

ANNEX V

to Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of North Macedonia for 2021

Action Document for “EU for Prespa”**1. SYNOPSIS****1.1. Action Summary Table**

Title	Action 05 - EU for Prespa			
	Annual Action Plan in favour of North Macedonia for 2021			
CRIS/OPSYS number	043-662/5			
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)			
Team Europe Initiative	No			
Zone benefiting from the action/location	The action shall be carried out in North Macedonia			
Programming document	IPA III Programming Framework			
PRIORITY AREAS AND SECTOR INFORMATION				
Window and thematic Priority	Window 3: Green agenda and sustainable connectivity Thematic priority 1. Environment and climate change			
Sustainable Development Goals (SDGs)	Main SDG 15. Life on land. Other significant SDGs: - SDG 6. Clean Water and Sanitation. - SDG 8. Decent work and economic growth - SDG 11. Sustainable cities and communities - SDG 12. Responsible consumption and production			
Main Delivery Channel¹	12000 - Recipient government			
DAC code(s)	14050 Waste Management/Disposal – 59% 41010 Environmental policy and administrative management – 1% 41030 Biodiversity – 13% 43040 Rural development – 19% 15150 Democratic participation and civil society – 8%			
Markers (from CRIS DAC)	General policy objective	Not targeted	Significant objective	Principal objective

¹ <http://www.oecd.org/dac/stats/annex2.htm>.

form)	Participation development/ good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Internal markers	Policy objectives	Not targeted	Significant objective
	Digitalisation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
Amounts concerned	Budget Line: 15.020201.02 Total estimated cost: EUR 21 726 000.00 ² EU Contribution: EUR 18 000 000.00			
MANAGEMENT AND IMPLEMENTATION				
Type of financing and method(s) of implementation	Project modality Direct management through - Grants - Procurement Indirect management with entrusted entities to be selected in accordance with the criteria set out in section 4.3.4			
Relevant priorities and flagships from Economic and Investment Plan for the Western Balkans	Priorities: "Green Agenda", "Private Sector Support", Flagships: "VII Waste and Waste Water ", "IX Support Competitiveness"			

² This action is financed in parallel co-financing by North Macedonia for an amount of EUR 1 600 000.
This action is financed in joint co-financing by grant beneficiaries for an amount of EUR 416 000.
This action is financed in joint co-financing by entrusted entities for an amount of EUR 1 710 000.

Final Date for conclusion of Financing Agreement	At the latest by 31 December 2022
Final date for concluding contribution / delegation agreements, procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation
Indicative operational implementation period	72 months following the conclusion of the Financing Agreement
Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement

1.2. Summary of the Action

This Action will support the implementation of the Green Agenda for the Western Balkans³ in the transboundary Prespa lake area, focusing on the pillars of biodiversity, toxic-free environment and greening the agriculture and local business.

The EU investments will preserve the natural capital and restore the damaged ecosystem of Macro Prespa Lake to good ecological status, in line with EU standards. The measures will fight pollution of water and soil, protect endangered species and encourage the sustainability of the local economic and agricultural practices. The action will put in operation systems for collection and treatment of waste waters and solid waste, and arm the local communities with knowledge and tools to contribute to the protection of environment. In parallel, EU funding is allocated to measures for conservation, restoration and management of the habitats in most endangered areas of the Prespa park. The action will equally focus on sustainable food and tourism. It is expected that the EU investments will reduce the use of chemicals in agriculture and will promote affordable healthy food. Funding of sustainable tourist products will create a development opportunity with a low environment footprint.

The action will actively promote the use of renewable energy sources and energy efficiency through all infrastructure-related measures. This will support North Macedonia in addressing the country's climate change objectives. The measures on composting and local reuse of biodegradable materials will allow the local communities to gradually embrace the concept of the circular economy.

The Action is expected to have a strong cross-border cooperation impact and be a catalyst of sustainable development across frontiers.

