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ENVIRONMENTAL IMPACT ASSESSMENT STUDY

FROM MODERNIZATION OF THE BORDER CROSSING BLACE, THE REPUBLIC OF MACEDONIA

Skopje
June 2009

CONTENT:

1. EXECUTIVE SUMMARY

Project Objective: The main project objective is to provide flexibility for handling traffic flows, reduce traffic congestion and speed through-travel time and greatly improved border security by expanding the capacity of inspection services to carry out their work.

Project location and description: The "Blace" border crossing is located on the state border between the Republic of Macedonia and Kosovo, on the main highway M-2. It is second most important border crossing on the Northern border and it is important entry into Kosovo, Serbia, Montenegro and than towards the Adriatic Sea. Since the current border crossing does not have sufficient capacity for receiving of passengers and giving the necessary services it was decided to initiate reconstruction of this border crossing in order to improve it and modernize it.

Project category: In accordance with the Bank's safeguard policies and procedures, including OP/BP/GP 4.01 *Environmental Assessment*, the proposed Project is classified as the *Category B Project* for environmental assessment purposes as it is not expected to generate significant environmental impacts. This requires preparation of the following: (i) an Environmental Assessment, which includes environmental evaluation of the proposed project site; (ii) an Environment Management Plan, which would include steps for mitigating any potential impacts identified, together with respective monitoring plan, responsibility and schedules of execution.

***Purpose of the Environmental Assessment*:** The purpose of the Environmental Assessment (EA) is to identify significant environmental impacts of the project (both positive and negative), and to specify appropriate preventive actions and mitigation measures (including appropriate monitoring) to prevent, eliminate or minimize any anticipated negative impacts. An Environmental Assessment (EA) was carried out by an independent local consultant, based on what was prepared a simple Environmental Management Plan (EMP). The EA report was prepared based on the following: (i) analysis of the existing national legal documents, regulations and guidelines; (ii) WB safeguard policies, as well as guiding materials; (iii) National EA and Construction legal framework; (iv) existing EIAs for similar projects; (v) environmental evaluation of the project site; and, (vi) results of consultations with the representatives from all interested parties and stakeholders.

National EA legal and institutional framework: Republic of Macedonia has its own developed legal and institutional framework for Environmental Assessment. This framework is generally in compliance with the existing WB EA rules and procedures as well as with the EU EIA Directives. Environmental Impact Assessment of certain projects is required to be carried out in the Republic of Macedonia in accordance with Articles 76-94 of the Law on Environment (Official Gazette of the Republic of Macedonia No. 53/2005, 81/2005, 24/2007, 159/2008). The types of projects that require an EIA are to be determined in accordance with Article 77 of the Law on Environment, which are specified in details by the Government of the Republic of

Macedonia in the “Decree for Determining Projects for which and criteria on the basis of which the screening for an environmental impact assessment shall be carried out (Official Gazette of the Republic of Macedonia No. 74/2005). The Law on Environment and approved relevant secondary legislation acts define Procedures for conducting an EIA as well as the goal, objectives, and principles of the EIA, and stipulate the procedures for submitting project documentation, as well as reviewing procedures. The EIA procedure precedes decision-making about activities that may have a negative impact on the environment. Financing of programs and projects is allowed only after positive approval of EIA Study by MOEPP. The responsible EIA authority in Macedonia is the Department of Environment within the Administration of Environment (AE), a body under Ministry of Environment and Physical Planning (MoEPP).

Institutional capacities to perform safeguards: The EA institutional capacity of the borrower was assessed during project preparation. It was concluded that the MoEPP has capacities to perform duties concerning reviewing EIA studies and enforcing EMP provisions. At the same time, within the Ministry of Transport and Communications (MTC), Custom Administration of Republic of Macedonia (the project implementing body) and Macedonian Road Agency, there are no any special unit and/or especially designated staff responsible for environmental issues in the road sector, as well as any analytical laboratories that might assist in ensuring compliance with the existing legislation, regulations and environmental standards. In this regard it will be necessary to provide relevant TA (Technical Assistance) to the MTC, Customs Administration of the Republic of Macedonia and Macedonian Road Agency to strengthen their capacity and to ensure the environmental requirements will be fully integrated into sectoral (for specific fields) policies, and program design, as well as into design and implementation of the EIAs of the border crossing subprojects.

Potential environmental impacts: It is expected the project will not generate any large scale and significant environmental and social impacts. Possible negative environmental impacts are related to reconstruction and operation phases, are the following: (a) Dust, noise and vibration due to the demolition and construction; (b) Dumping of demolition and construction wastes, accidental spillage of machine oil, lubricants, etc. After completion, the project will have, in general, positive indirect impacts on human health and safety.

Environment Management Plan: The Environmental Management Plan (EMP) covers: (a) short description of applicable laws, policies on environmental procedures for environmental screening, EIA Study preparation and implementation, as well as EIA institutions and responsibilities; (b) description and evaluation of the proposed project site; (c) Environmental Guidelines (EG), specifying: (i) potential environmental and social impacts of the reconstruction activities; (ii) proposed mitigation and monitoring measures to be applied during the project implementation; and (iii) description of EMP implementing arrangements, institutional capacities as

well as procedures for supervision, monitoring, and reporting. It is proposed that the contractor will ensure the workers safety, will undertake relevant measures for preventing dust and noise pollution, proper handling, transportation and disposal of waste materials.

Monitoring Plan: The EMP includes a Monitoring Plan with measures that will be employed to track the effectiveness of the mitigation measures and described the environmental indicators to be monitored, along with the monitoring methods, frequency, as well as the monitoring and reporting procedures, including institutional arrangements.

Coordination of the EA with the National Authorities for Environment Protection

The borrower (the Public enterprise for management of residential and commercial properties of Republic of Macedonia, the responsible body for construction and maintenance of the border crossings in the period of 2006) had submitted the Report on environmental protection to the Ministry of Environment and Physical Planning with request to issue the opinion for implementation of the Project for improvement and modernization of the border crossing "Blace", part for vehicle, busses and passengers. The Report contains the following: (a) Description of the location; (b) Project description; (c) Description of potential considerable environmental impact of the Project; and (d) mitigation measures. MoEPP issued a positive Opinion to the content of the Report No. 11-5091/2 (11.12.2006), which means that the planed activities for improvement and modernization of the border crossing "Blace" can continue with the required activities for design, providing the construction and using permits. Due to the fact that borrower should take in consideration the WB guidance for preparation of EA, the process of upgrading of the Report on environmental protection have been undertaken and the result of that is preparation of EIA Study and EMP for improvement and modernization of the border crossing "Blace". The EIA Study will be issued on the Web site of the Custom Administration of the Republic of Macedonia and the public hearing will be organized. The received suggestions and opinions by the interested parties will be taken into consideration, and if it is required, included in the Study.

Land Acquisition. For the purpose of acquiring land for construction activities the GoM has approved a Resettlement Action Plan which was agreed with the WB and will serve as the basis for project land acquisition.

EA reporting and consultations; While preparing the current Environmental Assessment Impact Study, in May 2009, there were consulted stakeholders from, Macedonian Customs Duty, MTC, MoEPP, AE (MoEPP). After receiving the opinions about the content of the Study, the public hearing will be organized. The results by the public hearing will be issued on the Web of the Custom Administration of the Republic of Macedonia. EMP contents the mitigation measures, responsible bodies for implementation of thus as well as monitoring plan. The Custom Administration of

the Republic of Macedonia will undertake the responsibility for coordination and implementation of the above mentioned documents.

2. INTRODUCTION

Road transportation infrastructure of the Republic of Macedonia is characterized by relatively high density, exceptions being the highways. At the moment, Macedonia's road network totals about 13.186 km, out of which 909 km are national roads, 3.781 km are regional and 8.496 km are local roads. Considering the small size of the country and its population, the road network size is mostly adequate, with little or no need for expansion. The network is not in good condition; about 50 % of national roads are poor.

In the process of development of the economic conditions in the Country, government prepared the National Transport Strategy (NTS), which determines the transport development priorities for the period 2007-2017. The main objectives of the National Transport Strategy are following:

- Promote economic growth by construction, enhancing, managing and maintaining transport services, infrastructure and networks to maximize their efficiency;
- Promote an integrated and interconnected transport network that establishes effective service to users and to areas and activities served by it in Macedonia.
- Promote social inclusion by connecting remote and disadvantaged communities and increasing the accessibility of the transport network;
- Protect our environment and improve health by construction and investing in public transport and other types of efficient and sustainable transport which minimize emissions and consumption of resources and energy;
- Improve safety of journeys by reducing accidents and enhancing the personal safety of pedestrians, cyclists, drivers, passengers and staff; and
- Improve integration by making journey planning and ticketing easier and working to ensure smooth connection between different forms of transport.

Appropriate implementation of this Strategy is connected with the improvement of the borders crossing in Macedonia, which will provide better communication and transfer of goods with the surrounding/neighboring countries

The development objective of the TTFSE II Project is to facilitate the movement of trade between the Borrower and neighboring countries in South East Europe, through the removal of selected border-zone bottlenecks, and improving the efficiency and quality of road and rail services along Trans-European Transport

Corridor X in Macedonia. This Corridor forms the backbone of Southeastern Europe transport infrastructure, connecting Croatia, Macedonia, Kosovo and Serbia with Western Europe, Greece (deep-sea port of Thessaloniki), Turkey and Central Asia.

One of the project components intends to improve the passenger terminal at the Border Crossing "Blace", between Macedonia and Kosovo. It includes the removal of temporary facilities, replacing them with permanent control, inspection, and administrative structures. In addition, it will enlarge the capacity of the passenger border crossing by increasing the facility from 2x2 to 2x3 lanes, adding a separate bus inspection lane for buses entering Macedonia from Kosovo.

Regarding the WB policies the planed activities are under B category, which means thus would not have major environmental impacts. That was also the opinion of the MoEPP, therefore it is not necessary to conduct a full environmental assessment procedure, under the Law. Still, a series of measures will be proposed in the form of a site specific environmental management plan (EMP) for purposes of avoiding and/or minimizing potential negative impacts and of successful negotiating the additional financing. The Study covers the following issues:

- An overview of project activities and identification physical investments/actions envisaged under the project which might have impacts to environment;
- Description of baseline conditions and environmental evaluation of the proposed project site;
- The policy, legal and administrative framework, including the role and responsibilities related to environmental issues; the environmental and construction permitting process in the Republic of Macedonia, applicable to the proposed works; and,
- In line with identified potential impacts and effects, suggested mitigation and monitoring measures.

3. ENVIRONMENTAL ASSESSMENT RULES AND PROCEDURES

3.1 World Bank environmental assessment policies

The World Bank requires environmental assessment (EA) of projects proposed for Bank financing to help ensure that they are environmentally sound and sustainable, and thus improve decision making (OP 4.01, January 1999). EA is a process whose breadth, depth, and type of analysis depend on the nature, scale, and potential environmental impact of the proposed project. EA evaluates a project's potential environmental risks and impacts in its area of influence; examines project alternatives; identifies ways of improving project selection, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for negative environmental impacts and enhancing positive impacts; and includes the process of mitigating and managing negative environmental impacts throughout project implementation. The Bank favors preventive measures over mitigation or compensatory measures, whenever feasible. EA takes into account the natural environment (air, water, and land); human health and safety; social aspects (involuntary resettlement, indigenous peoples, and cultural property); and trans-boundary and global environmental aspects. It also takes into account the variations in project and country conditions; the findings of country environmental studies; national environmental action plans; the country's overall policy framework, national legislation, and institutional capabilities related to the environment and social aspects; and obligations of the country, pertaining to project activities, under relevant international environmental treaties and agreements. The Bank does not finance project activities that would contravene such country obligations, as identified during the EA. The project triggers the following WB policies: OP/BP/GP 4.01 Environmental Assessment, Involuntary Resettlement (OP/BP/4.12), and OP 17.50 Disclosure Policy.

The Bank undertakes environmental screening of each proposed project to determine the appropriate extent and type of EA. The Bank classifies the proposed projects into one of four categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts. In this way risks associated with project actions can be effectively anticipated in advance before project implementation, and addressed by direct mitigation activities in the design, planning and construction supervision process as well as during the operation of the facilities. The Project has been rated "B" as activities under the project are not expected to generate significant negative environmental effects as they are focusing on reconstruction of the existing customs facilities. Based on this the project requires an EA and a simple Environment Management Plan. The project has to acquire private land for construction activities and thus the Involuntary Resettlement OP is triggered. For this purpose GoM has prepared and agreed with the WB a special Land Acquisition Plan to be applied in this process.

3.2 National policy and regulatory framework

National environmental and road sector policy and regulatory frameworks were analyzed on the three-levels basis documents (i) environmental, road and other associated strategies, programs, policies and concepts, (ii) legislation; and (iii) specific by-law regulations (standards, requirements, rules). The most emphasis was placed on Environmental Impact Assessment procedures and requirements which were described in separate sub-chapter.

- **Programs and policies**

Government of the Republic of Macedonia adopted several national strategies and programs related to transport policy, environmental protection and sustainable development. Some of them may be relevant to the proposed Project.

In 2004, the Government adopted the **Spatial Plan of the Republic of Macedonia.** The Spatial Plan is of long-term nature, with a time horizon till 2020. The basic strategic determination of the Spatial Plan of the Republic of Macedonia is the achievement of higher level of the overall functional integrity of the space in the Country, as well as facilitation of conditions for significantly greater infrastructure and economic integration with neighbouring and other European countries. The document defines the spatial organization of the country and the goals and concepts of spatial development for individual areas, as well as the conditions for their implementation. The spatial and structural grouping of the national territory into environmental management regions in the frameworks of basins of major rivers has been conducted. According to the SP, significant improvements in road transportation can be expected with the implementation of road corridors of the TEM (Trans-European Motorways) system which passes through the Republic of Macedonia or concerns it in terms of the close vicinity. In this regard main goals for transport sector are:

- Development of transportation system that will minimize harmful impacts of the traffic on environment and contribute to an improved quality of living in urban and rural areas of the country;
- Establishment of transport inter-modal centres, as main contact points among different transport types, as a precondition for developing an efficient, flexible and cost-effective transportation system;
- Reconstruction and development of transportation and communication networks and transportation means provision through application of state of art technology at the levels of preparation, designing, construction, maintenance and use;
- Dynamic implementation of infrastructure, through application of priorities based on transport and economic criteria, in line with strategic determinants of the country when transportation acts as initial factor of the overall development;

- Increase of pass through capacity of the Macedonian transportation system, its connection with neighbouring countries and joint connection to European systems and trends;
- Provision of appropriate accessibility throughout the national territory, thus creating conditions for more balanced development in all areas of the Republic of Macedonia;
- Planning of transportation system to support and foster economic development and international integration of the Republic of Macedonia etc.

The national priorities for the development of the transport sector in Macedonia are defined in the following national and regional strategic documents:

- National Transport Strategy 2007-2017;
- Public Investment Program of the Government of Republic of Macedonia 2007-2009;
- National Development Plan 2007-2009;
- Road Investment Plan 2007-2012;
- Five-Year Multi-annual Plan of SEETO 2007-2011

The **National Transport Strategy (NTS)** adopted in July 2007 determines the transport development priorities for the period 2007-2017. The main objectives of the National Transport Strategy are:

- Promote economic growth by construction, enhancing, managing and maintaining transport services, infrastructure and networks to maximize their efficiency;
- Promote an integrated and interconnected transport network that establishes effective service to users;
- Promote social inclusion by connecting remote and disadvantaged communities and increasing the accessibility of the transport network;
- Protect our environment and improve health by construction and investing in public transport and other types of efficient and sustainable transport which minimize emissions and consumption of resources and energy;
- Improve safety of journeys by reducing accidents and enhancing the personal safety of pedestrians, cyclists, drivers, passengers and staff; and
- Improve integration by making journey planning and ticketing easier and working to ensure smooth connection between different forms of transport.

The **Public Investment Program (PIP)** (2008-2010) includes projects/programs for which the government has made an assessment confirming that they can substantially contribute to the development of the country. The PIP, covering a three-

year period and being updated annually, contains projects for all economic infrastructure sectors, including energy, transport, water supply, irrigation, environment, as well as for the social infrastructure segments. The current PIP (2008-2010), in the part pertaining to transport, identifies the sections of the Corridors VIII and X that will have a major contribution towards achieving the sector's development.

Pre-accession Economic Program 2008 – 2010. By acquiring the status of a candidate country in November 2005, the Republic of Macedonia undertook the obligation to submit to the European Commission, annually, a medium-term economic Program. The 2008- 2010 Pre-Accession Economic Program (PEP) is the second document prepared by the Government of the Republic of Macedonia, covering the macroeconomic trends and projections in the country, precisely presenting the public finances and the policies for their improvement, as well as the structural reforms necessary for attaining dynamic economic growth. Transport sector is presented in the document as one of the main sectors where infrastructure investments are needed. Modernisation and improvements of the border crossings is one of the priorities of the Government in the forthcoming process of accession with Europe and giving to the Country a new, more flexible, visa regime.

In 2006, **the Second National Environmental Action Plan** was adopted. It provides general guidelines and directions in the area of environment for the forthcoming six year period (by 2011). In addition to setting up general priorities and goals in different sectors, NEAP also envisaged specific measures and actions that need to be implemented in order to achieve the main goals, as the continuation of the process of approximation with the EU environmental policy. That includes management of an integrated policy as a unique method to effectively meeting the challenges, the establishment of directions for environmentally sustainable approach, the enhancement of the extent of compliance with the obligations applicable under regional and global agreements and the opening of new perspectives and involvement in international systems for environment protection. In the frame of NEAP, transport sector was identified an analyzed as one of the important sector related to environment.

- **Basic Legislation (Laws)**

Since 2002, the country commenced the process of harmonization of its national transport legislation with the EU *acquis.*

Law on Road Transport (Official Gazette N0.68/04;127/06) regulates the conditions and the manner in which the transport of passengers and goods is carried out, both in the domestic and international road transport. It prescribes the terms for professional competency and financial stability, some of the conditions for access to the profession of transport operator, as well as the terms and procedures for acquiring a license for carrying out transport of passengers and goods by road.

Law on Road Transport Safety ("Official Gazette" No.88/05) determines the conditions which have to be met by the vehicles engaged in road transport, as well as the devices and equipment which have to be provided in the vehicles, dimensions, overall mass and axle weight of vehicles; the conditions for obtaining a driving permit and the form and application form for the driving permit, verification and technical control of the vehicles, registration of the vehicle and the application form for the traffic permit etc.

