b>34,381,842.14</b>

	2017			2018			2019		
	EU Contribution	IPA II beneficiary Co-financing	Total expenditure	EU Contribution	IPA II beneficiary Co-financing	Total expenditure	EU Contribution	IPA II beneficiary Co-financing	Total expenditure
<b>03: Environment and climate action</b>	<b>16,635,000.00</b>	<b>2,935,588.24</b>	<b>19,570,588.24</b>	<b>20,133,913.00</b>	<b>3,553,043.47</b>	<b>23,686,956.47</b>	<b>8,993,913.00</b>	<b>1,587,161.12</b>	<b>10,581,074.12</b>
Action 1 - Approximation of environmental and climate change legislation	4,535,000.00	800,294.12	5,335,294.12	3,933,913.00	694,219.94	4,628,132.94	1,193,913.00	210,690.53	1,404,603.53
Action 2 - Investment in water and waste management	8,700,000.00	1,535,294.12	10,235,294.12	16,200,000.00	2,858,823.53	19,058,823.53	7,800,000.00	1,376,470.59	9,176,470.59
Action 3 - Support to sustainable development	3,400,000.00	600,000.00	4,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>04: Transport</b>	<b>11,222,599.77</b>	<b>1,980,458.79</b>	<b>13,203,058.56</b>	<b>25,953,430.04</b>	<b>4,580,017.07</b>	<b>30,533,447.11</b>	<b>34,041,800.45</b>	<b>6,007,376.55</b>	<b>40,049,177</b>
Action 4 - Road Transport Infrastructure	6,013,499.80	1,061,205.85	7,074,705.65	0.00	0.00	0.00	0.00	0.00	0.00
Action 5 – Reforms and Horizontal sector assistance	1,419,500.00	250,500	1,670,000.00	928,030.00	163,770.00	1,091,800.00	2,091,799.85	369,141.15	2,460,941.00
Action 6 - Rail Transport Infrastructure	3,789,599.97	668,752.94	4,458,352.91	25,025,400.04	4,416,247.07	29,441,647.11	31,950,000.60	5,638,235.40	37,588,235.00
<b>TOTALS</b>	<b>27,857,599.77</b>	<b>4,916,047.03</b>	<b>32,773,646.80</b>	<b>46,087,343.04</b>	<b>8,133,060.54</b>	<b>54,220,403.58</b>	<b>43,035,713.45</b>	<b>7,594,537.67</b>	<b>50,630,251.12</b>

	<b>TOTAL / Financing decision 2014-2019</b>		
	<b>EU Contribution</b>	<b>IPA II beneficiary Co-financing</b>	<b>Total expenditure</b>
<b>03: Environment and climate action</b>	<b>90,127,826.00</b>	<b>15,199,028.12</b>	<b>105,326,854.12</b>
Action 1 - Approximation of environmental and climate change legislation	16,132,826.00	2,846,969.29	18,979,795.29
Action 2 - Investment in water and waste management	66,595,000.00	11,752,058.83	78,347,058.83
Action 3 - Support to sustainable development	7,400,000.00	600,000.00	8,000,000.00
<b>04: Transport</b>	<b>108,124,439.96</b>	<b>19,080,783.53</b>	<b>127,205,223.49</b>
Action 4 - Road Transport Infrastructure	41,413,499.80	7,308,264.67	48,721,764.47
Action 5 – Reforms and Horizontal sector assistance	5,945,939.55	1,049,283.45	6,995,223.00
Action 6 - Rail Transport Infrastructure	60,765,000.61	10,723,235.41	71,488,236.02
<b>TOTALS</b>	<b>198,252,265.96</b>	<b>34,279,811.65</b>	<b>232,532,077.61</b>

### **3 IMPLEMENTATION MODALITIES AND GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES**

#### **INDIRECT MANAGEMENT:**

Part of this programme shall be implemented through indirect management by the former Yugoslav Republic of Macedonia in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

Another part of this programme shall be implemented by indirect management with entrusted entities other than the IPA II beneficiary in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

The general rules for procurement and grant award procedures shall be defined in the Financing Agreement and the relevant delegation agreements between the Commission and the entrusted entity implementing such action.

In case an action needs to be implemented under indirect management by an entity other than the one defined for a particular action, the change of entrusted entity shall not be considered substantial provided that this entity has already been identified in this Financing Decision, the entity meets the selection criteria of Article 61(2) FR and the description of the entrusted tasks remains the same.

#### **4 PERFORMANCE MONITORING ARRANGEMENTS**

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Country Strategy Paper.

In the specific context of indirect management by IPA II beneficiaries, National IPA Co-ordinators (NIPACs) will collect information on the performance of the actions and programmes (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by DG Enlargement and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by Sectoral Monitoring committees, which will ensure a monitoring process at sector level.