2. RATIONALE

2.1. Context Analysis

Regional context

Prespa Lake Park consists of two interlinked lakes - Micro and Macro Prespa, shared among 3 countries: Greece, Albania and North Macedonia. Unresolved historical and political issues have

³ SWD(2020)223 final

impeded for long time the three countries to find sustainable solutions to the common environment and economic challenges. The Prespa Agreement between Greece and North Macedonia, signed on the Prespa Lake's shores on 17 June 2018, put an end to years of confrontation and has opened an important window of opportunity for reviving transboundary cooperation. It also created a favourable political context for the implementation of the *International Agreement for the Protection and Sustainable Development of the Prespa Park Region*⁴ signed in 2010 between the three countries and the EU. In May 2019, thanks to the new momentum, this agreement has officially entered into force paving the way for the establishment of operational transboundary institutions. As a signatory of this agreement, the EU has committed to cooperate with the national authorities to ensure an integrated protection of the ecosystem and the sustainable development of the Prespa Park Area. This Action will allow the EU to deliver on this commitment.

Environmental context

The Prespa Lake is among the oldest lakes in Europe⁵ and is considered among the most important wetlands in the Mediterranean, featuring very high diversity of habitats and species, high endemism, and hosting important populations of rare and threatened species.

At national level, the Prespa Lake catchment encompasses 3 protected areas: the Ezerani Strict Nature Reserve (natural wetland entirely within the Prespa basin and designated as Emerald site), the Galichica National Park (included in the boundaries of the World Natural and Cultural Heritage of the Ohrid region, inscribed on the UNESCO World Heritage List) and the Pelister National Park (designated as Emerald site, Important Plant Area and Prime Butterfly Area). At international level, a Transboundary Prespa Park was established in 2000 and covers around 1370 km², half of which within North Macedonia. On the Greek side, a large share of the Park is designated as NATURA 2000 site. Both the Micro and Macro Prespa lakes have been declared Ramsar sites. The parts of Albania and North Macedonia of the catchment are included also in the Ohrid-Prespa Transboundary Biosphere Reserve.

Socio-economic context

The population of the Transboundary Prespa Park area reaches 24,000 inhabitants, out of whom about 16,000 are located in North Macedonia. The side of North Macedonia is included administratively in the territory of the Resen municipality, which encompasses 1 urban (Resen) and 43 rural settlements. Approximately 23% of the administrative area is agricultural land (arable); 2% is urban areas; 27% is protected area included in the three existing national parks and the remaining 48% is mainly forests and pastures outside the National Parks. Around 500 businesses are registered in the territory of the municipality of Resen, with the most important being in food processing, the textile industry, tourism and trade.

The major economic activity is agriculture. The sector is dominated by apple orchards (3,000 ha), cereals (1,200 ha), potatoes (200 ha), peppers (120 ha) and onion and garlic (100 ha). Only a few hectares are under organic farming (less than 10) and only 400 ha are cultivated under integrated crop management. The municipality of Resen sees the largest production of apples in the country, with more than 60% of the total income in the area and 70% of the population occupied in apple production. Forestry and fishing are other important sectors for the local economy. The tourism sector is small but growing.

The Stenje border point between North Macedonia and Albania sees every year about 100,000 people cross the border in each direction. Since the cold war there is no border crossing with Greece, but following the demands of the local communities, discussions have started to address this need.

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A22011A1004%2801%29>

⁵ It originates from the former Pliocene Desaret Lake; only a few lakes of similar origin still exist today worldwide.

2.2. Problem analysis by areas of support

Area of support #1: Biodiversity

The main conservation challenge in the transboundary Prespa basin is the degradation of water quality of both the Micro and the Macro Prespa lakes, especially the alarming signs of eutrophication. While climate change, anthropogenic water consumption and the complex basin hydrology are presumably the core reasons for this situation, serious investments and coordination between the three riparian countries is needed to address these issues and find adequate solutions.

North Macedonia has already put in place a series of **ecosystem restoration and management** measures for wetlands, including strengthening the legal, regulatory and planning instruments, mainstreaming ecosystem priorities and piloting practical ecosystem-oriented concepts for the management of resources and protected areas. Nevertheless, a long-term and a multi-sectoral approach, based on extending the base of knowledge, and putting it in practice along with policy work and local stakeholders engagement, is needed to produce a visible change.

The ecological status of **forest** is quite good, but their preservation and protection still needs a lot of support and political will. Public services and park management bodies have very limited means, personnel and capacity to deal with the conservation and promotion of the ecological importance of forest. Around 50 hectares of forest are impacted every year by fires. Strict forest management regulations make forest activities other than wood-cutting very difficult. Linking conservation with the productive activities of local stakeholders has proved a critical factor for success of any forest management policy.