Law on Carriage of Dangerous Goods ("Official Journal of the Socialist Federal Republic of Yugoslavia" No.27/90 and no.45/90 and "Official Gazette of RM" No. 12/93 and 31/93) regulates the carriage of dangerous goods both by road and railway. It regulates the terms and conditions according to which the transport of dangerous goods is carried out (including preparation of the goods, loading, transport, manipulation which can occur during the transport, unloading, security during transport and adequately equipping the vehicle as well as training of staff).

Law on Environment ("Official Gazette" No. 53/2005, 81/2005, 24/2007 *и* 159/2008) as a framework law in the area of environment has transposed the segment of the *acquis communautaire* known as horizontal legislation. The Framework Law on Environment incorporates the basic principles of environmental protection, on the basis of which the relevant environmental management procedures are regulated. The Law regulates the issues of access to environmental information, public participation in environmental decision-making, environmental impact assessment procedure, plans for industrial accidents controlling, as well as control mechanisms available to environmental inspectors.

The area of nature protection is regulated by the **Law on Nature Protection** ("Official Gazette" No. 67/04, 14/06, 84/07), which has been harmonized with the *acquis communautaire* and incorporates the obligations deriving from the ratified multilateral agreements in this area. Full implementation of the Law will be enabled upon the adoption of the relevant secondary legislation. The Law regulates the protection of the nature, through protection of biological and landscape diversity and protection of natural heritage, provision for sustainable utilization of natural resources, prevention of harmful activities by legal and natural entities. The Law also provides a legal basis for establishment of ecological networks i.e. NATURA 2000. The Law also includes application of provisions contained in other laws referring to the protection of nature. The Law also specifies the procedure for trading with protected species of wild fauna and flora, in line with the CITES and provides legal grounds for the protection of species on both, National and European, importance.

Law on Waters ("Official Gazette of the Republic of Macedonia" No. 87/2008) establishes the legal framework for protection and management of waters in the Republic of Macedonia. It regulates the manner of water use and exploitation, the protection against harmful effects from water, protection of waters against excessive abstraction and pollution, water management, the sources and the funding of water management activities, granting of water for use by means of approval (concession),

transboundary water resources and other issues of relevance for the provision of unique regime of water use. Series of regulatory acts should be prepared on the basis of this Law, for the purpose of its implementation (some old decrees and regulatory acts, connected with the water management are still in force). The Law is approximated with the *acquis commuautaire* in this area.

Law on Waste Management ("Official Gazette of the Republic of Macedonia" No. 68/2004, 71/2004, 107/2007, 102/2008 и 143/2008) provides the general rules applying to the following issues: Strategy, Plans and Program formulation; Waste Handling Procedures; Handling of Hazardous Waste; Landfills; Incineration and Co-incineration of Waste; Import, Export and Transit of Waste through the National Territory; Monitoring and Data Management; Information System; Financing; Supervision and Competent Authorities; Penalty Provisions; Transitional and Final Provisions. The Law on Waste Management has important linkages to other laws, in particular to the Law on the Environment, that includes basic issues such as IPPC permitting and EIA procedures.

Law on Ambient Air Quality ("Official Gazette of the Republic of Macedonia" No. 67/04, 92/07), which is harmonised with the Framework Directive 31996L0096 is regulated тhe air quality management. Several regulatory acts regulating individual limit values of emissions in the air are in force.

Law on Forests ("Official Gazette of the Republic of Macedonia" No. 47/97, 7/00 and 89/04) regulates forests cultivation, use and protection, where the protection of the forests is an integral and indivisible part of forest management. Forest protection includes protection against: unlawful usurpation and use, illegal timber felling, fires, plant diseases and pests, cattle grazing, collecting acorns, unlawful collection of other forest products and other damages. The Assembly of the Republic of Macedonia adopted The General plan for forest management for a period of 20 years. On the basis of this plan, the forest managing entities adopt specific plans for forest management, for a period of 10 years.

Law on Spatial and Urban Planning ("Official Gazette of RM" No. 4/96, 28/97, 18/99, 53/01, 51/05, 137/07, 24/08). This law defines a basis for preparation of standards and norms regarding spatial planning, including a specification of parameters for environmental protection. It is in line with State Spatial Plan, which envisages possibilities and solution for complex spatial problems and conflicts in interaction with development process, trends and constraints.

Law on Implementation of the National Spatial Plan was developed in parallel with the adoption of the National Spatial Plan ("Official Gazette of RM" No. 39/2004). The Law states that MEPP is responsible to issue a spatial consent for any construction outside the areas that are earmarked for urban development. Also, the Law will improve the inter-sectoral communication and the assessment of possible territorial impacts.

Law on Investment Projects Development ("Official Gazette of RM" No. 15/90, 11/91, 11/94, 18/99 and 25/99).This law prescribes a basis for the preparation of standards and norms regarding the design of objects, including a specification of parameters for environmental protection.

The protection of cultural heritage is covered by the **Law on Cultural Heritage Preservation** ("Official Gazette of RM" No. 20/04, 115/2007). There are no management plans for the culture heritage sites. There is a need for improvements and developments in the inter-sectoral cooperation between the MoEPP and MC with regard to projects for integrated protection of natural and cultural heritage and the development of municipalities and culture.

Other related laws:

Law on agricultural land ("Official Gazette of RM" No. 25/98, 18/99, 02/04);

Law on construction ("Official Gazette of RM" No. 51/05, 82/2008);

Law on construction of investment buildings ("Official Gazette RM" No. 15/90, 11/91, 11/94; 18/99 and 25/99);

Law on animal protection and welfare ("Official Gazette RM" No. 113/07);

Law on plants protection and welfare ("Official Gazette RM" No. 25/98, 6/00);

Convention on biodiversity (Rio, 1992) ("Official Gazette RM" No. 54/97);

Law on protection and rescue ("Official Gazette of RM" No. 36/04, 49/04);

Law on storage and protection from flammable liquids and gases ("Official Gazette of RM" No. 15/76).

National requirements for environmental impact assessment

The environmental impact assessment (EIA) process has been established and implemented in Macedonia with the new environmental legal framework. Within the framework of the former Yugoslavia, it was obligatory to prepare reports, containing elements of environmental impact assessment. These documents, called "technological-ecological reports/ecological reports", contained several aspects of the current EIA process.

Environmental impact assessment/EIA and current Project development

According to the present legal framework, the EIA process is conducted on the basis of Law on Environment and Decree determining projects for which and criteria on the basis of which the screening for an environmental impact assessment shall be carried out, (Published in the "Official Gazette of the Republic of Macedonia" No. 74/2005).

The EIA process for Project Development is conducting by the Ministry of Environment and Physical Planning.

The main stakeholders included in the EIA process are:

- Ø Ministry of Transport and Communications (MTC);
- Ø Ministry of Health;
- Ø Ministry of Internal Affairs;
- Ø Ministry of Foreign Affairs;
- Ø Ministry of Agriculture, Forestry and Water Economy (MoAFWE);
- Ø Ministry of Economy (MoE). According to the Law on Energy and the Law on Mineral Resources;
- Ø Accredited organisations and experts. The Ministry of Environment and Physical Planning grants accreditation for the preparation of EIA studies;
- Ø Local Self-Government Units (LSGU), where the project activities are planned;
- Ø Non-Governmental Organisations (NGOs). Current legislation in Macedonia specifies details concerning public information or public participation in the decision-making process within the EIA process.

- **EIA procedures**

Subject of the environmental impact assessment are the projects which concerning their characteristics, scope or operational location can impact on the environment.

EIA generally has three objectives:

1. Present to managers and decision makers a clear assessment of potential impacts, which a project (or a level of an initiative) may have on overall environmental quality;
2. Apply to a project (or a level of an initiative) a methodology that assesses and predicts impacts and provides:
    a) impact prevention and mitigation,
    b) enhancement of project benefits,
    c) minimization of long-term impacts;
3. Provide a specific forum in which consultation is systematically undertaken in a manner that allows stakeholders to have direct input to the environmental management process.

Environmental Impact Assessment of certain projects is required to be carried out in the Republic of Macedonia in accordance with Articles 76-94 of the Law on Environment (“Official Gazette of the Republic of Macedonia” No.53/05, 81/05, 24/07, 159/2008). "Projects" is a term used to describe, inter alia, developments such as construction of roads, extension of a factory or mining, introducing of new technologies etc.

The types of projects that require an EIA are to be determined in accordance with Article 77 of the Law on Environment, which are specified by the Government of the Republic of Macedonia in the "Decree for Determining Projects for which and criteria on the basis of which the screening for an environmental impact assessment shall be carried out" ("Official Gazette of the Republic of Macedonia" No. 74/2005).

The "Decree for Determining Projects for which and criteria on the basis of which the screening for an environmental impact assessment shall be carried out" stipulates the following two project categories:

- Projects for which compulsory environmental impact assessment procedure is carried out prior to the issuance of decision for the project implementation;
- Projects that may have significant environmental impact and are therefore subject to environmental impact assessment screening prior to the issuance of decision for the project implementation.

There are 20 types of projects requiring a full EIA. Among others, these include:

Construction of:

(a) Lines for long-distance railway traffic and airports with a basic runway length of 2.100 m or more;

(b) Motor ways;

(c) New road of four or more lanes, or realignment and/or widening of an existing road of two lanes or less so as to provide four or more lanes, where such new road, or realigned and/or widened section of the road will be 10 km or more in a continuous length

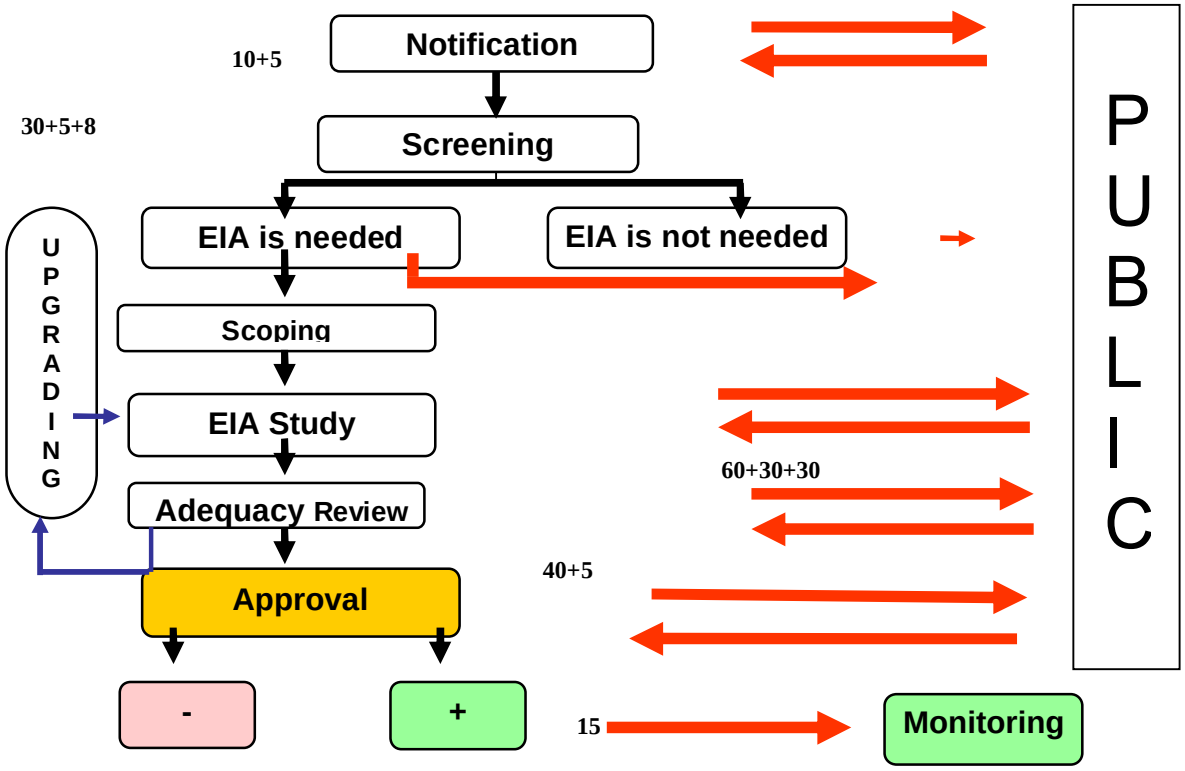
Related to implementation of EIA procedure several regulations were developed and adopted:

- § Regulation on the content of the requirements that need to be fulfilled by the study on environmental impact assessment (Official Gazette of the Republic of Macedonia No. 33/2006);
- § Regulation on additional criteria, the manner, the procedure and the expenses for enrolment in and withdrawal from the List of experts (Official Gazette of the Republic of Macedonia No. 33/2006);
- § Regulation on the content of announcement of the notification of the intention to implement a project, of the decision on the necessity of an environmental impact assessment, of the study on project environmental impact assessment, of the report on the adequacy of the study on project environmental impact assessment, and of the decision for approval or rejection for the project to proceed, and the manner of public consultation (Official Gazette of the Republic of Macedonia No. 33/2006);

§ Regulation 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 (Official Gazette of the Republic of Macedonia No. 33/2006);

§ Regulation on the form, content, procedure and manner of developing the report on the adequacy of the study on environmental impact assessment of the project and the procedure for authorization of persons from the List of experts for environmental impact assessment responsible for the preparation of the report (Official Gazette of the Republic of Macedonia No. 33/2006);

§ Regulation on the amount of expenses covered by the Investor for implementation of environmental impact assessment procedure (Official Gazette of the Republic of Macedonia No. 33/2006);



- **Projects which are subject to environmental impact assessment**

The procedures for **Environmental Assessment Process** cover the following aspects:

- Project Screening/determine the necessity of EIA Procedure – (within CARDS 2004 Project the mentioned procedures are described more detailed);
- Determine the content of the Study (Scoping);

- EA Review and Approval including Public Consultation;
- Disclosure.

The EIA Study consists of a rigorous documentation of existing conditions, an identification of impacts, and a comparative examination of impacts arising from the border crossing-project alternatives. It should be conducted by national certified experts following the defined methodology, report structure and require documentation. The public is involved during the whole EIA process in accordance with provision stipulated in Law on Environment.

Investor who is intending to implement a project that is likely to fall under Article 77 and Article 78, of the Law on environment shall send a notification on its intention to implement the project, together with an opinion of the need of environmental impact assessment to the MoEPP. The MoEPP shall inform the investor within 10 days from the date of the receipt of the notification on the need for supplementing the notification and within five working days of the receipt of the full notification, announce the notification in daily news paper and web site of the Ministry.

Screening is the stage of the EIA process by which the body of the state administration, responsible for the affairs of the environment, determines whether an EIA is required for a particular project. A number of steps are taken at the screening stage to determine whether EIA is required for a project. The public are to be consulted at the screening stage.

Scoping follows screening and is the activity of deciding on the particular matters that are to be investigated within the EIA if the Screening Decision is positive, i.e., The scoping stage is the process during which the body of the state administration responsible for environmental affairs determines the content and extent of the matters which should be covered by the EIA 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. This should include the specific requirements on the basis of the characteristics of each particular proposed project. Scoping is mandatory. The Investor therefore must request a scoping opinion from the body of the responsible administrative body.

The aim of the Scoping process is to identify alternatives and mitigation measures which may be appropriate for the Investor to consider in finalising the project proposal. For example, the Investor could take a different type of action, choose an alternative location or change the design of the project so as to reduce or mitigate the potential environmental impacts of the project.

Once scoping is completed the EIA Study can be undertaken. The Investor shall prepare the Study in accordance with Article 2 of the Regulation on the content of the requirement that need to be fulfilled by the study on environmental impact assessment (Official Gazette R. M. No. 33/2006).

After the environmental impacts have been identified and assessed by the Study (the EIA Study), the EIA process continues with the review stage. The developer/investor will send the EIA study to MoEPP for review and approval. Public consultation is a Macedonian requirement, and is defined as a part of the reviewing process led by MoEPP (MLE, Article 91). Review is the process of checking the adequacy of the EIA study - "Report on the adequacy of the Study". The review of the quality of an EIA study is one of the main "safeguards" raised into the EIA process. Often, the quality of the EIA study can be considerably improved by review, resulting in more data and better environmental outcomes.

The Review should identify any deficiencies in the EIA Study. The Review should also focus on any shortcomings in the EIA Study and any separate any crucial deficiencies which may directly impede decision-making from less important ones. If no serious shortcomings are found, this should be stated.

Any remarks about less important deficiencies can be placed in a separate section or appendix in the Review. Finally, the Review should recommend how and when any serious shortcomings in the EIA Study are to be remedied to facilitate informed decision-making and appropriate measures for project implementation. In case there is at least one answer of “inadequate” in Review Checklist, the MoEPP shall require that further work on the EIA study be undertaken.

The EIA study shall be accepted (approved) by the MoEPP unless there is an answer of “inadequate”. The MoEPP shall, on the basis of the Study, the report on the adequacy of the Study, the public debate referred to in Article 91 of this Law and the opinions obtained, issue a decision on whether to grant consent to or reject the application for the project implementation within 40 days from the date of submission of the report.

The decision shall contain assessment of whether the project environmental impact assessment study fulfils the requirements prescribed by this Law and the permit conditions for the project implementation, as well as measures for prevention and reducing of the harmful effects.

- **Projects that are not subject to environmental impact assessment**

The Government of the Republic of Macedonia may in exceptional cases decide on the basis of case-by-case examination not to carry out environmental impact assessment, either in whole or in part, of projects, in case of:

- War or state of emergency,
- Defence needs of the Republic of Macedonia, under the assumption that the implementation of the environmental impact assessment procedures might have negative effect on the defence, or
- Need for urgent prevention of events that could have not been predicted and are likely to have a serious impact on health, security or property of people, or on the environment.

In this case an alternative method of environmental impact assessment proposed by the MoEPP shall apply. For this purpose the Ministry shall:

- inform appropriately the public and explain the decision not to carry out an environmental impact assessment; and
- Inform the public concerned on information obtained through alternative environmental impact assessment methods.

Also, along with other types of projects with potentially insignificant environmental impacts, the modernization of the border crossings, routine and periodic road maintenance, small repair/improvement of roads and relevant roadside works, according our Law, do not require environmental impact review.

3.3 Other relevant guidelines and procedures on EA

In 2006 in the frame of CARDS 2004 Guidance for conducting screening, scoping and review in environmental impact assessment in Republic of Macedonia was developed. These Guides are intended to be read in conjunction with the current laws that regulate the environmental impact assessment (EIA) process in the Republic of Macedonia. These laws are referred to in this document. An aim of this Guidance is to assist in the interpretation of the EIA laws so that they can be applied in practice.

This Guidance is drawn in part from the screening, scoping and review Guidance provided by the European Commission. It accompanies Republic of Macedonia efforts to implement the EIA Directive and is designed to help investors, bodies of the state administration and other involved parties to undertake the highest standards of environmental impact assessment. This Guidance may be used as a general guidance showing environmental concerns and procedures also for road construction, modernisation of the border crossings and rehabilitation activities/works.

