

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: AB2918

Project Name	Second Trade and Transport Facilitation Project
Region	EUROPE AND CENTRAL ASIA
Sector	General transportation sector (100%)
Project ID	P091723
Borrower(s)	GOVERNMENT OF REPUBLIC OF MACEDONIA
Implementing Agency	
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Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
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1. Country and Sector Background

In the 1990's, political and military conflicts led to the disintegration of Yugoslavia into a number of new states. The neighboring states of Bulgaria, Romania, Slovakia and Moldova had become fully independent from the Soviet bloc only a few years before the break up of Yugoslavia. This resulted in a breakdown of traditional links between economic units located in the South East Europe region. What before had been domestic transactions in the same currency governed by the same laws and procedures became international trade; what before had been largely transactions between countries with close and long-standing cultural and economic ties, was now expanded to include new regional (e.g. European Union) and global markets.

Today, most South Eastern European countries seek European Union (EU) membership and this also remains the Borrower's major goal; the country currently awaits a decision by the EU on a date to begin accession negotiations. On 17 December 2005, the European Council granted candidate status to the country in recognition of its progress in post conflict development and its path to EU integration.

Southeast Europe is an important transit area for the EU and as a result, its transport infrastructure is included in the Pan-European network of transport corridors. The EU has identified Corridor X¹ ("Ten") as one of five most important European strategic transport routes

¹ Corridor X = Belgrade - Nis - BCP Tabanovce - Skopje - BCP Bogorodica - Thesaloniki and branch Xd = Pristina - BCP Blace - Skopje.

and prioritizes investment and development of this corridor so it can be incorporated into the existing trans-European networks among member states. Corridor X begins in Norway, and runs through Finland, Poland, Czech Republic, Slovakia, Austria, Slovenia, Croatia, Serbia, Macedonia, and Greece, with branches to Bulgaria, Turkey/Central Asia and the Middle East.

FYR Macedonia is a landlocked country at the crossroads of transport Corridor X, and the less used west-east regional transport Corridor VIII (Durres – Tirana - Skopje - Sofia - Varna). The Corridor X section Nis – Skopje – Thessaloniki provides deep-water access to several SEE countries via the Greek EU port of Thessaloniki. Taking into consideration the rapid traffic growth along Corridor X between the EU and Turkey, it can also provide a good alternative route between Nis and Istanbul for the route via Sofia, relieving congestion at various bottlenecks along this route. In order to preserve and strengthen these functions of the Nis-Skopje-Thessaloniki section, physical and operational conditions (both in road and rail) must be improved. Potential benefits would include a reduction in transport costs (which can be up to 15 percent higher for landlocked countries), and other trade related transaction costs, such as customs and other border agency processing. This would lead to higher reliability and predictability of transport movements, making FDI and transiting more attractive. Substantial positive spin-offs would include provision of logistics, repair, fueling, and other services.

To ensure sustainability of main transport corridor infrastructure investments, the law on Public Roads stipulates three sources of financing, (i) a portion of the excise tax on oil derivatives, (ii) supplemental charge on vehicle registration fees, and (iii) charges for the use of motorways. The Borrower is currently charging motorway usage through an open toll system on Corridors X and VIII. The system has been in use since 1987, and modernization of the system is one of the Government's highest priorities, to reduce leakages in revenue collection (estimated to be up to 65 percent of potential revenues), and reduce waiting times and queuing at toll stations. The Government sees toll collection system modernization as a first step in the medium-term process of road infrastructure management reform, which will focus on restructuring of the Fund for National and Regional Roads (FNRR) and Makedoniatpat.

Regarding the EU **transport *acquis***, which requires a commitment to strengthen and further develop trans-European networks, including road transport, inland waterways transport and rail transport, the country is making limited progress. The majority of transport legislation is not in line with the *acquis*, or where it is, and rules are rarely applied. Particular efforts are suggested² that are related to issues on market access, technical rules, fiscal provisions in road transport, and alignment of railways with the railway packages. The overall capacity of the administrative structures involved in the transport sector is low and requires significant strengthening.