The importance of **fauna and flora** species in Prespa has been highlighted in numerous scientific publications, and several transboundary projects, mainly of NGOs, have tackled the conservation of priority species. Nevertheless, endemic species including fish and plants across the basin, are still under threat due to the changes to water quality, habitat destruction, unsustainable fishing practices, illegal fishing and the introduction of non-native invasive fish species.

In the last decades nature conservation has not been a top priority for any of the governments and the management authorities of the protected areas have limited expertise and insufficient funding. Along with investing in preserving the biodiversity in the Prespa Park, this Action aims also to strengthen the capacities of the authorities and the local communities to protect the Park biodiversity.

Area of support #2: Fighting pollution of water and soil

The urban wastewater treatment and solid waste management needs considerable improvement. Only half of the population is connected to a sewerage network - essentially the urban area of Resen - and waste water treatment is suboptimal. Solid waste is not separated at the source and ends up in uncontrolled dumpsites, or in the lake.

The agriculture – the main economic activity in the region - exercises anthropogenic pressure on the basin due to over-abstraction for irrigation purposes, leaching into the lake of nutrients from fertilizers and of pesticides, as well as dumping in the lake of unsold apples. Progress towards ecologically friendly agricultural practices has not yet produced a measurable impact on the ground.

The Action will address these challenges by investing in waste water and solid waste treatment systems and stimulating the environmentally-friendly agricultural practices.

Area of support #3: Sustainable business and food systems in rural areas

The side of North Macedonia of the transboundary Prespa area faces important development challenges, similar to many rural and peripheral areas. It is characterised by **high unemployment** and **increased depopulation**, particularly amongst younger generations. From 2016 to 2018 the municipality lost about 1% of its population, predominantly young people, 15-29 years old. At the end of 2019, the area counted 1,305 unemployed people, out of whom 40% being women (559), 45%

with low education and 67% living in urban areas.

The **tourism** in Prespa region is small-scale, seasonal, and based on a few small hotels, private accommodation and restaurants. Tourism potential is being severely affected by the continued decrease in the water level of the lake that changed the previously sandy beaches into muddy and shallow coastal area, as a result of climate change and groundwater over-abstraction for agricultural irrigation. However, potential for natural resource-based tourism is huge and unexploited due to lack of interest for investments.

Agriculture is the main economic activity, dominated largely by apple production. The Municipality of Resen (around 100,000 tons per year) accounts for 84% of the total apple production in North Macedonia⁶. Current practices of apple production include use of pesticides in all stages of cultivation, which results in increased discharge of chemicals in the sub-terrain waters and in the lake as well as in increased concentration of pesticides in the fruits on the market (although still within the limits)⁷. Promotion of good agricultural practices in apple production will mitigate the pesticides-related environmental risk of the apple growing and will promote healthier food on the markets, without compromising the main economic activity of the area.

The Action is designed to address the numerous and interlinked environmental and development challenges in this protected transboundary region. It has been developed on the grounds of an intense and inclusive dialogue involving the EU, the management of the two national Parks – Pelister and Galicic, the Municipality of Resen, responsible for the management of “Lake Prespa” Monument of Nature and “Ezerani” Nature Park, and a number of local civil society organisations active in the area of nature conservation and international partners. As a result, the Action will involve following stakeholders:

- The **trans-boundary Prespa Park** and in particular the **Prespa Park Management Committee** includes representatives from the EU, central governments, local governments and non-governmental organisations (NGOs), as well as a permanent observer from the Ramsar Convention on Wetlands. The Action will support the effective operation of the Prespa transboundary management bodies (envisaged under the international agreement) once in place⁸.
- The **Ministry of Environment and Physical Planning**, represented by the Department for Nature Administration for Environment in charge for nature protection (e.g. parks and Hydro-biological Institute) and that Directorate for waste management, will take part in the governance and the funding of the Action. It will benefit from putting in place a working model for protection of an endangered area through mobilising the local energy in environment protection and sustainable economic activities.
- The management authorities of the **National Park Pelister** and of the **National Park Galichica** are struggling to become institutionally and financially sustainable. They will benefit from numerous capacity-building activities, which will allow them improve their services.
- Environmental civil society organisations (CSOs) including the **Macedonian Ecological Society**, one of the oldest environmental NGOs in the country. The society is one of the founding partners of **PrespaNet**, a transboundary CSO network with participation of Society for Protection of Prespa from Greece and Preservation and Protection of Natural Environment of Albania. PrespaNet is the core environmental constituency advocating in favour of a transboundary protected area for the past two decades. The Action will support these organisations in implementing their mission and obtaining community support for their

⁶ World Bank, Agriculture Modernisation Project, January 2020

⁷ Vezirka Jankuloska et. al., Food in Health and Disease, scientific-professional journal of nutrition and dietetics (2019) 8 (2) 78-82

⁸ The Governments of the three countries and the EU (DG ENV and EU Delegation to North Macedonia) have recently designated the representatives to the bodies foreseen in the agreement.

activities.