3.4 Necessary permits for further implementation of the Project

- **Implementation of the Project (EIA), (Ministry of Environment and Physical Planning)**

The MoEPP, in a prior procedure, issued positive Opinion/Agreement to the content of the Elaborate No. 11-5091/2 (11.12.2006), which means that the planed activities for improvement and modernization of the border crossing “Blace” can continue with the required activities for design, providing the construction and permits for use. Due to the fact that the borrower should take in consideration the WB guidance for preparation of EA, process of upgrading the Elaborate for Environment Protection has been carried out, resulting in preparation of EIA Study and EMP for improvement and modernization of the border crossing “Blace”. The EIA Study will be issued on the Web site of the Macedonian Customs Duty, and public hearing will be organized.

The received suggestions and opinions by the interested parties will be taken into consideration, and if necessary, included in the Study.

- **Location, (Ministry of Transport and Communications)**

On the basis of Article 52 of the Law on Spatial and Urban Planning ("Official Gazette of RM" no. 24/2008), Paragraph (2), the Decision on location conditions for constructions of national significance defined by law and the constructions of Article 50 Paragraph (3) of this Law is adopted by the Minister heading the public administration body responsible for carrying out activities in the area of space setting. For that objective, an authorized person - engineer architect is appointed to lead the procedure, with a work experience of at least three years in the area of urban planning.

- **Construction permits, (Ministry of Transport and Communications)**

On the basis of Article 52 of the Law on Construction ("Official Gazette of RM" no. 51/05, 82/2008) constructions of first and second category of Article 50 of this Law are constructions of national significance, and Approval for construction is issued by public administration body responsible for carrying out activities in the area of space setting.

- **Operational Permit, (Ministry of Transport and Communications)**

On the basis of Article 79 of the Law on Construction ("Official Gazette of RM"No. 51/05, 82/2008), Approval for use of part or parts of construction is issued on a request of the Investor, while for part or parts as construction phase, depending on the type of construction, is issued on the basis of Article 60 of this Law.

3.5 WB Safeguards procedures to be considered

WB has a series of safeguards policies and procedures that address different environmental and social issues. WB safeguards policies that may be triggered by current project are the following: (a) Environmental Assessment (OP 4.01); (b) Natural Habitats (OP 4.04); (c) Physical Cultural Resources (OP 4.11); and (d) Involuntary resettlements (OP 4.12). It is strongly recommended, during the implementation of the Project, the provisions of mentioned safeguards policies[1] will be fully applied.

Environment Assessment. World Bank requires environmental assessment (EA) of projects proposed for financing by Bank to ensure their environmental soundness and sustainability, and thus to improve decision making (OP 4.01, January 1999). EA is a process whose profundity and type of analysis depends on nature, scale, and potential environmental impact of the proposed project. EA evaluates a project's potential environmental risks and impacts; examines project alternatives; identifies ways of improving project selection, sitting, planning, design and implementation by prevention, minimization, mitigation or compensation of negative environmental

[1] For details regarding WB safeguards policies, visit: www.worlddbank.org/safeguards

impacts and enhancing positive ones. It also includes mitigation and management of negative environmental impacts during project implementation. The Bank prefers preventive measures rather than mitigation or compensatory ones, whenever feasible.

EA takes into consideration the natural (air, water, and land), social (human health and safety, and such social aspects as involuntary resettlement, indigenous peoples) and cultural environments, as well as transboundary and global environmental aspects. It also takes into account the variations in project and country conditions, findings of country environmental studies, national environmental action plans, the country's overall policy framework, national legislation, and institutional capabilities related to the environmental and social aspects, and obligations of the country to be met under relevant international environmental conventions and agreements. The Bank does not finance projects that would not comply with these obligations, if this identified during EA.

Natural Habitats - The Bank promotes and supports natural habitat conservation and improved land use by financing projects designed to integrate into national and regional development the conservation of natural habitats and the maintenance of ecological functions. Wherever feasible, Bank-financed projects are sited on lands already converted (excluding any lands that in the Bank's opinion were converted in anticipation of the project). At the same time, the Bank does not support projects involving the significant conversion of natural habitats unless there are no feasible alternatives for the project and its sitting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs. In the case that a project would significantly convert or degrade natural habitats, the project includes mitigation measures acceptable to the Bank. Such mitigation measures include, as appropriate, minimizing habitat loss (e.g., strategic habitat retention and post-development restoration) and establishing and maintaining an ecologically similar protected area (compensation measures).

In deciding whether to support a project with potential negative impacts on a natural habitat, the Bank takes into account the borrower's ability to implement the appropriate conservation and mitigation measures. If there are potential institutional capacity problems, the project includes components that develop the capacity of national and local institutions for effective environmental planning and management. The mitigation measures specified for the project may be used to enhance the practical field capacity of national and local institutions.

Physical Cultural Resources - This policy addresses physical cultural resources, which are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, pale-ontological, historical, architectural, religious, aesthetic, or other cultural significance. The Bank assists countries to avoid or mitigate negative impacts on physical cultural resources from development projects that it finances. The borrower addresses impacts on physical cultural resources in projects proposed for Bank

financing, as an integral part of the environmental assessment (EA) process. The steps elaborated below follow the EA sequence of: screening; developing terms of reference (TORs); collecting baseline data; impact assessment; and formulating mitigating measures and a management plan.

The following projects are subject to the provisions of this policy: (a) any project involving significant excavations, demolition, movement of earth, flooding, or other environmental changes; and (b) any project located in, or in the vicinity of, a physical cultural resources site recognized by the borrower. When the project is likely to have negative impacts on physical cultural resources, the borrower identifies appropriate measures for avoiding or mitigating these impacts as part of the EA process. These measures may range from full site protection to selective mitigation, including salvage and documentation, in cases where a portion or all of the physical cultural resources may be lost.

Involuntary Resettlement - As involuntary resettlement may cause severe long-term hardship, impoverishment, and/or environmental damage within the financed projects, it is necessary to undertake appropriate measures that would include the following: (a) involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs; (b) where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs; and (c) displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher. For conducting land acquisition the project beneficiary has to prepare and approve a special Land Acquisition Plan which will guide this process.

Information disclosure and consultation - For (i) A and B projects and (ii) sub-projects categorized as A and B, the borrower consults project-affected groups and local non-governmental organizations (NGO's) about the project's environmental and social aspects and takes their views into account. The borrower initiates such consultations as early as possible. For Category A projects, the borrower consults these groups at least twice: (a) shortly after environmental screening and before the terms of reference for the EA are finalized; and (b) once a draft EA report is prepared. In addition, the borrower consults with such groups throughout project implementation as necessary to address EA-related issues that affect them. The Borrower provides relevant information in a timely manner prior to consultation and in a form and language accessible to the groups being consulted.

The Borrower makes the draft EA (for category A projects) or any separate EA report (for category B projects) available in country in a local language and at a public place accessible to project-affected groups and local NGOs prior to appraisal. The final EA

report should be sent to the Info-Shop prior to appraisal for all projects of category A and B. For category A projects, the task team sends a summary of the EA report to the Board of Directors as soon as it is received. Separate Resettlement Plans are disclosed with the relevant EIA report.

3.6 Assessment of adequacy of National EA requirements to the WB rules and procedures

The Republic of Macedonia has a comprehensive set of environmental laws and regulations. Environmental provisions stipulated both by the Constitution, and such laws and Law on Environment and other specific environmental laws comply with World Bank environmental and social safeguards policies. Macedonian Law on Environment (MLE) (Official Gazette of the Republic of Macedonia No.53/2005, 81/05, 24/07, 159/2008) includes environmental assessment part (Chapter IX: Environmental Impact Assessment of Certain Projects; Decree determining projects for which and criteria on the basis of which the screening for an environmental impact assessment shall be carried out, Official Gazette of the Republic of Macedonia No.74/2005), which is essentially aligned with the comparable EU directives. There is also comparability with the World Bank (WB) Operational Policy on Environmental Assessment (OP/BP 4.01). All the key elements of a well-developed environmental impact assessment system–such as notification of the competent environmental authority, screening of the project to determine the needed level of environmental scrutiny, analysis of alternatives, licensing/permitting and public disclosure – are all present in the MLE and its associated regulations.

Coordination of the EA with the National Authorities for Environment Protection

The borrower/user (the Public enterprise for management of residential and commercial properties of Republic of Macedonia, the responsible body for construction and maintenance of the border crossings until 2006) has submitted the Report on environmental protection to the Ministry of Environment and Physical Planning with request to issue the opinion for implementation of the Project for improvement and modernization of the border crossing “Blace”, part for vehicle, busses and passengers. The report contains the following: (a) Description of the location; (b) Project description; (c) Description of potential considerable environmental impact of the Project; and (d) mitigation measures. MoEPP issued a positive Opinion to the content of the Report No. 11-5091/2 (11.12.2006), which means that the planed activities for improvement and modernization of the border crossing “Blace” can continue with the required activities for design, providing the construction and using permits. Due to the fact that borrower should take in consideration the WB guidance for preparation of EA, the process of upgrading of the Report on environmental protection have been undertaken and the result of that is preparation of EIA Study and EMP for improvement and modernization of the border crossing “Blace”.

4. ENVIRONMENTAL IMPACT ASSESSMENT

4.1 Scope of the EA

The purpose of the environmental assessment (EA) is to identify the potential environmental impacts of the Project-(both positive and negative) and to specify appropriate preventive actions and mitigation measures (including appropriate monitoring) to prevent, eliminate or minimize any anticipated negative impacts. On the basis of the Environmental Impact Assessment was prepared a simple Environmental Management Plan (EMP).

The EIA Study was prepared on the basis of: (i) analysis of the existing national legal documents, regulations and guidelines; (ii) WB safeguard policies, as well as guiding materials, including EMP Checklist for small scale construction projects; (iii) national EIA and Construction legal framework; (iv) existing EIA for similar projects; (v) site visits and evaluation; and, (vi) results of consultations with the representatives from all interested parties and stakeholders.

4.2 Project description

The “Blace” border crossing is located on the state border between the Republic of Macedonia and Kosovo, on the main highway, E 65 i.e. M-2. It is second most important border crossing on the Macedonian Northern border and it is important entry into Kosovo, Serbia, Montenegro and than towards the Adriatic Sea. Since the current border crossing does not have sufficient capacity for receiving of passengers it was decided to initiate reconstruction of this border crossing in order to improve it and modernize it.

The planned activity will enable normal flow of passengers, passenger vehicles, busses and freight vehicles, without any significant holds at the border crossing, as well as reduction of the criminal, protection of the environmental media, etc.

The border crossing Blace is functional since 1992. It represents a temporary solution, with small traffic capacity, insufficient number of objects and infrastructure.

In the process of modernization of the border crossing, the phase I - modernization of the terminal for the heavy tracks have been completed. The aim of the current Project-Phase II is reconstruction and modernization of the existing border crossing for vehicles, busses and passengers.

4.2.1 Current situation

The border crossing is made up of the following objects:

- Control zone, that includes: control of light vehicle, busses and passengers, and zone of traffic arteries;

- Expanded magistral road, on the left side, with maximal width of 19 m, respectively gabarite width of 15 m, directed towards Pristina, that provides four traffic lines, for both entrance and exit out of the country;
- Montage objects that meet the needs of the police, customs duty officers, inspection and service activities, located at the left side of the border crossing in the control zone;
- Eaves - steel construction with dimensions 20x40 m.

4.2.2 Location and Planned activities

The borders of the Project scope are spreading East towards South, West and North, moving along the eastern border at KP 2782, continuing by intersecting the road E-65, respectively M-3, intersecting the parcel 2783, turning East along the Northern border at KP 2768 and KP 2714, intersecting the KP 2772/1 and KP 2773/1, continuing along the Southern border at KP 2773/2, turning South along the Western border at KP 2753, continuing West along the Southern border at the road E 65, respectively M-3, continuing North along the Easter border at KP 299, continuing East and intersecting KP 299 and KP 296, moving along the Northern border at KP 2750, intersecting 2782 and connecting to the initial point. The construction parcel is of irregular shape, with total area of about 10,35 ha.

Construction of several objects is anticipated in the construction parcel, of the following classes: B4 - national institutions, G5 - infrastructure, B - commercial business purpose.

The location of the planned complex at the border crossing is partially overlapping with the space at the existing border crossing, due to the relatively affordable natural and configuration features.

The Layer by the Urban Plan for border crossing Blace is given in Annex 4.

The project includes construction of:

- Eaves in the Control zone of entrance;
- Eaves for the passengers at the car park for light vehicles and taxi vehicles;
- Administrative buildings for the police, customs duty officers, inspection and service activities, with toilet (sanitary junction);
- Cabins for passport and customs duty control;
- Power stations and diesel generator;
- Premises for customs duty secondary control of passengers;
- Public toilet (sanitary junction);

- Pressure pipeline with existing pumping station to the reservoir, reservoir for sanitary and firefighting water, sanitary water supply and firefighting water supply;
- Boiler room;
- Reservoar for heating fuel;
- Waste water treatment Plant;
- Thermal heating installation (boiler).

Ø **Description of the proposed facilities**

- **Administrative building**

According to the project requirements it is planned construction of ground floor facility, where will be situated all required services for the customs, police and inspection. The planed facility is going to be consisted of three parts (customs, police and inspection). The grouping will be separated with roof passage, which will combine functions and provide uninterrupted moving of the users. In the grouping for inspection is foreseen object for health service. The obliging services will be organized on window system.

- **Additional premises**

According to the project requirements in this part will be situated the following premises: bank, post office, Driver's Union, Custom, Public sanitary facilities, substation, set of joined mechanisms and boiler room.

The Object will be divided in two parts. The grouping will be separated with roof passage which will combine functions and provide uninterrupted moving of the users. Obliging services will be organized on window system.

- **Eaves**

According to the Borrower requirement the existing eaves will remain, but the same will be reconstructed. The old eaves cover 807.24 m2. On the expanded part of the lyre, i.e. in the entrance in the Republic of Macedonia is foreseen a new eaves which will cover 913.50 m^2.

- **Custom control for passengers**

According to the project requirements is designed ground floor object with integrated space for group inspection of passenger, cabin for detail inspection of passengers (man and women) and warehouse for taking goods. The integrated part has to be equipped with mobile table, for putting aside luggage, X ray machine for inspection of the luggage and passengers and mobile equipment for any kind of inspection as well. The entrance and exit of the object are foreseen under new designed eaves.

- **Facilities for custom inspection of the busses**

According to the project requirements is designed ground floor object with channel for detailed inspection of busses. Within the object will be installed small sanitary facility, office for the need of the service and control-cabin for custom formality of the passengers.

On the basis of the data on frequency of vehicles for the period 1993-1999 and the forecast for the expected traffic in the next long-term period, the traffic areas at the passing control line will provide capacity of 1000 light vehicles, 100 busses and 240 heavy vehicles in both directions. The freight traffic is completely separated, which is enabled with the construction of terminal for heavy vehicles.

In order to meet the needs of water for the staff, maintain the objects and meeting the needs of the passengers, the following quantities of water are planned:

- Sanitary needs 74.500 liters
- Technical needs 98.000 liters
- Losses 10% 17.000 liters
- **Total** **190.100 liters (or 2.2 l/s)**

The water supply of the facilities will be from the existing pumping station with pipe's well, located in the vicinity of the border crossing for heavy vehicles. The pumping station includes two self-sucking horizontal pumps – from one of the pumps (through hydro-pump) water will be supplied for the crossing for heavy vehicles and from the second pump of 2CNF32-250/55 type, made by LOWARA, Italy, with the following characteristics: Q=6-24 m^3/h N=55kw H_{max}=73-75 m^3 . The solution is consisted of:

§ Pressure pipeline with existing pumping station to the reservoir

§ Reservoir for sanitary and firefighting water

§ Sanitary water supply

§ Firefighting water supply

The role of the pressure pipeline is to bring the water to the pipeline well f 200mm of the existing pumping station where the horizontal self-sucking pump of 2CNF32-250/55 type is installed.

For wastewater drainage from the border crossing, construction is planned of:

- External sewerage network for collection and drainage of the fecal wastewater from the facilities;
- Sewerage network for collection and drainage of the surface wastewater;
- Internal sewerage network for drainage of the wastewater from the facilities;
- Oil-grid.

Wastewater treatment plant has been already constructed for treatment of the generated sanitary wastewater for the heavy vehicles Terminal.

It is planned that the sanitary waste water from the border crossing will be connected with the secondary sanitary network with the existing treatment plant, located near the terminal for the heavy trucks, foreseen for the equivalent of 200 people.

It is anticipated that the border crossings will host 120 staff in three shifts and 1.000 passers per day. The wastewater treatment plant is located in the circle of the Terminal location, on the only proper and possible spot over the existing drawing pool. The location is determined in the solution for the Terminal drainage network.

The location is appropriate for this kind of installations, due to the existing electricity network and small length - insignificant length of the release of the treated water into the recipient river (Lepenec).

The existing waste water treatment plant was designed (2005) to collect and treat the waste waters from the terminal for heavy vehicles Blace and the Blace border crossing. The waste water treatment plant is a compacted container type. This type of treatment device has been selected as the best one for this size of treatment stations for several reasons, such as:

- There is no unpleasant odor since the treatment process is aerobe;
- Nitrification of the nitrogen compounds is done;
- There is high level of treatment of the waste waters (reduction of the BOD_5 and the suspended matters by 90-98%);
- BOD_5 = 2-20 mg/l;
- pH = cca 7-8;
- Suspended matters <30 mg/l;
- Dissolved oxygen > 2 mg/l;
- No visible floating matters;
- The production of the mill surplus is minimal (this surplus is removed once every three-four months);
- The work is not effected by the short failures and burdens – works in the range of 10 to 100% of its capacity. In winter conditions there is no possibility for freezing since the actual procedures remedies this problem. In the same time, this is closed (container) environment. In our climate conditions the device yields good results throughout the year;
- It does no require specially trained workforce;
- It has small exploitation costs – small electricity consumption.

The existing waste water treatment plant is designed for capacity of 200 P.E., which is insufficient to accept all the waste water by the planed facilities in the Project for

reconstruction and modernization of the border cross. That why it is necessary to be built bigger facility (about 500 P.E. capacity) or upgrade the existing one to meet the needs of the Project and the National standards for effluents.

The outdoor atmospheric precipitations drainage has the task to provide catchments for the atmospheric waters from the roofs of the objects and the asphalt surfaces and drive them into the grease trap and from there into the torrent which is in the immediately vicinity of the object.