Customs legislation is assessed³ to be considerably in line with the EU *acquis*, with further study necessary in the areas of transit, simplified procedures, and tariff quotas. The new Customs Code⁴, which came into force in January 2006, represents further alignment of the

² See Analytical Report for the Opinion on the application from the former Yugoslav Republic of Macedonia for EU membership, COM (2005) 562, 9 November 2005 (page _)

³ See Analytical Report for the Opinion on the application from the former Yugoslav Republic of Macedonia for EU membership, COM (2005) 562, 9 November 2005 (page _)

⁴ Adopted in May 2005.

customs procedures with EU standards⁵. Customs efficiency has been strengthened through the implementation of selectivity and risk analysis, together with post-clearance controls. However, the European Commission has concluded that full implementation of these methods has not been achieved and still require further strengthening. The EC also recommends further strengthening of the Macedonian Customs Administration (MCA), focusing on human resources development and improving the effectiveness of MCA's anti-corruption policy. Improvements in information technology remain to be intensified, so as to allow full interconnectivity with the EU's computerized systems.

With regard to trade issues, the Borrower has continuously liberalized its trade regimes and integrated into the world economy⁶, particularly following its accession to the WTO in April 2003. The country has free trade agreements with all countries in the SEE region, including Kosovo. Negotiations on the Central European Free Trade Agreement (CEFTA) (which should replace current bilateral free trade agreements with CEFTA members), were completed in August 2006. In addition to signing the Stabilization and Association Agreement⁷ with the EU, Macedonia also signed an Interim Agreement on Trade and Trade-Related Matters⁸, which allows gradual liberalization of trade in industrial and agricultural products with the EU.

Exports have been increasing since 2002 and in 2005 showed a record rise of 22 percent as compared to the previous year. Despite these positive trends and improved access of Macedonian products to European markets, there is still a significant need to improve the competitiveness of the national economy in these markets. High transaction costs and the uncertainties of uninterrupted trade have significantly constrained further economic development. While EU accession will improve greatly the access of Macedonian products to the European markets, the EC still recommends a further enhancing of competitiveness to increase access to those markets. Macedonia also faces increasing competition from other exporters, such as China, India and Southeast Asia, which threatens not only its European market share, but also within its domestic market. High transaction costs and the uncertainties of uninterrupted trade have been major constraints on economic development of the SEE region.

The proposed Macedonia Trade and Transport Facilitation in Southeast Europe II project (TTFSE II) supports the efforts of the Government to improve its border crossing facilities and procedures to make them more efficient. More specifically, the project will support the Ministry of Finance in enhancing the efficiency of customs control and discipline, in order to fight the grey economy. Under the project, the Ministry of Transport and Communication will address railway border-crossing bottlenecks and take actions to increase the competitiveness of the railway operations. All border-crossing agencies will benefit directly or indirectly from the project through improved interagency cooperation and modernization of procedures to enhance efficiency.

⁵ See Analytical Report for the Opinion on the application from the former Yugoslav Republic of Macedonia for EU membership, COM (2005) 562, 9 November 2005 (page _)

⁶ This was confirmed in the 2003 Report on the international liberalization undertaken by the Italian "International Academy for interdisciplinary studies" which ranked the country in 40th place, among 141 countries analyzed.

⁷ Signed 2001 (in force since 1 April 2004)

⁸ (In force since 1 June 2001)

The trade related non-tariff import, export, and transit requirements, together with their associated compliance costs, are a serious burden to the business community and a barrier to the development of international trade. According to the 2006 World Bank's Doing Business report, companies in Macedonia require 32 days to comply with export requirements and must submit significant volumes of information and documents (10 documents for export and 8 for required signatures). In addition, the submission of documents is made with several different agencies, each with their own specific (manual or automated) systems and paper forms. Imports, which have also shown a significant rise of 11.1 percent in the past year, are also subject to cumbersome and time-consuming procedures. The Doing Business report finds that for export, 10 documents are required, accompanied by 11 signatures. Current practice shows that these requirements are carried out by importers in 35 days.

Macedonia, together with all SEE countries, now recognizes that solutions to trade and transport facilitation issues based on uncoordinated national approaches are neither capable nor desirable as a means to eliminate non-tariff barriers to trade. Building upon their regional cooperation under the first Trade and Transport Facilitation in Southeast Europe (TTFSE I) program, and in recognition of the proven gains from improved trade and transport systems efficiency, the governments of the SEE countries embarked on several trade and transport related regional initiatives.

2. Objectives

The new Country Partnership Strategy (March 27, 2007) recognizes that supply of efficient transport and infrastructure is needed to spur growth, increase international trade and improve the business climate more generally. International transport links are crucial for the country, and FYR Macedonia's active participation in the core transport network strengthening between the European Union and its neighboring countries is very important. The proposed TTFSE II project will support the development of an efficient and effective transport system, reducing the economic distance to markets. The project will promote electronic inter-agency and cross-border exchange of trade data, and strengthen the functioning of key transport corridors.