- **Municipality of Resen** is responsible for the urban and rural planning, issuing construction permits; nature protection; communal services such as potable water supply, collection and treatment of waste waters, storm water and communal solid waste. They have the overall responsibility for the management of “Lake Prespa” Monument of Nature and “Ezerani” Nature Park. The municipality has recently established a small Rangers Corp to monitor and manage the ecological areas in the municipal territory. The municipality will be the main beneficiary of this Action and will be involved in all activities. The Action will support the municipal authorities in creating a development perspective, in implementing their responsibility and addressing the expectations of the people living in the municipality.
- **Public Utility Company “Proleter”**: the main service provider for water supply, storm water and sewage collection, sewage treatment, waste collection, transport and treatment. The utility company will be involved in all waste water and solid waste activities, will take over the management of the newly established facilities and will ensure the sustainability of the project results.
- The **Prespa Ohrid Nature Trust (PONT⁹)** is a trans-boundary conservation trust fund dedicated to the sustainable management of the Prespa-Ohrid eco-region. The nature trust will have a crucial role in ensuring complementary co-financing for sustainability and institutional capacity building of the local partners.
- **Macedonian Solid Waste Association**: the association promotes resource efficiency through sustainable production and consumption, education and training waste management, appropriate and best available technologies and practices. The involvement of the association will strengthen its role and capacity and will allow the organisation advance in implementing its mission.
- **UNDP**, for more than 17 years, has been dedicated to improving the Prespa Lakes Basin through a series of interventions with a value of more than 15 million USD. UNDP was involved in combatting ecological degradation by reducing nutrient inputs from agriculture, by preserving forestry, de-polluting rivers, greening the existing agriculture and businesses. Important strategic documents were developed with the UNDP involvement (tourism development strategy, fisheries management plan, strategic action program and biodiversity monitoring programme). The Action will capitalise on the expertise and capacity of the UNDP, as well as on their role to coordinate the inputs of the UN family.
- **(Apple) farmers, rural households, micro and SMEs of tourism service providers** as well as local civil society organisations including the Local Action Group from Prespa. A variety of local stakeholders will be involved in various activities such as crop diversification, establishment of a Prespa region supply chain for agricultural products and developing sustainable tourism.

2.3. Relevance and complementarity with strategies supported by key national stakeholders

The Action supports the implementation of key national strategies, notably the National Biodiversity Strategy (2018-2023) and the Strategy for Nature Protection (2017-2027). It will also enhance the implementation of the International Agreement for the Protection and Sustainable Development of the Prespa Park Region by advancing the measures included in the Strategic Action Plan for Prespa Park on the conservation and management of the natural environment, rare habitats and species, development of small-scale tourism and especially alternative types of tourism, and strengthening

⁹ <https://www.pont.org/>

transboundary cooperation.

North Macedonia benefits of a well-established **monitoring system**, allowing regular feedback to the decision-makers and the public on the level of implementation of the strategic objectives. The **performance assessment framework** streamlining the policy objectives, indicators and targets was developed in 2020. The Action will contribute to meeting **8 key impact indicators** of the established performance assessment framework¹⁰.

The **institutional set-up** in the sector Environment and Climate Change is well established. The Ministry of Environment and Physical Planning is the lead institution responsible for the approximation and implementation of the EU environmental *acquis* across the sector and for overall coordination of assistance to the environmental sector. While the institutional capacity is improving, more investments are needed for strengthening the administrative capacity in the solid waste, water and nature protection subsectors. The action addresses these needs as well.

The **policy dialogue** is channelled through the Sector Working Group (SWG) for Environment and Climate Change, which is chaired by the Minister and comprises of all relevant national authorities, donors, partners and civil society. The working group also embeds the IPA programming and meets regularly – 2 to 4 times per year – in the decision-making format, and at least once per month in the technical format. The public dialogue is smooth and intensive. It is centred on the definition and implementation of the country's sector priorities.