The grease trap will be used to catch the grease that arrives from the asphalt surfaces with the atmospheric waters and then segmented in the trap and occasionally cleaned from the trap. It is foreseen to have a grease trap of 20m^3 volume type, with the following dimensions: length 6.00m, width 2.00m and height of 2.00m.

Energy

At the border crossing, in the complex circle and in the frames of the premises for auxiliary content, there will be installed new substation of 10/04 kW; 400 kVA, which will meet the needs of the new facilities on the border crossing.

5. BASELINE CONDITIONS

5.1 Geographical location

Macedonia is a small country, with 25.713 sq. km. and population of about 2 million. It is also a landlocked country, located in the midst of the Balkan Peninsula and bordering four countries:

- Greece in the South, with a border 246 km long;
- Bulgaria in the East, with a border 148 km long;
- Serbia (including Kosovo) in the North, with a border 221 km long;
- Albania in the West with a border 151 km long.

Figure 1 Republic of Macedonia

According to the National Strategy for integrated border crossings management the total number of official border points in Macedonia is 20:

15 road border points:

- 5 to Kosovo (the most frequent is Tabanovce, near Kumanovo);
- 3 to Bulgaria (the most frequent is Deve Bair, near Kriva Palanka);
- 3 to Greece (the most frequent is Bogorodica, near Gevgelija); and
- 4 to Albania (the most frequent is Kafasan, near Struga).

3 rail border points:

- 2 to Kosovo; and
- 1 to Greece

2 air border points: (Skopje and Ohrid Airports)

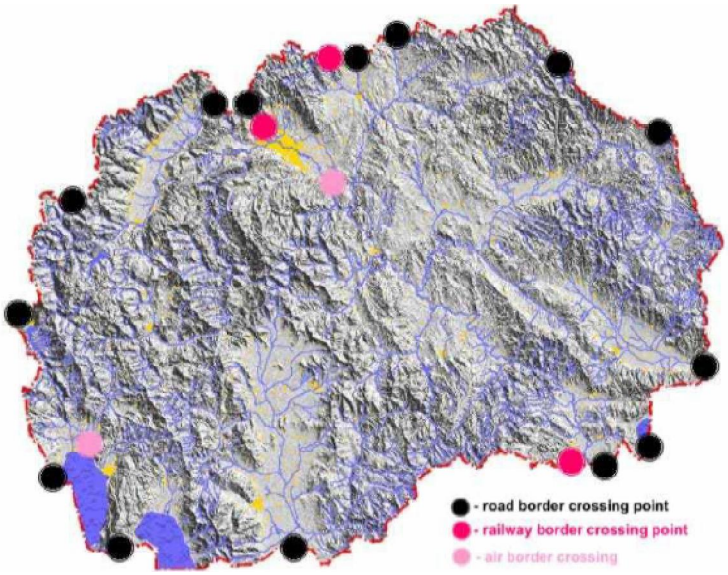


Figure 2 Border points in the Republic of Macedonia

The geographical location of the country places it at the crossroads of South-Eastern Europe, making it an important transit route for land traffic between Central Europe, the Aegean Sea, the Black Sea and the Adriatic Sea. The favorable geographical location of the country has contributed to the development of international traffic on two Trans National Axes: North-South (Corridor X) and East-West (Corridor VIII) Trans European Transport Networks.

Road transport accounts for the largest share of total carriage of goods and passengers in the country. As indicated the share of transport in the national GDP over the past few years is stable and is within the range of 7.8% to 8.4%.

The “Blace” border crossing is located on the state border between the Republic of Macedonia and Kosovo, on the main highway M-2.

According to the territorial distribution, the border crossing "Blace” belongs to the Municipality of Chucher Sandevo. At the right side of the road Macedonia - Pristina, above the border crossing, there are some houses that supposedly belong to the nearest settlement on Macedonian side - the village Blace, or the newly-formed settlement (at a distance of about 50-100 m from the border crossing). The geographical setting of the border crossing “Blace” is shown on figure 3.

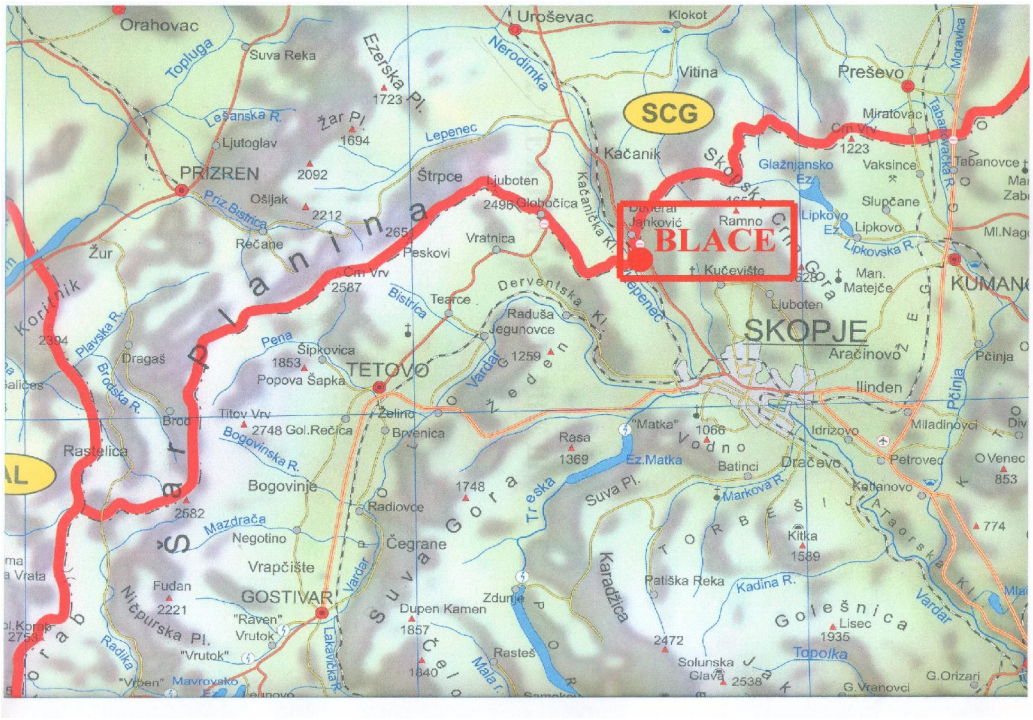


Figure 3 Geographical setting of the border crossing “Blace”

5.2 Socio-economic aspects

According to the NUTS[2] classification in the Republic of Macedonia there are eight NUTS III regions and 84 municipalities.

The main cities and towns are widely distributed, with Skopje the national capital city, being located in the north east of the country. As a result, the country has a mono-centric regional structure based on the dominance of the capital city Skopje that attracts about 40 % of the urban population. The other cities are less economically attractive to compete successfully with the capital city and attract sufficient industry and commerce.

Territorial units	Population		Density	Area		Populated	
	Number	%		Number	%	Number	%
Macedonia	2,022,547	100.0	78.6	25,713	100.0	1,767	100
Pelagonija region	238,136	11.8	50.5	4,719	18.3	343	19.4
Vardar region	133,180	6.6	39.8	3,346	13.0	171	9.7
North-east region	172,787	8.5	74.9	2,306	8.9	192	10.8
South-west region	221,546	10.9	67.0	3,280	12.7	286	16.2
Skopje	578,144	28.6	318.0	1,818	7.0	142	8.0

[2] Statistical dividing of the Country on the base of financial and organizational capacities of the Regions/NUTS III is used in term of IPA funding

South-east region	171,416	8.5	62.5	2,741	10.6	188	10.6
Polog region	304,125	15.0	123.4	2,479	9.6	184	10.4
East region	203,213	10.0	48.5	4,188	16.3	261	14.8

In 2002 the country had a population of 2.022 million and by 2005 it had increased to 2.036 millions. The 2002 census showed that Macedonians constitute 64% of the population and Albanians 25%, then Turks, Roma and 3 other sub-groups constitute 10% of the population.

In the recent past, socio-economic development has been characterized by an exceptional dynamism, but with misbalance of the development as well. Consequently, significant level of development has been achieved, affected by certain disproportions and collisions of individual segments of the development. The efforts of the Macedonian governmental policy are focused on the provision of stability of economic trends, revitalization of economic activities and strengthening of the EU integration processes.

The candidate country status for accession in the European Union and its membership in the World Trade Organization have created conditions for greater opening of Macedonian economy towards international global market, fostering of investments, strengthening of GDP and by all these – prosperity of the national economy.

The structure of economic activities changed substantially during the transition period. The share of industry dropped considerably, from around 45 % in the early 1990s to around 25 % in 2005. With a share of about 60 %, the services are now dominant in the structure of the GDP, with major contributions coming from trade, transport, and telecommunications. Agriculture still contributes with 12 % to the GDP.

5.3 Air quality

The border crossing "Blace" is located in the area, where no industrial plants are located on the Macedonian side (on the other side there are industrial capacities and settlements). The village Blace is on upper position, far away from the border area, but close to the border crossing on the right side there are several houses on the distance of 50 m. The heating on the local inhabitances is on wood which is a possible source of air pollution. This type of pollution is negligible as results of the terrain configuration and these sources are active in a limited season. Sources of pollution on the border crossing are exhaust gasses from vehicles, trucks and other heavy transportation means. Other sours of air pollution are the emissions by the hitting boiler for the Terminal for heavy trucks. Natural aeration of the windy flat area is emphasized, which contributes to dispersal of any pollution. Even though there are no measurements on the air quality in this part of Macedonia or on the other side of the border, it is obvious that the dispersion of pollutants is from both sides, especially from Kosovo/General Jankovich Cement Factory.

5.4 Geological - hydrogeological characteristics

5.4.1 Geomorphological and geo-tectonic characteristics

The border crossing point "Blace" is located south-west from the village of Blace, nearby the river Lepenec, in a ravine area, surrounded by mountains from both sides. The terrain from both east and west rapidly increases by hundreds of meters. At the micro-location in the ravine area, no tectonic occurrences or processes have been registered. The terrain is stable, comprised of quarterly alluvial sediments, without possibilities for deformities.

5.4.2 Seismic characteristics

On the basis of the seismic activities at the terrain, the subject locality belongs to the group with 8 degrees according to the MCS scales.

On the basis of the categorisation of the terrain by stability and according to the engineering - geological characteristics of the terrain, it belongs to the group of stable terrains that present slightly sensitive seismic areas.

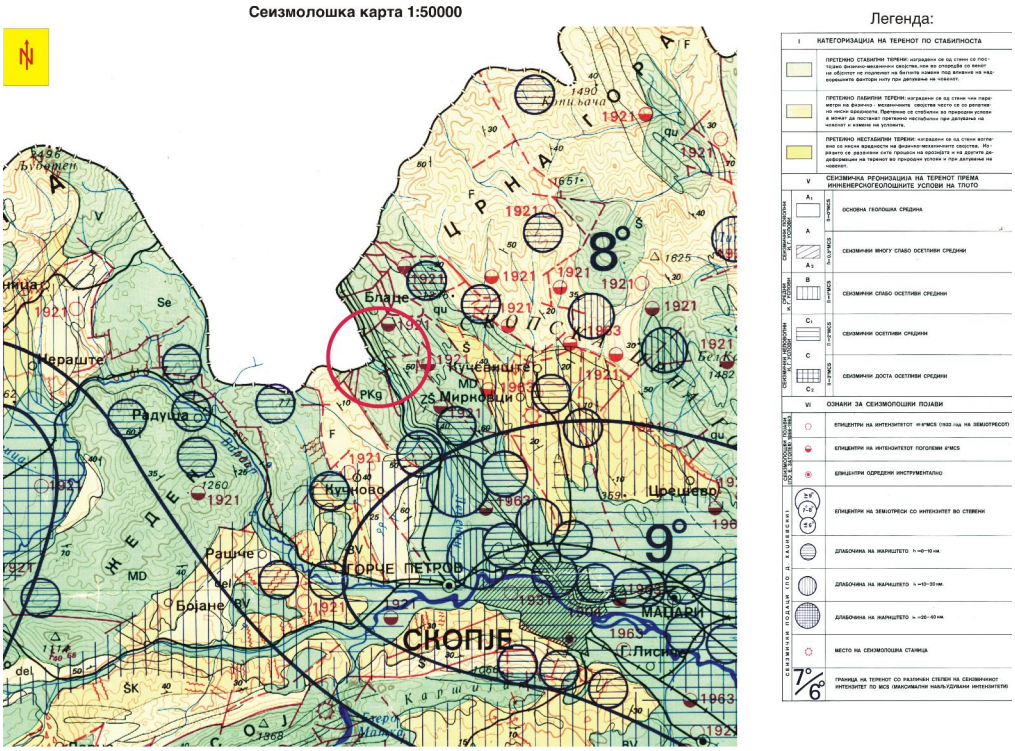


Figure 4 Seizmological map (1:50000)

5.4.3 Geological characteristics of the terrain

From geological aspect, the micro-location of the terrain is presented by quarterly sediments - alluvial sediments around the river Lepenec. There is a small possibility for those to cover the crystal slates on the east side of the river Lepenec and sandy soils and conglomerates and slates on the west side of the river Lepenec. These quarterly

- alluvial sediments are comprized of sands and gravels differently granulated at spots with blocks that are transported and settled. At the west side of the river Lepenec they cover the crystal slates comprised of: phylites, argilogistic, chloritic and graphite slates. They are tightly coherent rocky masses that are characterized by disintegrated parts on the surface, while more compact on the inside, except in the part of the fissure systems. At the west part of the river Lepenec the alluvial sediments are covered by tightly coherent rocky masses comprised of: sandy soils and conglomerates, that are scattely transferring into loams, rarely into limestones and breaches.

According to the engineering - geological characteristics, the quarterly sediments - alluvial sediments belong to the incoherent rocky masses, while according to the construction norms G.N.200 belong to III - category. The tightly coherent rocky masses - slates and sandy soils, depending on the level of cracking and compactness and according to the construction norms G.N. 200 belong to IV to VI - category.

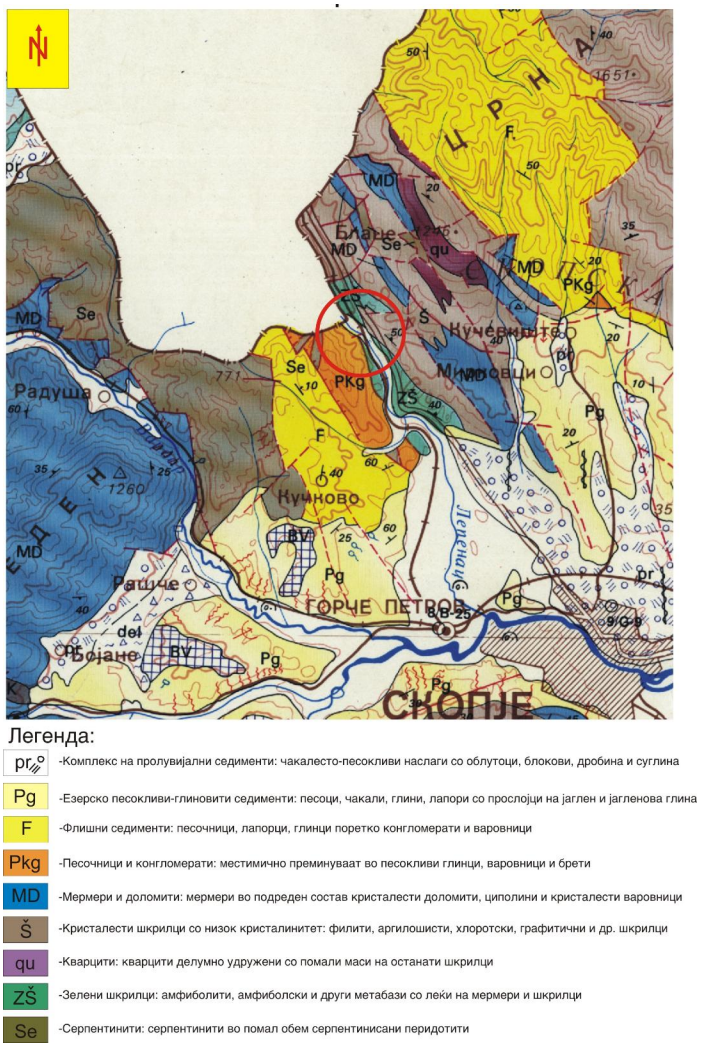


Figure 5 Geological map (1:50000)

5.4.4 Hydro-geological characteristics of the terrain

On the basis of the hydro-dynamic characteristics and hydraulic conditions that prevail at this type of areas, there is a compact type of well with free level of underground waters. The aboundance of the fissure type of well is in correlation with the tectonic activities, respectively the type and scope of fissure systems. Morphol-ogically, on both east and west sides of the location the terrain increases by height above the sea level, while according to the litology of the rocky masses, these are generally isolation areas that would serve as barriers for the underground waters. The spots with tectonic activities and fissure systems are an exception.

At the terrain of the micro-location, there is a compact type of well with free level of underground waters. The porosity is inter-granular. This well is characteristic for the quarterly - alluvial sediments, specific for their medium to high aboundance and high ccoefficient of filtration and water-carrying capacity. These materials are incoherent and with high porosity, which is unaffordable from the aspect of penetration of pollutants. Regarding the tightly coherent rocky masses, registered at both sides of the micro-location, they are generally characterised with slight water-permeability to non-permeability, presenting barriers for penetration of pollutants. There is a fissure type of well with free level of underground water and capilar porosity, while the aboundance belongs to the group of low water water-carrying to non- water-carrying terrains.

The feeding of the underground waters at the area of the location is primarily from the river Lepenec, where the level of transmission of underground waters is highest, and part of the hypsometrically higher areas. The direction of movement of the underground waters is presented at the picture below.