The proposed activities are oriented towards compliance with the EU pre-accession requirements. It also reflects the commitments agreed in the MoU for the development of the core transport network between the European Commission and the Western Balkan countries (Luxemburg, June 2004). In its Progress Report for 2006, the European Commission notes that FYR of Macedonia has made reasonable progress in the area of transport networks (Chapter 21), especially through its participation in the Southeast Europe Transport Observatory (SEETO) and the development of its core regional transport network, especially Corridor X.

The Borrower's development strategies give a high priority to increasing employment, investments, exports (food, agriculture), and to making Macedonian companies more competitive. Taking into account the relatively small internal market, enhancing Macedonia's business environment will have to include improving the efficiency of international transport and trade processes. This encompasses the streamlining of border crossing procedures, the improvement of inter- and cross-border agency coordination, and the removal of bottlenecks on core infrastructure networks.

The EU initiated the 1999 Stability Pact for South Eastern Europe stresses the important role of infrastructure and the private sector in improving regional cohesion and stability. The World Bank's regional strategy paper - The Road to Stability and Prosperity in South Eastern Europe (World Bank, 2000) – considered trade integration an important, if not leading, component of the broader longer-term integration of SEE countries into EU structures. More recently, an EC high-level group, chaired by former Commission Vice President, Ms. Loyola de Palacio, recommended in its final report (Networks for Peace and Development, December 7, 2005) that there needed to be better integration of national networks to foster regional cooperation between the EU and its neighbors, as well as between the neighboring countries themselves. TTFSE II fully supports this recommendation.

In addition, the project supports Macedonia's compliance with relevant GATT requirements including: transit issues (Article V); import and export related fees and formalities (Article VIII); and transparency of trade regulations (Article X).

3. Rationale for Bank Involvement

The first Trade and Transport Facilitation Project in Southeast Europe (TTFSE I)⁹ significantly improved the performance of Macedonia's border agencies, reducing border crossing times, increasing customs efficiency and revenue collection, and supporting customs integrity. This has provided a solid foundation for further Bank involvement in the sector, and the Government has requested the Bank to scale up and expand its activities through a second project.

The World Bank has worldwide experience in trade and transport facilitation through its projects in Eastern Europe, Asia, Africa and Latin America, and is in a unique position to support the Government's request. Building on the knowledge acquired during the implementation of TTFSE I, it can continue to enhance the innovative mechanisms and procedures that were developed. The Bank's experience in promoting trade and improving logistics would allow it to assist the government and the private sector with strategies and investments to strengthen Macedonian producers in the global market.

A horizontal APL would have provided more flexibility by allowing a sequential entry of potential TTFSE II countries into the program, while at the same time emphasizing the regional dimension of the program. However, the different state of readiness of Western Balkan countries and the accession of Bulgaria and Romania to the EU on January 1, 2007, would have made determination of scope, value, and timeframe of participation in a regional APL highly speculative. By taking a corridor approach, selecting components that are relevant from a regional transport and infrastructure development perspective, the project maintains the regional dimension. If more Western Balkan countries express readiness for joining trade and transport facilitation activities, the proposed project can be restructured to form part of a regional APL program.

The proposed project would supplement the aid already provided by the EU for the improvement of border procedures through its Integrated Border Management (IBM) program. However,

⁹ Closed on December 31, 2005

whereas the IBM program focuses on the border control aspects of passengers, TTFSE II would focus on facilitating trade by enhancing the flow of goods and services. The broader focus on corridors under TTFSE II would emphasize delivery to the market, which extends beyond specific concerns regarding individual routes, modes and border crossings. This would be consistent with the country strategy and regional frameworks, such as the Stability Pact for South Eastern Europe.

4. Description

Component 1: Upgrading road corridor X section BCP of Tabanovce-Kumanovo to motorway standards (Euro 9.25 million)