The sector policy *budgeting* needs improvement. North Macedonia does not yet benefit from a robust medium-term expenditure framework to anchor the costs for the major reforms and ensure their credibility. The ongoing Public Finance Management (PFM) reform programme addresses this issue through the adoption of the new organic budget law, which needs to be adopted by Parliament. Significant IPA support is already available to support this process. In the absence of a solid Medium Term Expenditure Framework, the country has a quasi-programme for Environment to back up the sector policy objectives. The budget for environment is constantly increasing – 180% from 2015 to 2020, which is a sign of increasing state commitment to the established sector priorities.

2.4. Relevance and complementarity with EU policy and EU and other donors' assistance

In line with the IPA III Programming Framework, Window 3: Green agenda and sustainable connectivity, Thematic Priority 1: Environment and climate change; the priority of the Action is to address pollution in a fragile protected transboundary area shared by North Macedonia, Greece and Albania. It is relevant to the European Green Deal¹¹, particularly as regards the objectives to preserve and restore ecosystems and biodiversity and to achieve a toxic-free environment. Further on, the Action will support the implementation of the 5 pillars of the Green Agenda for the Western Balkans adopted at the Sofia summit on Western Balkans in 2020. In addition, it overall supports the implementation of the Economic and Investment Plan for the Western Balkans¹².

The Action contributes to the practical implementation of the national legislation, as harmonised with the EU *acquis* and included in *Chapter 27: Environment and climate change*. This involves the legislation on solid waste, water sector and the protection of habitats and birds-related *acquis*. The Action addresses the findings and recommendations in the North Macedonia 2021 Report¹³ related to the need of a sustainable and long-term vision for the development and funding of the protected areas.

The Action will support the sustainable development of the Prespa Lakes area through encouraging environmentally focused economic activities in the region, primarily in the area of agriculture and sustainable tourism. This corresponds to the recommendations of the North Macedonia 2021 Report

¹⁰ Recycled paper, glass and plastic waste; population not using communal services for municipal waste; municipal waste generation; final municipal waste generation; nitrates in freshwater; orthophosphate in freshwater; water exploitation index; number of endangered species

¹¹ COM(2019) 640 final

¹² COM(2020) 641 final

¹³ SWD(2021) 294 final

under Chapter 11: Agriculture and rural development to support organic farming and to strengthen rural development.

The Action addresses the conclusion of the *Stabilisation and Association Agreement Committee* 2019 requiring that nature protection obligations are recognised and respected when deciding on infrastructure projects and that financial resources for proper management of protected areas should be available.

Finally, the implementing partners will be asked to carefully coordinate their action with other EU funded initiatives (e.g. Regional Cooperation Council regional action on sustainable tourism promotion or new Cross-Border Cooperation projects financed in the area). In this regard, the steering committee and annual consultative meetings to be organised will support complementarity and coherence with other regional or cross border actions in the same area¹⁴.

The Action will support the *United Nation's 2030 Agenda and the sustainable development goals* (in particular for goals 6, 11, 13 and 15).

2.5. Lessons learned and links with previous financial assistance

The Prespa Lake area has benefited from considerable international support. The analysis of the previous assistance allows drawing 2 main conclusions:

- Despite considerable recent efforts to coordinate and harmonise donor activities, fragmentation and proliferation of aid is still widespread and even increasing in the area. In recent years about 50 projects were implemented with the support of the EU, UN, SwissAid, SIDA, and Prespa Ohrid Nature Trust. Most of the projects had a limited scope and a very limited budget. Adopting an impact investing approach to the region passes through an improved coordination of the various actors and establishing common goals. As the most important donor in the country and in the region, the EU, through the EU Delegation, is well placed, to enhance the policy dialogue and improve the effectiveness of the foreign aid.
- A concerted approach, involving all local stakeholders, and covering the border areas of the three countries is needed to ensure the positive cross-border impact of all planned activities in this transboundary area. It is crucial that the Action supports the revived dialogue across the borders, involving authorities, civil society and businesses from North Macedonia, Albania, and Greece. The elaboration of a common strategic vision for the transboundary area is necessary to ensure the sustainability of the Action along with the effective implementation of the International Agreement for the Protection and Sustainable Development of the Prespa Park.