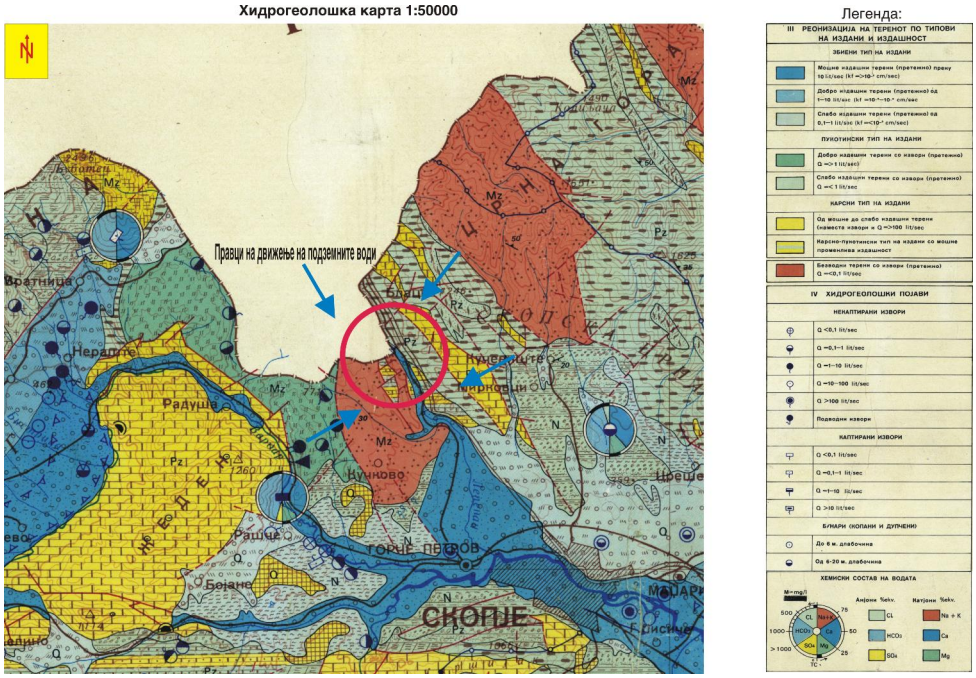


Figure 6 Hydrogeological map (1:50000)

5.5 Hydrological characteristics

The hydrographic network at the subject location - the border crossing "Blace", represents the basin area of the river Lepenec, located at a distance of 250 meters of the border crossing. The river Lepenec is a left tributary of the river Vardar. Measuring station for monitoring of the water quality in the river Lepenec is located at a distance of about 5 km from the border with Kosovo.

This station has a significant role in the system of early announcement of floods from the basin area of the river Lepenec. At the station, monitoring of the chemical and biological status of the water is carried out, within the frames of the state monitoring of surface waters. The water in the river Lepenec - starting form the border with Kosovo up to the flow in the river Vardar (Skopje, under the hill Zajcev Rid) is supposed to be of II category, according to the “Decree on Classification of Waters” (“Official Gazette of the Republic of Macedonia” no. 18/99).

Characteristics of water of II class - slightly polluted, mezotrophic water, that in its natural state may be used for bathing and recreation, water sports, raising some fish species (ciprinidae); or water which, with the usual methods of treatment - conditioning/coagulation, filtration, disinfection, may be used as drinking water and water for production and treatment of food products. The buffer capacity and saturation of water with oxygen is good throughout the whole year. The present overloading may lead to insignificant increase of the primary productivity.

In the following table are represented the limit values / maximal allowed values for the water of II category, in accordance with the “Decree on Classification of Waters” (“Official Gazette of the Republic of Macedonia” no. 18/99).

Table 1 Limit values / maximal allowed values for the water of II category

Indicators	***Limit values***
pH	**6.5-6.3**
Turbidity	**0.5-1.0**
Dissolved Oxygen mg/l O_2	**7.99-6.00**
Biological Oxygen Demand in 5 days (BOD5) mg/l O_2	**2.1-4.0**
Chemical Oxygen Consumption - Permanganate mg/l O_2	**2.51-5.00**
Suspended Matters mg/l	**10-30**

Measuring of the river Lepenec flow (basin area: 616.10 km^2) performed at the Hydrological station Granica „O” 300.00 mm (figure 7).

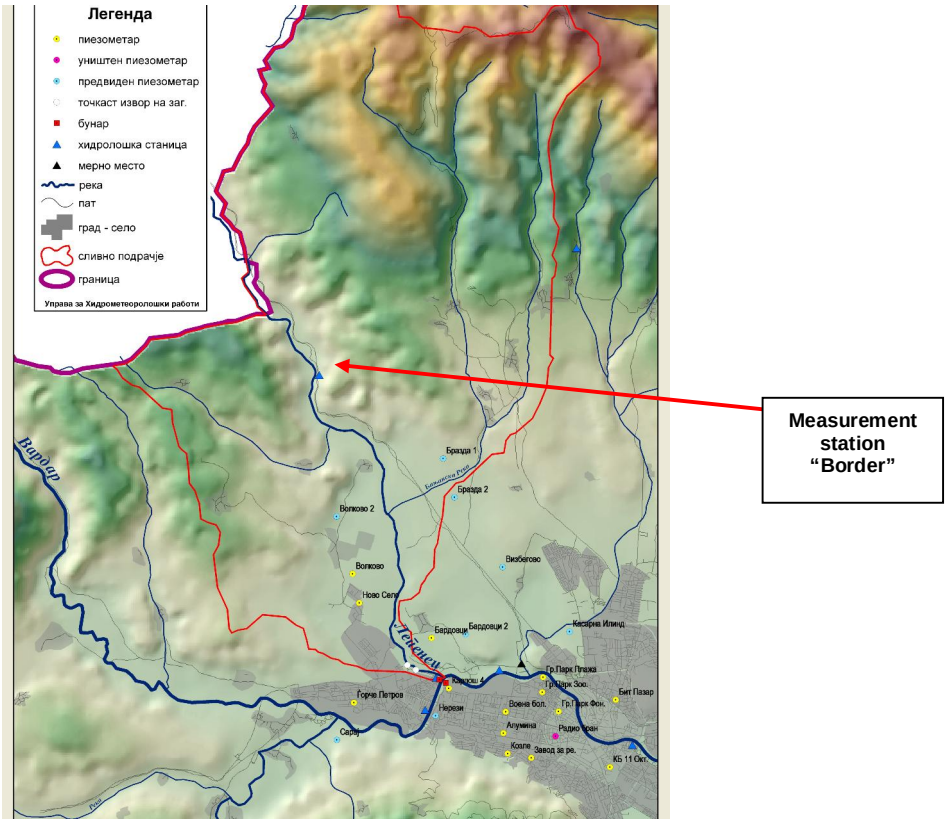


Figure 7 Distribution of measuring points for monitoring of quantitative and qualitative characteristics of the surface and underground waters

The measuring of the river Lepenec water quality at the measuring point Granica (performed by the Hydrometeorological Administration in the period 2006-2008), located about 5 km away from the border crossing, showed increased values of the oxygen regime of the water, indicating water category of IV and V class, by exceeding the quality defined by the Decree. This point to the fact that there are polluters upstream, discharging organic pollution into the river (communal wastewater).

5.6 Climate characteristics

The **climate** in the Project area is under insignificant impact from the Skopje Valley, on one side and, on the other side, under continental climate through the Valley of Lepenec River through which this continental climate is penetrating from. This area is at great elevation and opens towards North which provides open penetration of the air masses. In the winter months this reduces the air temperature. This manifests a special local climate as a result of these influences–a climate conditioned by the valley characteristics of the site.

The summers are hot and dry. The winters are moderately cold. The autumn is warmer than the spring and the average temperature fluctuation and the absolute annual fluctuation were increased – they are 22,8 degrees Celsius. The transition from winter towards summer and from summer towards winter is quite sudden. The

spring and especially the winter are not sufficiently emphasized as transitional seasons. The ice period includes the vegetation period and there are circumstances for damages eventually caused to the farmers due to spring and autumn ice, while in the warmer part of the year there are conditions for higher temperature with negative impact on the physiological functions of the people and the plants development.

The precipitations in the Kachanik Canyon are mainly from rains. There is also snow in winter months. From the total average annual number of rainy days, 17% are days with snow.

The relative humidity in the air has strictly emphasized annual movement into the valley. It is on decline from January to August and on increase from August to December. The only exception is the month of May where the average humidity is greater than in April. This is due to the May maximum in precipitations. The months with greatest relative humidity are November, December and January with 82-84% and July and August have the lowest with 57-56%.

5.7 Cultural heritage

The site does not have special sections and natural objects that need to be protected in order to preserve the current plant and animal life. The border crossing of "Blace" does not have archeological remains.

5.8 Vegetation

The existing border crossing is located in area by a small number of flora representatives, which are not of significant importance. On the project site there are some trees and bushes.

6. POSSIBLE ENVIRONMENTAL IMPACTS

In accordance with the Bank's safeguard policies and procedures, including OP/BP/GP 4.01 Environmental Assessment, the proposed Project is classified as the Category B Project for environmental assessment purposes as it is not expected to generate significant environmental impacts.

It is anticipated that environmental risks by the proposed Project-activities will be relatively negligible.

The project will include **civil and construction works** connected to the **renovation of existing buildings and infrastructures and construction of new ones.**

The civil works related to the reconstruction of the border crossing under the Project protect the respective population and environment from key risks such as dust, noise, construction wastes and accidental spillage of machine oil and lubricants, wastewater disposal on the construction site, pollution of surface waters and soil.

The EMP provides guidance on avoiding the use of hazardous substances, such as toxic paints, solvents or cleaning agents; and checks the potential impacts on different media of the environment.

The Project activities will not change boundaries, ownership or use rights in forest lands or protected areas. The land acquisition and associated involuntary resettlement will be done in accordance with the Resettlement Action Plan, approved by the GoM and agreed with the WB. The above mentioned environmental risks can be effectively anticipated in advance of project implementation and addressed by direct mitigation activities in the design, planning and construction supervision process as well as during the operation of the facilities. An EMP covers typical mitigation approaches to common civil works contracts with localized impacts and related monitoring actions that are compatible to the World Bank safeguard requirements would be directly usable and applicable in bidding documents and as an integral part of contract documents for the respective civil works.

Potential environmental impacts can be classified into two phases–related to construction, and to operation. However, these possible impacts could be managed through supervision of environmental aspects and use of adequate technical construction and operational standards.

6.1 Possible impacts in the phase of construction

The possible impacts derive from the construction activities are the following:

Short-term impact from ***noise, dust,*** **exhaust gasses and** ***vibration*** during the execution of civil works is inevitable. Presence of heavy machinery and running of various kinds of vehicles and equipment at different construction stages and sites will inevitably generate exhaust gasses and dust, noise and vibration. Proper measures for avoiding the impacts will be given in the EMP.

Soil contamination: construction activities may cause some contamination of soil by occasional spills of machine oils, paints and other similar substances. If improperly handled these materials it can negatively affect terrestrial and aquatic ecosystems. Also during the construction phase there is a possibility for soil compaction and erosion. Proper measures for avoiding the impacts will be given in the EMP.

Water contamination - During the construction phase, hydrological units of the location at the border crossing might be disturbed (surface and underground waters) as a result of the improper wastewater and waste management, as well as the improper storage and handling of fuels, oils, raw materials, and similar matters. Proper measures for avoiding the impacts will be given in the IMP.

Additionally, the construction of traffic line can increase the amount of impermeable surface area, which increases the rate of surface water runoff. High storm water flow rates can lead to stream erosion and flooding. Storm water may be contaminated with oil and grease, metals (e.g. lead, zinc, copper, cadmium, chromium, and nickel),

particulate matter and other pollutants released by vehicles on the border crossing area. This may affect the water quality of the recipient river (Lepenec).

Waste handling and spill response: Routine construction activities will generate solid and liquid wastes. Predicted wastes include waste of construction materials, communal waste, machine oil, etc. Solid waste may be generated during construction of road-lines and associated structures. Significant quantities of rock and soil materials may be generated from earth moving during construction activities. Improper handing of on-site wastes and response to spills, excavated soil materials and other types of waste could result in negative effects on the local environment including groundwater, surface waters, soil and local residents. Proper measures for avoiding the impacts will be given in the EMP.

Cultural Heritage Resources - Reconstruction/construction may affect possible uncover archaeologically or culturally significant findings. Consideration of such concerns is provided in the works contracts that will include requirements that the contractor is obliged to look for chance finds and immediately stop the construction work at the contested location and alert the responsible authorities in case of chance finds.

Accidents and hazards - Accident (hazard) is unplanned or extraordinary event which is caused by indolence, when partial or complete absence of process control is presented, during limited space and time period. This may have negative impacts on the human health and the environment. Accidents and hazards could influent adversely the quality of watercourses, groundwater, soil and ambient air. Accident and hazard can be affected the border crossing **in both phases**, construction and operation phase.

Causes for such risks may be accidents with the transport and other vehicles circulating in the border crossing, as well as the presence of explosive, flammable, corrosive, infectious and other substances transported by shipment. Upon extraordinary conditions spills and leakage could appear which may further contribute to the creation of:

− Fire and explosions;

− Soil, air and pollution of surface and ground water;

− Jeopardy of human and material wealth;

− Destruction of the road and facilities.

Similar accidents could be initiated by prolonged stay of the shipments at the parking areas, at which suitable protection measures have not been applied, especially in summer conditions.

To identify and predict such risks, a plan for hazard control should be developed and attached to the technical documentation. Similar plan should be developed for fire fighting.

6.2 The main potential impacts that derive from the operational phase are the following:

Air pollution

During the operational phase of the border crossing exhaust gasses emitted from the traffic will be permanent polluters of the ambient air. The increase of the traffic flow will contribute to air quality worsening. Additionally, the air quality can be affected by the hitting production installations (both, the new one for the border crossing and the existing one for the Terminal for heavy tracks), as a result of the fuel combustion in the boiler room.

The possible air pollution from the vehicles is presented in the following table.

Table 2 Possible air pollution from the vehicles

Type of vehicles	CO	NOX	VOC	Speed	Number of vehicles
	kg/d	kg/d	Kg/d	km/h	
vehicles/ligroin	105	6.75	10.5	10	600
vehicles /dizel	82.5	11.25	8.25	10	300
vehicles /gas	82.5	11.25	5.25	10	100
buses	127.5	34.5	30	10	200
heavy trucks	127.5	34.5	30	10	240
Total	**525**	**98.25**	**84**		

The aforementioned could cause occurrence of health impacts for the border staff and the close settlement.

Due to the geographical location of the terrain and its openness, that provides natural ventilation and easy dispersion of pollutants, the impact on air quality is not considered as very significant.

Proper measures for avoiding the air impacts will be presented in the EMP.

Noise and vibration

During the operational phase, the noise from the vehicles will be constantly present at the border crossing, as a result of the increased frequency of transport means. Proper measures for avoiding the impacts of the noise will be given in the EMP.

Soil pollution

Main sources which cause pollution of the soil are the aero-sediments. Within the sediments composition there will be solid particles (originating from diesel engines) sulphates, nitrates and aerosol sediments (aerosol may be acidic, due to the reaction of sulphuric, nitrogen and carbon oxides with the storm water). Bearing in mind the suitable morphological conditions in the area of the alignment, soil pollution caused by such sediments is not likely to be expected. It could appear upon inappropriate weather conditions (fog, extremely low temperatures etc.). Proper measures for avoiding the impacts of the soil will be given in the IMP.

Water

During the operational phase, adverse impacts are expected at the border crossing on the surface and underground waters. The project documentation for reconstruction and modernization of the border crossing anticipates setting of oil-grid, that will strain the storm (atmospheric) waters prior to the final discharge into the recipient river (the river Lepenec), thus avoid the possibility for river water pollution.

The increased frequency of passengers and the increased number of staff at the border crossing will inevitably result in increased generation of communal wastewater, which has to be collected in the sewerage network and further treated in a wastewater treatment plant. Any improper treatment of the communal wastewater will have a negative impact on the recipient river (the river Lepenec), the basin of which concerns the protected zones of Rasce spring and Nerezi wells, that provide drinking water for the City of Skopje. This is also supported by the measurements of the river Lepenec water quality, indicating that the water by far exceeds the class defined with a secondary legislation act.

The application of the measures given in the EMP, regarding the waste management, additionally will enable avoiding of the possible impacts on the hydrological units at the location.

Waste and spillage handling

Solid waste and liquid waste (hazardous and non hazardous waste) will be generated during the operation phase at the border crossing. The sludge of the wastewater treatment plant should be taken into consideration as a solid waste. The improper handling of these wastes can have a negative impact on different environmental media.

Maintenance activities of the border cross may include road resurfacing waste (e.g. removal of the old road surface material).

During the operation phase of the border crossing there is a possibility of oil and diesel spilling that can negatively affect the different media of the environment.

Proper measures for avoiding the impacts of the waste and oil and diesel spillages and other substances will be given in the EMP.

Conclusion:

All these impacts can be effectively dealt with, if they are recognized through in the pre-design and design phase. In this project, implementation of mitigation measures can be advised on three levels: design, construction/reconstruction and operation. These measures should be feasible and cost-effective aiming at eliminating, off-setting and reducing negative environmental impacts. The measure should not only deal with recognized risks, but should as well be used as guidance to make the facility more environmentally friendly and sustainable.

7. LAND ACQUISITION AND RESETTLEMENT

Land acquisition - There is an ongoing process for land acquisition that is expected to be completed by June 30th, 2009.

The resettlement may cause severe long-term hardship, impoverishment, and/or environmental damage within the financed projects, it is necessary to undertake appropriate measures that would include the following: (a) involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs; (b) where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs; and (c) displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to he beginning of project implementation, whichever is higher.

In order to acquire necessary land for construction activities the GoM approved a Resettlement Action Plan, which was also agreed with the WB (see Annex 2). This document specifies all rules and procedures to be applied for land acquisition.

8. ENVIRONMENTAL MANAGEMENT PLAN (EMP)

8.1 Environmental Management Approach

For low-risk projects, such as small scale public buildings construction and/or rehabilitation activities, the EMP includes a checklist-type format that provides “pragmatic good practice” in a user friendly format that is compatible with environmental safeguards requirements.

The EMP checklist-type format covers typical mitigation approaches to common civil works contracts with localized impacts. This format provides the key elements of an Environmental Management Plan (EMP) and meets World Bank Environmental Assessment requirements under OP 4.01. The intent is that this checklist would be directly usable and applicable in bidding documents and as an integral part of contract documents for civil works under Bank-financed projects.

8.2 Environmental Management Plan (EMP)

The Environmental Management Plan (EMP) is prepared to ensure integration of possible project environmental issues and proposed mitigation measures into the detail design and project implementation. The EMP is based on the WB EMP Checklist for small scale construction activities and will:

(a) identify the set of mitigation measures that will be taken during implementation and operation in order to eliminate the potentially adverse environmental and social impacts or reduce them to legal acceptable levels;

(b) determine requirements for ensuring that these mitigation measures are made effectively and in a timely manner; and

(c) propose measures to monitor mitigation measures.

The EMP will also ensure that: (i) implementation is monitored and meets the requirements of the Law on environment in the Republic of Macedonia and the WB safeguard policies; and (ii) environmental impacts are mitigated.

The following EMP content is developed based on WB OP 4.01 Annex C, and adapted to the proposed Project.

(a) Mitigation Plan: This includes a description of the steps that will be taken to identify all anticipated significant effects, to mitigate the major potential impacts on land, water, air and other media during the reconstruction of the border crossing. Potential expected impacts during the (re)construction activities are such as: solid waste, noise, dust, pollution caused by spills and leakages, waste water, soil erosion. Special attention should be paid for proper demolition and collection of asbestos structures/materials (if any) at the sites.