The project will support upgrading to motorway standards of a 7.3 km road section, which forms part of the E-75, better known as European Transport Corridor X. Detailed designs, following German DIN standards¹⁰ for 4-lane motorways, were prepared in 1995 and have been revised and updated in preparation of the proposed project, as requested by the Bank. The component will support construction of a new one-directional carriageway with a width of 11 meters, parallel to the existing road, separated from it by a 4-meter median. The existing parallel road will be made one-directional, and will be widened from the actual 7.5 meters to 11 meters. The design includes adequate provisions for traffic management in the approach to the Tabanovce border crossing station, eliminating mixed queuing of trucks, buses, and passenger vehicles, as well as mitigating traffic accident risks resulting from queuing vehicles. The investment will include two sub-components: (i) construction of the additional lanes, and (ii) supervision of construction. The upgrading to motorway standards will require expropriation of agricultural land, as detailed in Annex 10, triggering the Bank's safeguard policy on Environmental Assessment (OP/BP/GP 4.01). Some parcels of land will be acquired in full, triggering the Bank policy on Involuntary Resettlement (OP/BP 4.12), although no physical resettlement of people or demolition of permanent structures will occur or be required. The related land acquisition costs are not included in the estimated costs of this component, as the Government will finance land acquisition from the State budget.

Component 2: Upgrading the passenger terminal at the Blace border crossing point with Kosovo (Euro 1.75 million)

The component will improve the passenger border crossing point Blace to 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. The component will be comprised of two sub-components: (i) construction of necessary facilities for the customs, border police and other related agencies at the border, and (ii) supervision of the civil works. The proposed design is based on inputs from beneficiary border agencies provided through a dedicated working group. Main benefits will be improved traffic throughput, resulting in reduced waiting times (especially for intra-regional traffic in morning and evening peak hours), increased security, and improved working conditions for border personnel.

¹⁰ Deutsches Institut für Normung

Component 3: Modernizing the Road Toll Collection System (Euro 4.75 million)

The modernization of the road toll collection system is the highest Government priority. USAID has financed a comparative analysis of toll collection systems in Europe and the component builds on this analysis and the resulting toll modernization proposal prepared by FNRR with technical assistance of USAID specialists. FNRR specialists have visited several European countries that have toll systems in full operation that are similar to the one proposed. In addition, FNRR experts coordinate with Serbia, which is piloting a new tolling system, Croatia and Slovenia to achieve toll interoperability along Corridor X. The component will support the procurement of modern electronic tolling equipment, to be installed in each traffic lane at toll stations, linked with automatic vehicle classification and traffic counting equipment. The existing 'open' operating system will be maintained but the 13 corridor toll stations will be gradually retrofitted with new equipment that allows for both cash and electronic payments (smart cards, credit cards, microwave transponders), replacing the exclusively cash-based system in place now. The proposed system includes installation of an electronic vehicle classification system at each toll lane, which categorizes vehicles in one of four categories with an accuracy rate of more than 95%. Main benefits will be the reduction in toll collection 'leakages', and improved revenues by electronically linking toll collection, vehicle counting, and vehicle classification, thus reducing opportunities for fraud, corruption, and toll evasion. Recent surveys estimate annual toll collection 'leakages' between 30 percent and 65 percent of potential revenue, possibly amounting to Euro 7 million annually.

Component 4: Creating a communication system on rail corridor X and designing an electronic data interchange (EDI) solution that allows for cargo and freight train information sharing between customs and railways (Euro 3.75 million)

The proposed component has two inter-related subcomponents: (i) the improvement of the railway telecommunication system for signaling and train management along rail corridor X, and the provision of a software application for centralized train traffic management; and (ii) improvement of the Macedonian Customs software application for data collection on rail freight transit. In compliance with the latest EU Directives, the Customs and Railways software applications will be compatible and connected. Compatibility and cargo data exchange by the Customs and Railways platforms will speed up the processing of freight documents, analyses, risk assessment, freight following procedures, etc. The implementation of the two sub-components will be coordinated by the Macedonia Customs Administration, supported by the Customs –Railways project working group, which was established for the preparation and implementation of the component.

The proposed software solutions were identified and agreed upon by the inter-agency working group, taking into account, from a Customs perspective the EU Integrated Border Management requirements, and from a Railways perspective, the EU Directives on Technical Specifications for Interoperability for freight. The component will include (i) procurement of necessary hardware; (ii) procurement of fiber-optic cable to complete telecommunication network along Corridor X; (iii) procurement and implementation of customized software; (iv) training of users and administrators; (v) system security features; (vi) required supplemental works; and (vii) technical services. The main benefit of this component will be the more efficient processing of international trade and transport documentation, which will enhance transparency of transactions

and reduce duplications and overlaps. The elimination of freight train processing delays, currently ranging between 250 – 420 minutes, adhering to the scheduled 90 minutes for freight train processing, will reduce traffic congestion and increase competitiveness of rail freight transport. In addition, the Project will enable an increase in rail cargo traffic, which otherwise would be either foregone or directed to more expensive alternative maritime or inland corridors. This transit traffic will generate an economic surplus for the country through increased year-round economic direct and indirect activity.