3. DESCRIPTION OF THE ACTION

3.1. Planned results and intervention logic

The **overall objective of the Action** is to promote the Green Agenda for the Western Balkans in the transboundary Prespa lake area in line with the “no persons and regions left behind” principle. The Action will impact positively the ecological status of the Prespa lake - upgrading it to good, will support a 15% increase in full time green jobs and will enhance the socio-economic development of the region. This impact will be achieved through three outcomes.

Outcome 1: The ecological system in Prespa lake area preserved and improved

The investments in wastewater collection and treatment and modern waste management are expected to substantially decrease the pollution levels of the lake. The natural wealth of the area will be protected and restored through reducing diffuse pollution from agricultural runoff, better pest

¹⁴ The Managing Authority of the Interreg IPA CBC Greece/ North Macedonia has planned to launch a strategic project for the opening of the border crossing between Prespes (Greece) and Dolno Dupeni (North Macedonia) which has a strategic importance for the present action.

management, improved control/eradication of alien fish species. The enhanced monitoring and research of the status of natural resources will improve the body of knowledge, and will strengthen the capacities for managing ecosystems, which will ensure the sustainability of the action and will allow the multiplication of the good management practice in future. Ultimately, the measure will restore a good ecological and chemical status of the Macro Prespa Lake and of its tributaries and will support the future Natura 2000 policy in the country.

Outcome 2: Sustainable economic activities in Prespa area boosted

Capacity building measures and financial support to farmers and cooperatives will facilitate the shift to sustainable agricultural practices in apple and other production, will enhance crop diversification, organic and integrated production certification, will facilitate the establishment of short supply chains guaranteeing better prices for local producers. The early warning system for water supply will be upgraded to reduce agriculture runoff and to ensure more sustainable use of water resources at the basin level. The action is expected to result in the first ever national Integrated Crop Protection and Integrated Pest Management system in the country. In addition, expanding the biodegradable waste collection and processing will improve the agricultural waste management system and offer opportunities for local, clean and circular economy to emerge.

The Action will encourage sustainable tourism through improving the capacities of tourist operators and small businesses to diversify and extend the scope of tourist products compatible with the environmental status of the area. Transfer of know-how, advisory support and financial aid will be used to create tourist centres, eco-trails, and landscaping and eco infrastructure solutions, improve and create new accommodation facilities. Renewable energy and energy efficiency will be mainstreamed through incentivising the replacement of electric geysers with solar water heaters, proper roof insulation and use of energy efficient windows and doors.

Outcome 3: Enhanced cross-border cooperation

The Action will also enhance the dialogue among the authorities in Albania, Greece and North Macedonia and will facilitate the people to people relations. The opening of the border crossing between Greece and North Macedonia will facilitate the cross-border exchange. The establishment of a multimedia centre will support the community cohesion. The Action will mobilise the transboundary local communities and civil society organisations, will involve them in forming a common vision on development of the area. The synergy created with the expected parallel actions in the three countries, will support the enforcement of the International Agreement for the Protection and Sustainable Development of the Prespa Park Region.

3.2. Indicative type of activities

Outcome 1: The ecological system in Prespa lake area preserved and improved will be achieved through the following outputs and activities:

Output 1.1 Decreased pollution from human activities encompasses the following activities:

- **Activity 1.1.1: Improvement of water and wastewater management in Resen**, which involves:
 - Upgrading and rehabilitating the Ezerani waste water treatment plant and critical sections of the water supply and of the sewerage network serving the town of Resen. The upgrade involves also the installation of solar PV panels to power the facility.
 - Introducing and/or extending and/or rehabilitating waste water collection systems in the villages of Pretor, Stenje, Krani, Slivnica, Dolno Perovo, Dolno Dupeno and Brajčino. Depending on availability of the budget similar the activities will be extended to the villages of Podmočani, Grnčari and Arvati,
 - Construction of decentralised waste water treatment systems in the above villages, where

it is not economically feasible to connect the sewerage network to the Ezerani waste water treatment plant.