(b) Monitoring Plan: Project monitoring plan includes conducting standard environment monitoring activities (on soil pollution, solid waste, noise) as well as continuous monitoring of potential emergency situations. This will include a description of the key parameters to be monitored (including monitoring locations, schedules and responsible entities) and reporting procedures to ensure that the construction and operation of the project is in compliance with the WB and Macedonian EIA laws and regulations and other relevant environmental norms and standards. If such details are covered by permits or construction or monitoring contracts these can be referenced as attachments.

(c) Monitoring Institutional Arrangements: The EMP should contain also a brief presentation on how the monitoring data is going to be used for sound environmental performance-who collects the data, who analyzes it, who prepares reports, to whom are the reports to be send to and how often, what would be done by the responsible authorities after they receive the reports/information; and how is non-compliance with the EMP managed. This should also include if needed technical assistance programs (training).

(d) Implementation Arrangements, Schedule and Cost Estimates: For all three aspects (mitigation, monitoring, and capacity development), the EMP provides: (a) implementation arrangements, including institutional responsibilities; (b) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (c)

cost estimates and sources of funds for implementing the EMP. These figures are also integrated into the total project cost tables.

(e) Funding of the EMP will be provided by: Custom Administration Budget, Project Budget, other institutions and providers of services within the Border crossing budgets.

(f) Integration of EMP with the Project: The EMP will be integrated in the Project's planning, design, budget and implementation.

8.3 Environmental Guidelines

The Environmental Guidelines section of the EMP details the specifics of potential environmental issues to be addressed during the design and reconstruction of the border crossing. The guidelines are focused on mitigation measures during handling of construction debris generated, selection of construction materials and construction methods with limited impact on the environment, as well as the handling of wastes, and storage of hazardous materials under project supported activities (see table 3).

8.3.1 Mitigation measures during design phase

During the design phase many important issues could be approached, investigated and best choices incorporated into detailed project documents. Designer should propose the best construction practices with regard to proposed activities, design of object in a manner that are accessible, energy efficient, recommend the types of materials which are environmentally sound and accepted in the country, taking into consideration adaptation of building to the existing surrounding landscape and surrounding architecture.

8.3.2 Mitigation measures during the construction phase

During the construction phase the emphasis is on possible environmental impacts that follow the demolition and construction works. Issues that could be addressed are: construction and other waste management, minimization of dust and noise, site restoration, temporary storage of the material, storage of hazardous materials, traffic management plan, working hours, and encroachment into the neighbor territory.

Noise reduction. Before the beginning of the work it is recommended to inform neighbors either directly or through local billboards or newspapers on the reconstruction activities. The noise should be limited by using good management practice and limiting works on regular daily shift.

Mitigation measures may include the following actions: reduce noise by using noise absorbing/protecting building materials, provide workers with ear plugs and helmets and generally prevented from prolonged exposure to high noise levels, etc. The equipment and machinery used should be calibrated according to the Regulations on the allowed limit values of noise (Law on protection from noise in the environment

"Official Gazette of RM", no. 79/07) and Rules for limit values of the noise level in the environment ("Official Gazette of RM", no. 147/08)).

To avoid noise and disturbance of neighbors the works should be conducted in a daily shift, meaning from 7 am to 6 pm. For other working hours special permits are required.

Dust minimization. Temporary technical solutions and measures for dust minimization during reconstruction should be used. For the transportation of earthlike or any other dusty material to the construction site or of the construction site watering or covering of the cargo to prevent spills should be implemented. Reduction of dust on construction/reconstruction site during dry season of the year can be accomplished by watering the ground surface (use of sprinklers to wash down roads and suppress dust emissions during soil transport). At the same time, water should not be wasted. Reducing speed of the vehicles can be another applicable measure. Workers that perform demolition should be introduced with safety equipment, while dust from the object can be prevented by enclosing of construction site if necessary.

Construction wastes and spills. It is recommended that contractor prior to start the works ask the facility to remove all equipment and material that will no longer be used and to dispose of it or recycle it in a proper manner. Wastes where ever possible should be minimized, separated and handled accordingly.

When wastes are separated as advised in the Macedonian legislation on waste management (the Law on Waste Management "Official Gazette of RM", no. 68/04, 71/04, 107/07, 102/08, 143/08 and other Rules0 they are more manageable. Some materials like doors or ceramics sinks might be usable on the site again. Non-usable materials should be taken to appropriate place for recycling. For non recyclable wastes, in agreement with Public communal enterprise (or other private entity) the wastes will be deposited on city landfill (Drisla Landfill). Proper sites for earth/clay and sand disposal will be determined and prior approval from relevant authority for disposal will be obtained. Stockpiling of construction debris on site will be avoided and waste will be disposed of on a regular basis at the authorized government dumping ground. Open burning and illegal dumping of any waste is strictly prohibited.

In addition to solid wastes, some amounts of hazardous wastes will be produced on the site like: the remaining from paints, enamels, oiled packaging, oils, material contaminated with oil, tires, insulation material etc. - based on the provisions of the Law on Waste Management ("Official Gazette of RM", no. 68/04, 71/04, 107/07, 102/08, 143/08), all wastes given above have to be classified as hazardous wastes and to manage with it properly. That means that all hazardous wastes will be managed as it is regulated by the Minister of environment and foreseen with the Law on Waste Management ("Official Gazette of RM", no. 68/04, 71/04, 107/07, 102/08, 143/08) and the Rules for closer conditions for hazardous waste management and way of packaging and labeling of the hazardous waste ("Official Gazette of RM", no. 15/08).

Asbestos wastes (if found on the site), have also to be collected and managed as it is foreseen in the Rules for asbestos waste management and management of waste from products that contain asbestos ("Official Gazette of RM", no. 89/06). The constructor is responsible for preparation of a Report on environmental protection according to the Law on environment ("Official Gazette of RM", no. 53/05, 81/05, 24/07 and 159/08) and Regulation for appropriation of projects and criteria according to which is established the necessity for procedure performance for environmental impact assessment ("Official Gazette of RM", no. 74/05). This Report should include a plan for removing asbestos materials (if found). This plan has to describe health prevention measures, usage of special protection equipment to minimize their potential health hazard.

As a general requirement is that the existing building elements to be demolished (walls, ground cement slabs etc.) should be carefully demolished and the debris should be sorted and removed as directed by the EMP. All valuable materials (doors, windows, sanitary fixtures etc.) should be carefully dismantled and transported to the storage area assigned for the purpose. Valuable materials should be recycled within the border crossing or sold.

Procurement of construction material. Environmentally sound goods and services should be selected. Priority should be given to products meeting standards for recognized international or national symbols. Traditionally well-tried materials and methods should be chosen rather than new and unknown techniques. Water-based interior nontoxic, non allergenic paint for drywall or plaster surfaces is preferable to latex or oil-based paints from a respiratory standpoint.

Site organization and restoration. Construction site should be fenced off in order to prevent entry of public, and general safety measures would be imposed. The projection is that there would not be any major temporary inconveniences regarding traffic or due to reconstruction works, and the ones that would arise will be minimized through planning and coordination with contractors, neighbors and authorities.

The traffic will be somewhat burdened by trucks supplying construction material and removing waste, but not to the extent of having to stop the traffic, or having it rerouted. Therefore, during reconstruction, the traffic would remain relatively uninterrupted, and it is the Contractor's responsibility to make sure this is the case throughout the reconstruction phase. After completion of works the site should be restored as planned in the design. All wastes and machinery should be removed from the location. Given the geology attributes of the location, the works are to be executed in the morphological level of a terrace; therefore, planned works cannot cause erosion.

Temporary storage of material (including hazardous materials). Stockpiling of construction material should be avoided if possible. If not, construction material should be stored on the construction site, and protected from weathering. Hazardous materials like paints, oils, enamels and others should be kept on impermeable

surface, and adsorbents like sand or sawdust should be kept for handling small spillage. Handling with the material should be consistent with the instructions on Material Safety Data Sheets.

8.3.3 Operation

During the operation the main emphasis should be on:

Air quality-*Gases and dust minimization.* Due to the increased vehicles frequency, during the operation phase, there will be increased emissions of gases and dust. The emission by the existing hitting boiler (installed in the Terminal for heavy trucks) and the new one (which is planned for the facilities of the border crossing heating) is expected to have cumulative negative impact to the air quality. This is why the air quality should be regularly checked. For protection of the population of the nearest village Blace it also will be foreseen suitable barriers and plantation of trees. If the air quality standards, regulated by the National Law and regulations will be threatened additional air protection measures will be undertaken.

The operation of the heating system and crude oil storage will be monitored. The measurements of emissions from the heating boiler will be carried out.

Monitoring of the ambient air quality will be carried out on regular annual base.

Noise reduction Due to the increased people and vehicles frequency, during the operation phase, the levels of noise will be increased. In order to reduce the noise levels that will occur during this phase, it is foreseen usage of noise absorbing/protecting building materials. The planned extension of the eaves will additionally reduce noise level. Planned barriers and trees for decreasing the impact of the emissions by the vehicles and busses, will reduce impact of noise, as well.

Waste management In the Law on waste management it is recommended that each institution issues internal order for waste management. In this order different waste types would be identified and for each of them the manner of their handling should be described.

The wastes could be classified into following categories: a) hazardous wastes; b) non hazardous wastes. Hazardous wastes have to be separated and classified, and managed according to the Law on Waste Management (“Official Gazette of RM”, no. 68/04, 71/04, 107/07, 102/08, 143/08) and the Regulation for closer conditions for hazardous waste management and way of packaging and labeling of the hazardous waste (“Official Gazette of RM”, no. 15/08).

In the case of existence of legal entity for disposing or treating of waste, this entity should be in a possession of license for handling wastes according to the Law on waste management and other legal acts on waste management.

Hazardous material should be stored according to Material Safety Data Sheets.

Wastewater management There is existing wastewater treatment plant (WWTP), situated on the terminal for heavy trucks (for 200 P.E.). It is planned the waste waters

by the border crossing to be collected in the secondary sewage network and treat in the existing WWTP on the Terminal. In that case, taking in mind the improvement of the border crossing, increased number of passengers and employers the present capacity of the WWTP will be insufficient. It means the building of the new WWTP for 500 P.E. or upgrading of the existing one have to be undertaken. The discharged waste waters in the recipient river (river Lepenec) must meet the requirements for II class of waters. It requires appropriate treatment and continuous monitoring of discharged waters.

Potential soil erosion After completion of construction works there will be risk on potential soil erosion on the slope, which is located towards the river Lepenec. In order to protect the inclined plane from sliding, there should be performed plantation of trees.

All impact minimization and/or avoidance measures for both construction and operation phases are summarized in the table 3, presented below. It is proposed the Custom Administration of the Republic of Macedonia and the WB will monitor that such provisions are in place in the bidding documents and follow-up contracts. Furthermore, the consultants to be engaged in the design of the reconstruction of the facility will advice on management of environmental risks, including from arising from reconstruction works, disposal of construction waste, and mitigating effects of noise and dust. Contracts and bill of quantities will include clauses for appropriate construction material and disposal of construction waste. Procurement documents will specify that no environmentally unacceptable materials will be used.

Table 3 Proposed measures for mitigating and avoiding risks

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
DESIGN	**Technical control of the project**	Implementation of measures proposed in the EMP.	Finalized phase.	"INPUMA" PEMRCPRM, Earthquake engineering and seismology Institute.	This is a legal requirement and it is proposed to be a binding document.

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
CONSTRUCTION	**Formation and arrangement of construction site**	Preparation of Plan for construction site, which will include all necessary requirements for construction sites according to the Law on construction ("Official Gazette of RM" no. 51/05, 155/05, 76/06, 173/07 and 82/08). Its formation and arrangement should include: proper fencing and notice board; putting up the warning sign – prohibited access for external passers-by or non-staff; placing outdoor toilets for staff etc. Since the location is a morphological form of terrace, and having in mind the location of construction site, there will be no erosion of land during construction. The traffic may be somewhat burdened by transport of construction material and waste. It is necessary to develop a plan of supplying the material and dispatch of waste in order to mitigate the impact.	The costs will be defined in the Contract with the Contractor.	The Division for international cooperation in the Custom Administration of the Republic of Macedonia Contractor Supervisor.	Defined in the tender documentation and in accordance with the Contract with the best bidder-Contractor.

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	Increased noise	Construction works will be limited only in day shifts (7 am to 6 pm). Providing workers with ear plugs and helmets and generally prevented from prolonged exposure to high noise levels. The equipment and machinery has to posses attest (needs to be calibrated for certain limit values of the noise level according to the Regulations on the allowed limit values of noise in RM).	The costs of noise protecting means for workers are not considerable. The cost of regular annual technical inspection of construction machines and equipment is not considerable, and there should be a working certificate. Costs should be borne by Contractors.	Contractor.	To be specified by binding documents (compliance with the Environmental Management Plan).

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	Dust emission	Dust from demolition and transportation of construction materials and wastes will be minimized by use of water, by minimizing speed of vehicles and covering of cargo. Dust from the object can be prevented by enclosing of construction site if necessary or using water sprayers.	Could be considerable if construction works are executed in dry periods of the year. Costs should be borne by Contractors.	Contractor.	To be specified by binding documents (in line with the Environmental Management Plan).

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	Construction debris and generation of other wastes including hazardous waste	All recyclable fractions have to be separated from non-recyclable wastes and taken to appropriate collection points with accompanying documentation. Non-recyclable wastes have to be taken to an approved landfill (in agreement with Public communal enterprise or other private entity, licensed for waste management) or proper sites for earth/clay and sand disposal will be determined and prior approval from relevant authority for disposal will be obtained. The building site will be cleaned and all debris and waste materials will be disposed of in accordance with clauses specified in the bills of quantities. Burning or illegal dumping of wastes are strictly forbidden. Hazardous waste is expected in small quantities and it has to be separated from solid waste.	Not considerable (subject to volume of hazardous wastes). All costs should be borne by the Contractor.	Sector for administrative and technical works- Division for investments and maintenance Contractor	To be specified by the binding documents (compliance with Environmental Management Plan).

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
		For hazardous wastes (paints, enamels, oils, tires, insulation materials etc.) contractor has to follow procedure for hazardous wastes management, this implies assessment by authorized company for hazardous wastes, packaging and labeling, making agreement with company that have license for collection and transport of hazardous waste (as it is foreseen in the Law on waste management).			
	Removal of asbestos containing materials	Insulation material containing asbestos (if founded) is defined as hazardous wastes and it has to be handled in compliance with the Rules for asbestos waste management and management of waste from products that contain asbestos. Preparation of Report on environmental protection, which will include plan for removing asbestos material from the building.	Contractor The costs for treatment of removed asbestos material are not a part of the WB Project.	Custom Administration of the Republic of Macedonia.	Will be specified in bidding documents (compliance with EMP).

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
CONSTRUCTION WORKS	**Degradation of important archeologically or culturally significant sites – "chance findings"- Optional**	Supervision of construction works. If archaeologically or culturally significant sites are found during expanding, the Contractor must stop the construction works and follow the procedure to notify responsible authorities in case of chance finds.	The Custom Administration The costs are not a part of the WB Project.	Custom Administration of the Republic of Macedonia Contractor Supervisor.	Notify municipal authorities, the Project Team in Custom Administration of the Republic of Macedonia.
INTER-MEDIATE PHASE	**Insufficient capacity in the Custom Administration staff to implement the EMP requirements**	Training of the relevant staff under the prior prepared Program.	10.000 US$ Budget of the Project.	Ministry of Transport and Communications (MTC), Custom Administration of Republic of Macedonia (the project implementing body) and Macedonian Road Agency.	The staff should be able to follow the implementation of the EMP and prepare reports to the relevant institution in the Country and WB.

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
OPERATION PHASE	**Heating system and storage tanks for crude oil or gas**	Fire protection measures defined in the Project documentation must be implemented. The annual Program for fire protection should be implemented also.	Regular costs planned for fire protection, from the Custom's Budget.	Custom administration-Division for fire protection and security.	Take all measures in line with planned events by competent organization.
	Increased noise	The noise will be reduced by using noise absorbing/protecting building materials. For additional noise protection of the population of the nearest village Blace, it should be foreseen special protecting barriers located at the village margins, as well as planted trees. The eaves will obtain additional noise protection.	Not considerable, and should be covered by the Project, in cooperation between the Custom administration and Agency for public roads.	Custom administration and Agency for public roads.	Will be specified in bidding documents (compliance with EMP).

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	Lower air quality	Due to the increased traffic, the emissions of gases and dust will be also increased. The emission by the existing heating boiler (installed in the Terminal for heavy trucks) and the new one (which is planned for the facilities of the border crossing heating) is expected to have cumulative negative impact to the air quality. The air quality should be regularly measured. For additional protection of the population of the nearest village Blace from the emitted gases and dust, it should be foreseen plantation of trees near the barriers for noise protection, at the internal part of the village margins.	Not considerable, and should be covered by the Project, in cooperation between the Custom administration and Agency for public roads.	Custom administration and Agency for public roads.	Will be specified in bidding documents (compliance with EMP).

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	Waste management	Separate wastes within facility i.e. organized solid wastes separation, collection of recyclable and organized collection of non-recyclable solid wastes. Introduction of measures for minimization of wastes production. Contractor has to follow procedure for hazardous wastes management, and to deliver it to the conventional licensed company for collection and transport of hazardous waste. Follow binding reporting procedure on hazardous wastes. If there is legal entity for disposing or treating of waste, this entity should be in a possession of license for handling wastes according to the Law on waste management and other legal acts on waste management. If this is a case, the Contractor should make an agreement with the legal entity in order to manage waste properly.	It will be defined in accordance with the needs and will be covered by all relevant institutions and services which will function in range of the border crossing. The contract with the Public Communal Enterprise or other private licensed entity will be signed.	Custom Administration and other relevant institutions and services which will function in range of the border crossing.	It is recommendable that each institution issues internal order for waste management. In this order different waste types would be identified and for each of them the manner of their handling would be described.

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	Storing	Hazardous material should be stored according to Material Safety Data Sheets and legal and internal acts.	Budget of the Custom Administration and other relevant institutions and services which will function in range of the border crossing.	Custom Administration and other relevant institutions and services which will function in range of the border crossing.	Facility designs should address the need for storage.