The proposed completion of the fiber-optic spinal Corridor X network would not only provide a modern telecommunication solution to Railways, but would also be used by other border agencies (Customs, Border Police). The network will connect major urban centers, and will be connected to the global network of Southeast European countries. Several government agencies and private sector entities have shown interest in renting part of this network capacity.

Component 5 Project implementation support Euro 0.50 million)

This component includes the services required to support the successful implementation of the Project. The component will cover, in particular (i) audit services for the Project; (ii) training on project management; procurement, and financial management; (iii) procurement and financial management support; (iv) technical services required for preparation and supervision of Project components, and (v) incremental implementation costs.

5. Financing (for Project)

Source:	(\$m.)
Borrower	6.0
International Bank for Reconstruction and Development	20.0
	Total 26.0

6. Implementation

The Loan Agreement is between the Bank and the Republic of Macedonia. The project will be implemented by a Project Coordination Unit (PCU), which forms part of the Fund for National and Regional Roads (FNRR). The Government has appointed key PCU staff, including a procurement specialist, civil engineer and financial management specialist that all have experience from previous Bank projects. The Project Coordinator is the Director of the FNRR, who is also a member of the Project Steering Committee, established to facilitate coordination and cooperation between the various agencies involved with the project. The Deputy Prime Minister for Economic Affairs chairs the Project Steering Committee which also comprises the Minister of Transport and Communications, the Director General of the Fund for National and Regional Roads, the Director General of the Public Enterprise for Housing, the Director General of the Macedonian railways, the Director General of the Macedonian Customs Authority, and a representative of the Ministry of Finance. The Steering Committee was established by the Borrower at a Government session on October 10, 2006, and a confirmation letter dated October 12, 2006, from the Deputy Prime Minister for Economic Affairs is included in the Project Files.

The PCU within FNRR will have overall responsibility for project implementation and coordination, for all components, including planning, procurement, financial management and

disbursement of funds, monitoring the use of funds, contracting of auditors, monitoring and evaluation, financial reporting, supervising the implementation of the Environmental Mitigation Plan, and reporting on implementation progress and the use of project funds. However, two different Government bodies –MCA and MZ - will also play an important role in the implementation of different components, MCA will implement component 2 and the Customs part of component 4, and MZ will implement the Railways part of component 4. Further details are provided in Annex 6, Implementation Arrangements. The PCU will present at appraisal a draft Project Operational Manual, describing procedures for implementation of the project and including, inter alia: (i) procedures governing administrative, procurement, accounting, financial management, and monitoring and evaluation arrangements; (ii) targets to be achieved under the project; and, a sample format of project reports. The PCU will be supported by an operational team with relevant experts from beneficiary agencies, as agreed by the Steering Committee. Although fiduciary capacity in the FNRR exists from previous Bank projects, the increased volume of activities will require recruitment of additional staff, as well as provision of training, in order to strengthen capacity in financial management, procurement, and in monitoring environmental and social aspects of project implementation.

Though FNRR will be fully responsible for the implementation of the project, Customs (MCA) will play an active role in the implementation of components 2 and 4 (upgrading of the passenger terminal at Blace, and creating a communication system). Customs will appoint an internal coordinator under terms of reference satisfactory to the Bank. The PCU in FNRR, supported by the Macedonian Customs Administration will implement the proposed project according to the Project implementation arrangements outlined in Annex 6 and in the Loan Agreement.

7. Sustainability

Increased toll revenue collection will diminish the gap between available corridor maintenance funding and corridor maintenance needs. Improved passenger and services processing at the principal border crossing between Macedonia and Kosovo (Blace) will promote intra-regional cross-border trade, contributing to improving the business environment and economic growth. Improved telecommunication and harmonized freight train and cargo data processing between railways and customs will significantly reduce freight train processing time on corridor X borders, supporting rail freight operators to better face competition from other modes, and increase their share in the freight transport market. The investment in technology, infrastructure, and data processing included in the proposed project will enable beneficiary agencies to cope with trade and traffic growth, technological advance, and meeting EU interoperability standards for toll, customs, and rail freight operations.

8. Lessons Learned from Past Operations in the Country/Sector

The first TTFSE program has been successful in reducing non-tariff costs for trade and transport, but also has demonstrated that further reductions can be achieved by taking a more holistic, multi-agency, corridor approach. The following valuable lessons were drawn from TTFSE and similar projects elsewhere.