- Optimising the water supply systems in the villages of Pretor, Stenje, Slivnica and Dolno Dupeno.
 - Enhancing the capacities of the public utility company Proleter to ensure proper management of the water supply and wastewater facilities in the municipality throughout a raft of soft measures as well as upgrading IT tools to manage the water networks.
 - Initiating transboundary cooperation and exchange on good practice in managing water supply and waste waters systems with the ultimate objective of supporting the gradual connection of smaller settlements to efficient and eco-friendly water and waste water systems in the Prespa Region and promoting water reuse.
- **Activity 1.1.2: Improvement of Solid Waste Management in Resen**, which involves:
- Extending waste collection coverage to 12 settlements (341 households) in which organised waste collection is missing and improvement of the collection system in the entire municipality,
 - Remediation and closure of illegal dumpsites and landfill,
 - Introduction of a modern waste collection and management system based on waste separation, processing (collection and transfer station, construction and demolition), recycling of metal and aluminium and composting of biodegradable materials.
- **Activity 1.1.3: Waste management communication programme**, involving the organisation of event, trainings, visibility and awareness programmes using various media and with the objective to sensitise the population on various types of pollution and its prevention. Specific focus will be put on educational establishments.

Output 1.2 Natural resources preserved and protected will be achieved through the following activities:

- **Activity 1.2.1: Monitoring, Restoration, Management of Natural Resources**, which will involve:
- (a) Ecology-focused scholarships education and training of teachers and students of different age groups in wider Prespa region with the objective to promote ecology related subjects.
 - (b) Research & monitoring of the natural resources by young scientists to allow the systemic study of the ecosystem in Prespa Lakes. The results of these research works will feed the development plans associated with management of the current parks and the future Natura 2000 sites.
 - (c) Conservation, restoration & management of habitats in at least three areas in Prespa. Special endangered species and habitats have already been identified. Alluvial alder forests and wetlands will be targeted in Ezerani Nature Park, along with the glacial lake in Pelister National Park. The reintroduction of the red deer in the semi/natural subalpine grasslands in Galicica National Park will be supported.
 - (d) Communication and awareness activities dealing with natural resources preservation and protection will be implemented. They include creating basis for increased alternative tourism, also by modernising existing visitor centres and creating new ones. These activities will contribute to establish a common understanding of the importance

of the protection of the ecosystem in Prespa while creating possibilities for sustainable local economy.

➤ **Activity 1.2.2: Control/Eradication of alien fish species and control of main biochemical and physical parameters in the Prespa Lake and in the main tributaries** includes:

- (a) Regular testing (at least once a year and in several locations) of the main physico-chemical parameters and the obligatory biological components (benthic diatoms, macrophyte vegetation and macrozoobenthos) in the lake and in its tributaries will help verifying whether the activities dealing with the establishment of proper sewerage systems and improvement of agriculture practices are able to reduce the pollution. Tests will be carried out on an annual basis; main parameters and biological indicators to be controlled are in a compliance with the European Water Framework Directive (WFD 2000/60/EC).
- (b) Monitoring of the assemblage of fish and eradication of the alien. In the lake, seven alien species are present. Selective fishing practices including different techniques will be implemented every year for three years from April to November, in order to drastically reduce the presence of alien species. The monitoring of the assemblage of fish will provide information about the achieved results.

Outcome 2: Sustainable economic activities in Prespa area boosted will be achieved through the following outputs and activities:

Output 2.1 Increased share of Environmentally Friendly Agriculture involves the following activities:

- (a) Extending the apple production area under good agriculture practices and environmentally friendly agro-ecological measures. This activity involves a promotion campaign, training and a grants scheme for farmers to enable them shift from traditional, unsustainable farming toward more environmentally friendly and less water-intensive practices.
- (b) Upgrading the existing early warning system for plant protection with irrigation optimisation/scheduling practices in apple production to reduce agriculture runoff and to ensure more sustainable use of water resources at river basin level. This activity also involves support to the Agrochemical Laboratory and the Union of Agriculture Producers through purchase of small field and laboratory equipment, and engaging young agronomists to run and support the extended forecasting system. This system is expected to be recognised as the first national valid Integrated Crop Protection and Integrated Pest Management system.
- (c) Improving the agricultural waste management system by expanding the biodegradable waste collection and processing, including the enlargement of the network of collection sites for the apple and other organic waste management across the territory of Prespa. Support will be provided to the farmers for the timely delivery of the waste to the composting facility supported under Output 1.1.
- (d) Support for agriculture crop diversification, organic & integrated production certification. Crop diversification will be promoted through the supply of seedlings of cherries, plums, hazelnuts, nuts, implementation of measures that will provide for extension of organic production, certification of farmers for organic and/or integrated production, as well as through the establishment of at least three pilot plots with innovative cultivations of non-timber forest products in marginal areas.
- (e) Establishment of a supply chain for agricultural products, guaranteeing better prices for fruits, non-timber forest products, honey and other regional products. This activity involves an awareness campaign, mapping of stakeholders willing to participate in the short supply chain, trainings in different aspects of food processing including food hygiene and safety

standards, nutritional values, developing product recipes, marketing strategy and branding, direct sales and collective distribution. Information will be provided for the applicable national regulation and opportunities for support that are provided by the government and EU as well as other donors and financial institutions. Compliance with IPARD will be ensured.