PHASE	ISSUE	MITIGATION MEASURES	COSTS	INSTITUTIONAL RESPONSIBILITY	COMMENTS
	Wastewater management	There is existing wastewater treatment plant (WWTP), situated on the terminal for heavy trucks (for 200 P.E.). It is planned the waste waters by the border crossing to be collected in the secondary sewage network and treat in the existing WWTP on the Terminal. In that case, taking in mind the improvement of the border crossing, increased number of passengers and employers, the present capacity of the WWTP will be insufficient. It means the building of the new WWTP for 500 P.E. or upgrading of the existing one have to be undertaken. The discharged waste waters in the recipient river (Lepenec) must meet the requirements for II class of waters. It requires appropriate treatment and continuous monitoring of discharged waters.	Budget of the Custom Administration The costs will be defined through bidding procedure.	Custom Administration-Operator/Contractor.	There will be foreseen common provision of sanitary and technical water and wastewater discharging for the border crossing and the terminal.
	Potential soil erosion	After completion of construction works there will be risk on potential soil erosion on the slope, which is located towards the river Lepenec. In order to protect the inclined plane from sliding, there should be performed plantation of trees.	Non considerable, and should be covered by the Contractor.	Macedonian Customs-Operator/Contractor.	Will be specified in bidding documents (compliance with EMP).

9. MONITORING AND SUPERVISION PLAN

The EMP includes a Monitoring Plan with measures that will be employed to track the effectiveness of the mitigation measures and described the parameters to be monitored, along with the monitoring methods, frequency, as well as the monitoring and reporting procedures, including institutional arrangements. All parameters to be monitored, frequency, modality and schedule of monitoring activities are presented in the Monitoring Plan given in the Table 4.

Such parameters and criteria include the use of protection and safety measures by and for workers on the site, dust generation and prevention, amount of water used and discharged by site, presence of proper sanitary facilities for workers, waste collection of separate types (mineral waste, wood, metals, plastic, hazardous waste, e.g. asbestos, paint residues, spent engine oil), waste quantities, proper organization of disposal pathways and facilities, or reuse and recycling wherever possible.

The responsibility for the implementation and monitoring of the Bank's safeguards policies and resulting environmental management and mitigation measures will remain with the Engineer identified within Custom Administration of the Republic of Macedonia. The Contractor that will perform the civil works will also follow the requirements of the current local construction regulations.

The project implementation including monitoring measures will be supervised by the World Bank (during its supervision missions) and by the local relevant environmental and construction inspectors.

The project implementation progress reports will contain a special section concerning EMP implementation and compliance with the WB and National environmental requirements.

The construction company will present semi-annually short reports on EMP implementation to the Coordinating body for the EMP implementation.

Reports will be prepared on each of the environmental reviews, specifying mitigation measures and assigning responsibilities for implementation. The findings and recommendations of the reports will be discussed with representatives of the municipality and, as appropriate, organizations and neighbors concerned. Annual reports outlining progress in EMP implementation and highlighting environmental issues arising from the project supported activities, the status of mitigation measures and next steps will be prepared and submitted to the Bank for review.

The site engineer's monitoring report (in the construction phase) would be a condition for full payment of the contractually agreed remuneration, the same as technical quality criteria or quantity surveys. To assure a degree of leverage on the Contractor's environmental performance an appropriate clause will be introduced in the works contracts, specifying penalties in case of noncompliance with the contractual environmental provisions, e.g. in the form of withholding a certain proportion of the payments, its size depending on the severity of the breach of

contract. For extreme cases a termination of the contract shall be contractually tied in.

Table 4 Monitoring Plan

PHASE	WHAT is the parameter to be monitored?	WHERE is the parameter to be monitored?	HOW is the parameter to be monitored?	WHEN is the parameter to be monitored (frequency)?	WHY is the parameter being monitored?	COST if not included in the project budget	WHO is responsible for monitoring?
Designing	Implementation of EMP guidelines (RECOMMENDATIONS).	Design project for construction, reconstruction and adaptation.	Review of elaborates and adaptation designs.	Prior approval for construction as part of project monitoring program.	Recommended due to World Bank requirements.	Should be part of the Project.	Ministry of Environment and Physical Planning. Designer, Contractor, Operator.

PHASE	WHAT is the parameter to be monitored?	WHERE is the parameter to be monitored?	HOW is the parameter to be monitored?	WHEN is the parameter to be monitored (frequency)?	WHY is the parameter being monitored?	COST if not included in the project budget	WHO is responsible for monitoring?
Construction	Parameters given in construction permit - all special conditions of construction issued by different bodies.	Main Project documentation.	A part of regular inspection by the Ministry of Environment and Physical planning and the Municipal Environmental Inspection.	During construction and prior to issuance of the Operation permit.	Regular review stipulated in the Law, and if any public complaint is sent to the Ministry of Environment and Physical Planning or to the Municipal Environmental Inspection.	Included in the construction phase, costs of Contractors.	Supervision Engineer, environmental inspectorate of the Ministry of Environment and Physical Planning and the Municipal Environmental Inspection.

PHASE	**WHAT** is the parameter to be monitored?	**WHERE** is the parameter to be monitored?	**HOW** is the parameter to be monitored?	**WHEN** is the parameter to be monitored (frequency)?	**WHY** is the parameter being monitored?	**COST** if not included in the project budget	**WHO** is responsible for monitoring?
	Construction waste management (including hazardous).	On the place.	A part of regular inspection by the environmental inspectorate of the Ministry of Environment and Physical Planning or to the Municipal Environmental and communal Inspection.	During the construction phase, on monthly base.	National and municipal waste-related regulations.	Contractor.	Supervision Engineer, environmental inspectorate of the Ministry of Environment and Physical Planning and the Municipal Environmental Inspection.

PHASE	WHAT is the parameter to be monitored?	WHERE is the parameter to be monitored?	HOW is the parameter to be monitored?	WHEN is the parameter to be monitored (frequency)?	WHY is the parameter being monitored?	COST if not included in the project budget	WHO is responsible for monitoring?
Intermediate	The Training Program Implementation.	In the Custom Administration/Trained staff.	Through the check lists.	After finishing the training.	Guarantee of the correct implementation of the EMP.	No.	Ministry of Transport and Communications (MTC), Custom Administration of Republic of Macedonia (the project implementing body) and Macedonian Road Agency.

PHASE	WHAT is the parameter to be monitored?	WHERE is the parameter to be monitored?	HOW is the parameter to be monitored?	WHEN is the parameter to be monitored (frequency)?	WHY is the parameter being monitored?	COST if not included in the project budget	WHO is responsible for monitoring?
Operation	Waste generation and management.	Based on the supporting documents for waste, which is submitted to the Ministry of Environment and Physical Planning.	Reports to the Ministry of Tourism and Environment Protection.	After reporting to the Ministry of Environment and Physical Planning on waste management.	Should be monitored in line with the regulations on waste management.	Will be defined in the Contract between the Operator and the Communal enterprise, or other licensed private entity.	Operator Health Center, competent municipal company and the Ministry of Environment and Physical Planning.
	Air quality.	On the border crossing and 100 m before the border crossing on Macedonian side.	In accordance monitoring manuals and introduced methodologies.	Before the beginning of the constructional activities (once) and in the operative phase- on annual base.	Until now, the air quality has not been monitored on the border crossing.	About 400 US $, per sampling place.	Operator/Customs Administration Environment and Physical Planning.

PHASE	WHAT is the parameter to be monitored?	WHERE is the parameter to be monitored?	HOW is the parameter to be monitored?	WHEN is the parameter to be monitored (frequency)?	WHY is the parameter being monitored?	COST if not included in the project budget	WHO is responsible for monitoring?
	Noise	On the border crossing and 100 m after the border crossing, near the existing settlement.	In accordance monitoring manuals and introduced methodologies.	Before the beginning of the constructional activities (once) and in the operative phase- on annual base.	No.	150 US $, per sampling place.	Operator/Macedonian Customs Environment and Physical Planning.
	Water quality	River Lepenec- recipient, before the place of discharging the treated waste water, on the place of discharge, after the place of discharging (3 sampling points).	In accordance monitoring manuals and introduced methodologies.	Before the beginning of the constructional activities (once) and in the operative phase- on annual base.	No.	500 US $, per sampling place.	Operator/Macedonian Customs Environment and Physical Planning.

10. RESPONSIBILITY FOR EMP IMPLEMENTATION AND FINANCING

During the reconstruction phase, monitoring of the EMP implementation is going to be funded as part of provisions of the reconstruction supervision contract, and is the responsibility of the reconstruction supervision firm to be selected to perform the supervision of works.

Implementation of specific EMP-stipulated mitigation measures during the reconstruction will be funded as part of provisions of the reconstruction works contract, and is the responsibility of the firm selected to execute the reconstruction works.

For purposes of implementing the EMP-stipulated mitigation measures during the operation phase of the facility, the management of Custom Administration of the Republic of Macedonia is going to assign two of the relevant existing staff members to act within a Coordinating Body for EMP implementation. No considerable costs would arise, given that the relevant existing staff members would be financially stimulated through certain salary increase percentage, depending on the extent of their monthly engagement. One of the mentioned assigned Custom's stuff members (Engineer) will undertake responsibility for the implementation and monitoring of the Bank's safeguards policies and the implementation of the environmental management and mitigation measures.

Representatives by the unit for training in the Custom Administration of the Republic of Macedonia would be responsible for making sure that the Custom Administration staff get familiar with the EMP-stipulated environmental impact mitigation measures and act accordingly in terms of all aspects.

The members of the Coordinating body will be selected/appointed taking into account his/her knowledge of the EA/environmental protection requirements. Familiarity with the relevant legislation in this field (explained in the EA) would be a requirement.

Due to the insufficient capacity in the Custom Administration staff for implementation of the requirements stipulated in the EMP, the training Program will be prepared. The aim of the Program will be improvement of the Custom Administration staff knowledge for the environmental requirements regarding the existing environmental lows. The Custom Administration staff will be trained for World Bank environmental requirements as well. The benefits of the training are: adequate monitoring of the implementation of EMP, on time reporting to the relevant administrative entities on the local and national level and to the respective World Bank bodies. The training will be focused on the groups of responsible staff: (a) Division for international cooperation; (b) Sector for administrative and technical works – Division for investments and maintenance; (c) relevant staff (Heads) of the cross borders and (d) Custom Laboratory.

Financial resources for implementation of the EMP will be provided by the Custom Administration of the Republic of Macedonia and the other institutions and providers

of services for the border crossing. Calculation for financial costs for the implementation of the training Program are about 10.000 US $, which will be provided by the Project's Budget.

The existing EA capacities within the local environmental inspectorate to conduct environmental inspections and to ensure the compliance with the national legislation are adequate.

Coordinating body will be also responsible for supervising independently or jointly with the State Environmental Inspectorate in the Ministry of Environment and Physical Planning, the mitigation and environmental protection measures stipulated in Environmental Management Plan.

11. PUBLIC DISCLOSURE AND CONSULTATION

The Custom Administration of the Republic of Macedonia on June 24, 2009, has disclosed the draft EA summary for wide public on the web-page (www.custom.gov.mk) after its finishing, inviting all the interested parties to attend the public discussion on the posted document. The invitation was also e-mailed directly to the Ministry of Environment and Physical Planning, municipality of Cucer Sandevo and its secretariats for urban planning, environmental protection, residential-communal affairs, communal police, and local environmental NGOs. On 14.08.2009, at 10.00 a.m., in the Custom Administration of the Republic of Macedonia premises a public briefing and consultation meeting on the document was conducted (see Annex 3 - The minutes of the consultation and the List of participants). The meeting concluded that the draft EMP document covered practically all potential impacts and possible mitigation measures. The draft EMP was revised after the meeting taking into account inputs from the consultation. The final version of the EMP was provided to the World Bank, and will be used by the government agencies in the project implementation.

ANNEX 1

Opinion about content of the Elaborate 11- 5091/2 (11.12.2006), issued by the Ministry of environment and physical planning

МИНИСТЕРСТВО ЗА ЖИВОТНА СРЕДИНА
И ПРОСТОРНО ПЛАНИРАЊЕ
Република Македонија

11-5091/2
11.12 06

До: Јавно Претпријатие за стопанисување со станбен и деловен простор на Република Македонија
ул."Орце Николов" бр.138
Скопје

Предмет: *Согласност*

Врска: 20-14467/1

Во врска со Вашето барање на Согласност на Елаборат за оценка на влијанието на објектот врз животната средина број 11-5091/1 од 15.11.2006 година, за инвестиционен објект **"Подобрување и модернизација на граничен премин Блаце за лесни возила, автобуси и пешаци"**, стручни лица од Службата за животна средина при Министерството за животна средина и просторно планирање извршија анализа на предметната документација по што се **издава Согласност** на предметната документација.

Образложение

- Од Ваша страна беше доставен Елаборат за оценка на влијанието на објектот врз животната средина за инвестиционен објект **"Подобрување и модернизација на граничен премин Блаце за лесни возила, автобуси и пешаци"** број 44/2003 изработена од страна на ДПУПИ "УРБАН" ДОО од Штип;
- Во предметниот Елаборат кој е составена од текстуален дел и графички прилози, анализирани се сите неопходни компоненти, изворите и видовите на можни деградации и загадувања врз основа на што се димензионирани и дефинирани мерките за заштита на основните медиуми. Според наша оценка, проектираните заштитни мерки се апликативни и во целост ќе ги задоволат основните барања;

Врз основа на горенаведеното издаваме согласност како во диспозитивот и укажуваме на обврската на инвеститорот во процесот на експлоатација на објектот да ги респектира проектираните решенија и препораки за заштита на животната средина.

Изготвил:
Зоран Бошев

Одобрил:
Сокол Клинчаров

Служба за животна средина
Директор
Миле Јакимовски

ул. Дрезденска 52, 1000 Скопје, тел. 02/3066-930, тел/факс 02/3066-931
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ANNEX 2

RESETTLEMENT ACTION PLAN for MK TTFES II

RESETTLEMENT ACTION PLAN for MK TTFSE II

Revised version
May 5, 2009

Note: This revised Resettlement Action Plan (RAP) replaces the original version of the RAP for the TTFSE2 dated April 5, 2007.

Description of the specific activities under the project that require land acquisition

1. The objective of the TTFSE II project is to facilitate movement of rapidly expanding trade along major TEN-T corridors, focusing on Corridor X[3] and on enhancing inter-agency, cross-border agency and private sector coordination and the facilitation of international transport documents processing.

- Component 1 of the project focuses on road infrastructure improvement, covering a short section of Corridor X in Macedonia from the border crossing point at Tabanovce (north border to Kosovo and Montenegro) to the city of Kumanovo, on a total length of 7.3 km. This road section will be upgraded to 4-lane motorway standards along the existing alignment and civil works will include the construction of the additional lanes. The Agency for State Roads (ASR) is the executing agency for this component.
- Component 2 of the project covers the improvement and upgrading of the Blace border crossing point (north border to Kosovo). The Customs Administration is the executing agency for this component.

Objectives of the Resettlement Plan

2. Development projects that involve involuntary land acquisition and resettlement can cause long-term hardship, impoverishment, and environmental damage unless appropriate measures to mitigate these impacts are applied. This Resettlement Plan (RAP) provides details on the likely impacts resulting from land acquisition for the above mentioned activities and the mitigatory measures that will be put in place to address these adverse impacts.

3. The main objectives of the RAP are to:

- Provide details on the policies governing land expropriation, the range of adverse impacts and entitlements
- Present a strategy for achieving the objectives of the resettlement/ land acquisition policy
- Provide a framework for implementation of the stated strategies to ensure timely acquisition of assets, payment of compensation and delivery of other benefits to project affected persons (PAP)

[3] Corridor X = Belgrade - Nis - BCP Tabanovce - Skopje - BCP Bogorodica - Thesaloniki and branch Xd = Pristina - BCP Blace - Skopje.

- Provide details on the public information, consultation and participation, and grievance redress mechanisms in project planning, design and implementation
- Provide identified sources and estimates of required resources for implementation of the RAP
- Provide a framework for supervision, monitoring and evaluation of resettlement implementation.

Legal framework for land expropriation in Macedonia and fit with World Bank Operational Policy [OP 4.12]

4. The Land Expropriation Act dated 1995 governs the expropriation process in Macedonia. This Law was slightly amended in 1998, 1999, 2003 and 2005.These together defines the procedures for expropriation of immovable property in Macedonia. The expropriation of private properties is done only for a public interest and with fair compensation. The Land Expropriation Act (1995) vests authority in the name of the State, Funds, Public Enterprises, and Municipalities to acquire land required by the Government for public purposes. The term "public purpose" is defined.

5. For land acquisition in road projects, the Agency for State Roads - ASR (or the Customs Administration in the case of border crossing points) submits expropriation proposals to the Local/ Regional Offices of Property Administration (within the Ministry of Finance). The expropriation proposal shall contain information about the purpose of expropriation, details on the real estate parcels to be expropriated, the names and addresses of the owners of the real estate, evidence of the ownership over the real estate that is offered as replacement for the expropriated real estate and evidence for the secured funds that shall be used as compensation for the expropriated real estate.

6. Eight days from the submission of the expropriation proposal, the Local/ Regional Offices of Property Administration shall invite the owner and the carriers of other property rights over the real estate, and the agency requesting the expropriation, for negotiations. The purpose of the negotiations is to determine the existence of a public interest, the veracity of ownership/ property rights, the nature and amount of the compensation etc. The law provides scope for appeal against the decision for expropriation to be submitted to the Commission of the Government of the Republic of Macedonia. These consultations go on until agreement is reached on the amount of compensation. If the concerned parties cannot agree, appeals are made to the relevant Court of Justice regarding the amount of compensation and date of expropriation. The ASR / Customs shall acquire the tenure right over the expropriated real estate 15 days after the date of the settlement (agreement).

7. The compensation price is determined with the help of qualified property assessment experts. The offered price for land is calculated based on a situation-specific formula that takes into account the market value of the affected property. There is also a process of open and transparent negotiation before expropriation proceedings begin that ensure that the final agreed price corresponds to the World Bank's requirement of "replacement value" enabling the project affected person to

purchase land of similar quantity and quality. Owners also have the right to receive market-price based compensation for trees, seedlings, crops and forests etc.

8. Depreciation is used in calculating the offered price of structures. This is not consistent with the principle of replacement value as suggested by O.P 4.12. In the case of this project there are however no structures that will need to be acquired in the project sites.

9. The ASR / Customs are obliged to make the compensation payments within 30 days from the date of signed agreement or court decision. If compensation cannot be paid or deposited within the deadline, interest will be paid at market rates on the amount awarded, from the date of award until the date of actual payment. Compensation for expropriated assets shall be provided before these are taken into possession.

10. While World Bank OP 4.12 embodies the principle that a lack of legal land title does not disqualify people from resettlement assistance, under relevant Macedonian legislation, discrepancies with this principle arise. However, within the scope of this project, the sites are not occupied by large illegal settlements; neither are there individuals that have multiple or competing or illegal claims to land in the project area. All project affected people in the area whose land have to be acquired have legal titles, according to the updated land ownership report prepared by the State Cadastre Office.