Corridor approach. The main characteristics of international cargo traffic using transnational transport corridors in the Balkan region are long-distance, transiting several countries, with destinations primarily in Western and Central Europe on one side, and Turkey on the other. To

optimize the benefits of trade and transport facilitation, proposed activities must be coordinated at both sides of the border and, ideally, along the full transport corridor. Transport Corridor X, the backbone of the western Balkan transport system, traverses Slovenia, Croatia, Serbia, and Bulgaria/Macedonia before entering Turkey/Greece. While travel time through each of these countries can add up to 3-10 hours, border crossing waiting times frequently double these times. The project builds on achievements towards regional integration, such as the Southeast Europe Transport Observatory (SEETO), and supports regional cooperation in infrastructure improvement, transport interoperability, and trade data harmonization as included in several regional MoUs.

Inter-agency cooperation. Good cooperation within agencies, between various stakeholders within the country, and cross-border agency cooperation is essential for accomplishing the objectives of improving trade and transport flows along main transport corridors. While Customs is the key agency for cargo processing and management of border crossing facilities, many other stakeholders are involved, such as Border Police, Ministry of Transport, phytosanitary inspection, etc. These agencies regularly meet within the framework of EU promoted Integrated Border Management as an independent State Commission for border management. However, to ensure efficient and effective preparation and implementation of the project, the Government agreed to establish a high level Steering Committee that is chaired by the Deputy Prime Minister for Economic Affairs, and includes representatives of the Ministry of Finance, Ministry of Transport, Macedonian Customs Administration (MCA), Macedonian Railways (MZ), FNRR, and the Public Enterprise for Housing. Related regional coordination activities are facilitated through SEETO, and its Working Groups on Trade and Transport Facilitation, the SEETO Working Group on Rail Interoperability, and, occasionally the European Commission (DG TREN).

Regional institutions. SEETO, which was recently established with EU support under the Luxemburg MoU as the Western Balkans' own transport coordination platform, provides a valuable mechanism for a broad-based dialogue on regional trade and transport priorities and programming. Its Working Group on Railways and Interoperability includes border crossing facilitation activities, and comprises representatives of all Western Balkan countries, the European Commission, the Community of European Railways, and Bulgaria, Romania, Croatia, Slovenia and the World Bank. The harmonization of freight train data-sharing between Customs and Railways (component 4) benefits from MZ's participation in SEETO's Railways and Interoperability working group, which provides a unique opportunity to align proposed software application at the regional or corridor level.

9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	[X]	[]
Natural Habitats (OP/BP 4.04)	[]	[X]
Pest Management (OP 4.09)	[]	[X]
Cultural Property (OPN 11.03 , being revised as OP 4.11)	[]	[X]
Involuntary Resettlement (OP/BP 4.12)	[X]	[]
Indigenous Peoples (OD 4.20 , being revised as OP 4.10)	[]	[X]
Forests (OP/BP 4.36)	[]	[X]
Safety of Dams (OP/BP 4.37)	[]	[X]
Projects in Disputed Areas (OP/BP/GP 7.60)*	[]	[X]
Projects on International Waterways (OP/BP/GP 7.50)	[]	[X]

10. List of Factual Technical Documents

Bank staff assessments

Pre-appraisal mission Aide-Memoire, December 2006
Preparation mission Aide-Memoire, June 2006
Preparation mission Aide Memoire, October 2005

Reports and Studies

Railway Border Crossing Study for the Western Balkans, TPPF, Scott Wilson Associates (November 2004)

Feasibility study National Road M-1 (E75) Motorway Tabanovce-Kumanovo, Balkan Konsalting DOOEL, Skopje (December 2006)

Draft EIA Highway Tabanovce – Kumanovo, FNRR, December 2006

Economic, Financial and Social Considerations in Setting Road Tolls, Anil Bhandari, September 2006

Automated Toll System for the Republic of Macedonia, USAID, Jerker Torngren, August 2006
Information for Procurement of a new Toll Payment System in Republic of Macedonia, FNRR, December 2006

Comments on Information for Procurement of a new Toll Payment System, USAID, Jerker Torngren, December 2006

Integrated Telecommunication Information System of Macedonian Railways, Macedonian Railways, January 2007

* *By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

Improvement and Modernization of the Blace border crossing for passenger vehicles, buses, and pedestrians, Public Enterprise for Housing, January 2007

Legal Documents

Law on Expropriation, prepared by Directorate for Property and Legal Issues, July 1995, plus amendments 1998-2002

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