Valuation of assets

11. The valuation of land is established by a committee of valuation experts hired for the purpose. Comparable data on prices are gathered through consultation with the Public Revenue Office whose data from recently concluded contracts on sale and purchase of land in the region are extracted. The market value which the ASR / Customs propose to provide in principle reflects adequate compensation for the asset to be expropriated. It must be noted that active markets for land and housing exist and not only people do use such markets, there is also sufficient supply of both land and housing. The ASR / Customs consider that the market values proposed are fair and reasonable and will be adequate for the affected people to purchase alternative land of the same size and quality within the region. In any case, landowners that are not satisfied with the amounts offered for the land are entitled to go to Court in order to have the actual value of the land established by the court.

12. Buildings are valued based on the price of construction material with which they have been built. The market price remains the most reliable way to evaluate buildings also having a commercial use, i.e. kiosks, shops, workshops or commercial enterprises.

Description of the consultations with affected/displaced persons

13. Information dissemination and consultation with the PAPs reduces the potential for conflicts, minimises the risk of project delays, and enables the project to

include resettlement and rehabilitation as a comprehensive development programme to suit the needs and priorities of the PAPs. Specific objectives of the public information campaign and public consultation were (i) to fully share information about the proposed project, its components and its activities, with affected people; (ii) to obtain information about the needs of the affected people, and their reactions to proposed policies and activities; (iii) to ensure transparency in all activities related to land acquisition and compensation payments.

14. The Agency for State Roads held several meetings with the local population in the period between January and February 2007. Around 80 representatives from the local communities, persons whose properties will be expropriated for the construction of the Tabanovce – Kumanovo motorway, the persons affected by the exhuming of the graves, representatives from the relevant church authorities – Kumanovo and personnel from the Department for Property Issues in the Municipality of Kumanovo, took part in the meetings and public debates.

15. The basic technical characteristics of the road and of the structures (such are bridges and overpasses), the expropriation line of the road and maps were presented. One of the discussion points raised related to the access of the settlements over the motorway. The technical solutions for the connections with the motorway were presented and were accepted by the representatives present at the meeting. The issue relating to the amount of the compensation for the expropriated land, the manner and the procedures of the expropriation process raised most interest. The representatives of the Department for Property Issues of the Municipality of Kumanovo, the expert for assessment of the value of assets, and representatives of local communities took part in the discussion on these issues. The manner and the process of the expropriation were fully explained and the community did not have issues or problems with the approach or the method for assessing value or payment of compensation.

16. One of the most sensitive issues was regarding the dislocation of 17 (seventeen) old graves on the village cemetery in Recica. On the previous meeting the Bank team had talked with the competent Bishop of the Kumanovo region, the Metropolitan Kiril and with the relevant church authorities in Kumanovo. The competent priest and the technical documentation proved that the 533 m^2 of land which has to be expropriated, and where the cemetery is situated, is registered in the cadastre as church property. The Fund for National and Regional Roads will pay the church compensation of 5 EUR per m^2, and the church will use those funds to buy another piece of neighboring land for dislocation of the graves which are affected with the widening of the motorway, as well as for the extension of the existing cemetery. The Agency for State Roads confirmed that it will bear all the expenses for exhumation of the graves i.e. displacing of the graves from the existing to another location. For that purpose, the church will prepare calculation for each grave, and on that basis the dislocation costs will be paid. This approach was accepted by the interested representatives.

17. The socio-economic survey of 102 affected households affected by the upgrading of the Tabanovce – Kumanovo road revealed that 100% of the respondents were aware of the project prior to the survey taking place. Project authorities will ensure that local authorities, as well as representatives of PAPs, will be included in the implementation process. The project team has held additional meetings (during

project appraisal) to further discuss compensation levels and time schedule for payment and implementation of civil works, procedures of grievance, and mechanisms for monitoring and evaluation. The project authorities will continue the dialogue with local officials and representatives of the PAPs during the project implementation process. PAP participation would also be ensured during final assessment of compensation and monitoring.

A census of affected persons and inventory of losses

Tabanocve – Kumanovo road upgrading

18. The majority of land affected by the upgrading of the Tabanovce – Kumanovo road is state-owned land (i.e. 63.5%) due to the fact that the proposed alignment follows the alignment of the existing road. There are 294 owners affected by the Project, and most of them will lose part of their agricultural land. No residences or other structures are adversely affected; so there will be no physical displacement of persons. There are no buildings that will need to be demolished --- there is one gas station that is located along the side of the current road, but the building will not be affected by the Project either. A census of persons affected is available in the Project files. The following tables indicate the degree of impact and an inventory of losses.

Table 1: Inventory of Losses (private property)

LOSS	MAGNITUDE
Agricultural Land	102,337 sq.m
Meadows	9,027 sq.m
Vineyards	7,408 sq.m
Trees	795
Standing crops	--
Residential Buildings	--
Commercial Buildings	--
Graves	17
Other Public Infrastructure	--

Table 2: Categories of Households Affected

CATEGORIES	NUMBER OF HOUSEHOLDS AFFECTED
Partly lose agricultural land [less than 70% of their total holding]	102
Fully lose residences	--
Partly lose residences	--
Partly lose commercial land	--
Fully lose commercial land	--
Fully lose commercial structures	--
Partly lose commercial structures	--

Upgrading of Blace border crossing point

A total of 27 parcels of land are affected and needed to be acquired in part or totally. At the present moment, land acquisition has been completed for all but three parcels of land, due to the long time it took to identify and locate the owners of those parcels.

The Entitlement Matrix and Eligibility of affected persons

19. The definitions used in this Resettlement Plan are:

1. "**Census**" means the head count of the persons affected by land acquisition in terms of asset loss, together with an inventory of the assets lost by these persons. The census also includes basic socio-economic data. The date of the census establishes the cut-off date to record the persons in a community project area, who can receive compensation for lost assets, and/or resettlement and rehabilitation assistance.
2. "**Compensation**" means the reparation at market rates (which is equivalent to replacement cost) in exchange for assets acquired by the Project.
3. "**Cut-Off Date**" means the date after which no person moving into the project area will be eligible to receive compensation related to land acquisition and resettlement. The cut-off date is the date of the census of the persons affected by land acquisition.
4. "**Rehabilitation Assistance**" means assistance comprising job placement, job training, or other forms of support to enable displaced persons, who have lost their source of livelihood as a result of the displacement, to improve or at least restore their income levels and standard of living to pre-project levels.

20. The matrix below defines the eligibility for compensation and/or rehabilitation assistance for impacts/losses for different types of assets for different categories of project affected persons.

ASSET ACQUIRED	TYPE OF IMPACT	ENTITLED PERSON	COMPENSATION ENTITLEMENT
AGRICULTURAL LAND	**No displacement**: • Less than 70% of land holding affected, • The remaining land remains economically viable	Farmer/title holder	Cash compensation for affected land equivalent to market value
	Displacement: • More than 70% of land holding lost	Farmer/title holder	• Not applicable
COMMERCIAL LAND	**Not applicable**		
RESIDENTIAL LAND	**Not applicable**		
STRUCTURES	**Not applicable**		
TREES	Trees lost	Title holder	Cash compensation based on type, age and productive value of affected trees.
TEMPORARY ACQUISITION	Temporary acquisition	PAP (whether owner, tenant, or squatter)	Cash compensation for any assets affected (e.g. boundary wall demolished, trees removed)

21. Project affected people (PAP) includes any household who at the cut-off date of the project (i.e. at the date of conducting the census and baseline survey) are residing or deriving an income from the project area, and because of the project, would lose land, or any other movable or fixed assets, in full or in part, temporarily or permanently, or have their business, occupation, place of work or residence adversely affected. Lack of legal rights will not bar affected people from entitlement to compensation for their lost assets (improvements including structures, houses, crops, trees and other fixed assets). The land ownership information prepared by the State Cadastre Office (Kumanovo branch) clarified that there are no illegal encroachers on land, who occupy, reside and cultivate land that does not belong to them in the project area.

22. PAPs suffering partial loss of agricultural or commercial land or structures will be entitled for full compensation for the entire affected assets at replacement cost paid in cash. It is to be noted that for all those cases where compensation payment has become due, ASR and Customs have made such payments within a short time. The availability of funds for such payments has not been an issue. The Agency for State Roads (ASR) has shown a good track record in quickly paying landowners as soon as the amount is determined by the courts.

Procedures for grievance and institutional responsibility for implementation and redress

23. There are two types of complaints. The first one is a complaint to the act of expropriation as such, which is submitted to the second stage commission of the Government. If the owner is not satisfied with the decision of this commission, he/she can start an administrative court case at the Supreme Court. The second type of complaint is when the owner is satisfied with the decision for expropriation as such,

but not with the offered price. In that case a complaint is submitted to the regular court in the municipality where the expropriation takes place. There are a significant number of such cases presently ongoing, some of them having been resolved already by the court.

24. For those cases where the owner(s) is (are) satisfied with the decision for expropriation, but not with the offered price, and where the owner(s) has (have) submitted a complaint to the court requesting a higher compensation price, the Ministry of Finance will open an escrow account. The amount on the account should reflect the amount per m2 which has been determined through recently resolved court cases, but it shall in any case not be lower than the total offered compensation amount and not higher than the total requested amount for each owner. Upon a final court decision on the compensation price per m2 and resulting compensation amount, the owner(s) will be paid the adjudicated compensation from this account within 15 days.

25. The Ministry of Finance is ready to set up immediately the two accounts for compensation funds (one for the Tabanovce - Kumanovo road and the other for the Blace Border Crossing) in the National Bank of Macedonia. It will deposit the amounts corresponding to the amount per m2 which is coming out of the court cases which are gradually being settled one by one. The Agency for State Roads will be able to access the funds and will make the payments, as they have done in all the previous cases.

26. The opening of the escrow account and data about all owners and amounts available on the account will be communicated by the ASR to the World Bank in a written manner. Upon receipt of this information to the satisfaction of the Bank, the Bank will issue a no-objection to the full resumption of works along the Tabanovce – Kumanovo road (or for the start of works on the Blace border crossing point).

27. The overall activity and responsibility for resettlement and expropriation policy on road infrastructure civil works remains under the authority of Agency for State Roads in cooperation with the Ministry of Finance - Local/Regional Offices of Property Administration. Regardless of the source of financing for the civil works to be carried out, the financial responsibility for resettlement and expropriation procedures is under the budget of the Agency for State Roads / Customs. The ASR/Customs is responsible for the preparation and implementation of all the necessary steps concluding with the submission of the expropriation dossier required by Macedonian Expropriation Law.

28. The ASR / Customs is responsible for following up and concluding the compensation procedures for the people to be compensated.

29. The institutions and responsible agencies for the co-ordination of all the activities, policy of compensation rights, and execution of compensation are as follows:

- Ministry of Finance - Local/ Regional Offices of Property Administration.
- ASR: Commission for Expropriation Procedures, Juridical Department, Economic Department, Technical Department;
- Customs Administration;

§ Regional Department of the State Cadastre Agency in Kumanovo,

30. The ASR/Customs, the State Cadastre Office and the Ministry of Finance - Local/ Regional Offices of Property Administration have agreed to act together for all complaints and problems presented by local affected people regarding RAP during the entire process. They will act as liaison, informing the ASR/Customs and relevant Institutions and Agencies responsible for redressing all grievances and complaints. Solutions to grievances related to compensation amounts, delays in compensation payments or provision of different types of resettlement assistance will be pursued directly by the designated staff in ASR/Customs through liaison with the relevant actors. ASR/Customs staff will ensure that community members and in particular PAPs are informed about the avenues for grievance redress, and will maintain a record of grievances received, and the result of attempts to resolve these (see Annex 1). This information will be included into the ASR/Customs regular progress reporting. The ASR/Customs offices will also maintain a report on inventory of assets and compensation paid for monitoring purposes (see Annex 2 on Reporting Format for Land Acquisition & Resettlement (Inventory of Assets Lost, & Delivery of Compensation).

A time-bound implementation plan and budget.

31. Expropriation costs are financed from the ASR/Customs budget funds. Estimated budgets are submitted on an annual basis by the ASR/Customs to the Ministry of Finance. Then with the Central Budget it is submitted to the Council of Ministers, which, after approval, submits it to the Parliament for final approval. Once the overall budget has been approved, ASR/Customs allocates the appropriate funds to different road construction sections. Funds are released by the ASR/Customs after the Government approval of the annual program. ASR estimates that $1.5 million Euro is needed for expropriation purposes and this amount has been budgeted.

32. A time-bound Implementation schedule is attached below in Annex 3.

Annex 1: Reporting Format
for
Grievance Redress

Community Project & Name of Complainant	Type of Grievance					Grievance resolution			
	Affected, but not informed about impacts and options	Compensation awarded is inadequate	Compensation not paid before asset acquisition	Resettlement benefits awarded are not provided	Other	Date of complaint	Date resolved	Pending	Case referred to the Court
Community Project 1									
Complainant A									
Complainant B									
Complainant C									
Community Project 2									
Complainant D									
Complainant E									
TOTAL									

Annex 2: Reporting Format for Land Acquisition & Resettlement (Inventory of Assets Lost, & Delivery of Compensation)

Project name and location: _____ Date: _____

Name of PAPs	**Inventory of Assets acquired through land acquisition and value of compensation awarded**												**Resettlement and Rehabilitation**			**Compensation**		
	Agricultural Land			Meadow Land[4]			Vineyards			Other Assets						Total value of Comp[5]	Date Of Com[6]	Date of Poss[7]
	<70%	>70%	CV[8]	Partly	Fully	CV	Partly	Fully	CV	Trees /crops	Temp.	CV	RA[9]	SK Or JB[10]				

[4] **Partly** = No resettlement since the land is partially affected, and the remaining land remains viable for present use. **Fully** = Resettlement since the land is severely affected, and the remaining area insufficient for continued use.

[5] **Total value of Com**(pensation) = The total monetary value of compensation for different types of lost assets.

[6] **Date of Com**(pensation) = The date on which the compensation payment was made to the PAP.

[7] **Date of Poss**(ession) = The date on which the assets acquired were physically taken into possession for the community project.

[8] **CV** = Compensation Value at replacement costs assessed in Jamaican Dollars

[9] **RA** = Addl compensation until next harvest.

[10] **SK** = Skills training, and **JB** = Job placement for displaced PAPs who have experienced a decline in income as a result of the expropriatoin, and who need assistance regarding income restoration.

Annex 3: Implementation Schedule

Nr	Tasks		XII/06	I/07	II/07	III/07	IV/07	V/07	VI/07	VII/07	IX/07	Responsible Agency
1	Project handed to PIU				X							
	Procedures in site to identify all owners and ownership plots		X	X	X							
	Interviews with owners home to home			X	X							
	Identify ownerships rights in the office of registration of immovable properties		X	X								
	Establish owners list to be expropriated		X	X	X							
7	Preparation of RAP draft	X	X									
8	Approval of RAP draft						X					World Bank
9	Consultation with community	All the time	X	X	X	X	X	X				ASR
10	Preliminary publication of owners lists to Local Authorities			X								
12	Preparation of expropriation file taking into consideration compensation					X						
13	Submit expropriation dossier for approval to *Property Office in Kumanovo – Ministry of Finance office*				X							

Nr	Tasks											
	Notification on the property rights and agreements between parties.	Done										
17	Decision of Council of Ministers for the Expropriation	Done	Last	Year								
18	Payment of Compensation									X	X…	
21	Civil Works only to commence after receipt of escrow account information from ASR/Customs and confirmation by the Bank that such information is satisfactory.											X
22	Monitoring Process				On	going	X	X	X	X	X	Ongoing
23	External Independent Monitoring											

ANNEX 3

Minutes of Consultation and List of participants

DEKONS-EMA | Environmental Management Associates

The minutes of the consultation/Public discussion for the Environmental Impact Assessment Study from modernization of the border crossing Blace, the Republic of Macedonia, held on 14.08.2009 in the Custom Administration of Republic of Macedonia

MINUTES OF MEETING	
Purpose of the meeting	**The minutes of the consultation/Public discussion for the Environmental Impact Assessment Study from modernization of the border crossing Blace, the Republic of Macedonia, in order to obtain opinion and notes from all stakeholders and the public, for Study completing and getting final version**
Place	Skopje
Date	14.08.2009
Time	10.00 a.m. – 01.00 p.m.
List of participants	Consultants: - Menka Spirovska, - Elena Jankova, Participants* from: - Custom Administration of Republic of Macedonia, - Ministry of environment and physical planning, - Ministry for transport and communication, - Agency for roads, - JPMK Infrastructure and - Environmental NGO “Eko Misija”, Skopje.
Minutes of meeting	The minutes of the consultation/Public discussion for the Environmental Impact Assessment Study from modernization of the border crossing Blace, was held in accordance to the World Bank procedures. At the beginning of the meeting, the Consultant that procures the Study briefly presents the Content of the Study and the procedures/guides according to which the Study was prepared. After the presentation, the participant in the public discussion asked a few questions about the following: liquid and solid waste management, upgrade the existing wastewater treatment plant, how will be managed the waste from the wastewater treatment plant, how was managed the waste until now in the existing wastewater treatment plant, who will accomplish the water monitoring, endangerment of the biodiversity, air emissions etc. The Consultant gave answer of all questions and emphasizes that they are elaborated in the Study. It was also discussed about the distinctions in the World Bank procedures and the procedures of the national legislation of the Republic of Macedonia. According to the national legislation of the Republic of Macedonia for activities that refers to border crossings, their reconstruction and modernization, it is not performed procedure for environmental impact assessment, but it is elaborated the Report. In this concrete case it is pursued the World Bank procedure, because this is

	the Project that will be financed by the World Bank and there would not be asked the Ministry of environment and physical planning for further opinion and approval, because in one previous procedure the Ministry of environment and physical planning has already provide conformation for completed Report for environmental impact assessment for investment object “Improvement and modernization of the border crossing Blace for light vehicles, busses and pedestrians”.
Conclusion	The conclusion of the minutes of the consultation/Public discussion for the Study is that the Study is prepared in accordance to the World Bank procedures and that consists all aspect of the environment during the assessment and proposition of the activities that will be assumed for minimization of the impacts from all Project phases, provided in the Environmental management plan and Monitoring Plan.

* Bellow is given the List of participants in the Public discussion.

Date:
14.08.2009

Prepared by:
Elena Jankova

Javna rasprava za Studija na ekoloski vlijanija na GP Blace - Patnicki del
Skopje, 14.08.2008

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ANNEX 4

The Layer by the Urban Plan for border crossing Blace