Output 2.2 Sustainable tourism product promoted and diversified

This output will be achieved through the following activities:

- (a) Building local capacities for sustainable tourism through training of the tourist operators, marketing activities promoting Prespa as a four-season eco-tourist destination and as "three countries one destination", transfer of know-how for the creation of new touristic products and putting in place high-quality tourism services such as B&B.
- (b) Direct financial support for sustainable eco-tourism tourism will complement the capacity building activities. Support will be provided for projects for enlargement or improvement of the reception capacity, birdwatching tours, construction of paths for bicycles and for hiking, extending existing or new accommodation capacity (small hotels, bungalows complexes, eco-camps, etc.) linked to the protected areas (National Parks Pelister, Galicica, Ezerani, Prespa Lake) and the rural communities nearby, promotion of renewable energy and energy efficiency.

Outcome 3: Enhanced cross-border cooperation will be achieved through the following outputs and activities:

Output 3.1 Strengthened strategic vision on the development of Prespa Trans-boundary Area encompasses the following activities:

➤ **Activity 3.1.1: Support to the institutional trans-boundary cooperation in the Prespa region:**

- (a) Support to the institutional trans-boundary cooperation in the Prespa region, which entails technical, logistical and advisory support to the already established Prespa Park Management Body and the related working groups (e.g. water management group). The Prespa Park Management Body, in line with the ratified Prespa Park agreement, is the main coordination body across the three countries managing the Park.
- (b) Elaboration of a Strategic Action Plan for Prespa Park to ensure that future activities will be implemented in a strategic and coherent manner. The Strategic Action Plan for Prespa Park will be prepared in cooperation with the other trans-boundary stakeholders and will be the strategic document to be shared with the Donor's Community to ensure that future activities are not contradicting and neither duplicated.

➤ **Activity 3.1.2: Improving the participation of local communities in the sustainable development of the region:**

Grant scheme for youth and other civil society organisations for development activities addressing environmental, social or economic challenges identified by the local communities as priorities, encouraging the participation of the local communities in decision-making process and mobilising local resources in support of the sustainable local development. The call might include an investment component for the promotion of renewable energies.

➤ **Activity 3.1.3: Multimedia centre on Prespa lakes:**

This activity involves putting in operation of a Multimedia Centre on Prespa Lakes. The Multimedia centre will be built by the Government in implementation of the international

commitments. It will be hosted in a model ecological and accessible building. The EU funding will be used for equipping the centre with modern visualisation and operational technologies.

Output 3.2: Established border crossing point with Greece (Markova noga)

This activity entails the construction and the equipment of the customs facilities on the side of North Macedonia of new Border Crossing Point Markova Noga allowing exchange between North Macedonia and Greece, installation of the needed control, traffic, water supply, sewerage, electrical, telecommunications and lightening infrastructure, ensuring of the necessary operational and administrative capacities for the smooth operation of the border crossing point. This will be complemented by the activities foreseen on both sides of the border under the Interreg IPA CBC Greece/ North Macedonia.

3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
Declining water level owing to anthropogenic pressures (overabstraction for agricultural irrigation)	H	Extending the body of knowledge on the geomorphological status of the lake; Monitoring of the irrigation practices and constant dialogue with farmers organisations to raise awareness and ensure more sustainable use of water resources
Seismic activity or tectonic evolution; water level fall or climate change not associated with the human activity in Prespa Lakes	M	Permanent monitoring of the natural risks in the area and support to the risk prevention programmes, coordinated actions and palliative measures.
Delay in completion of the negotiations between Greece and North Macedonia on the opening of border crossing as well as the activities on the Albanian side to decrease pollution of the lakes	M	Permanent coordination and leadership by the European Commission and EU Delegations in the three countries. Investment in the International Park management bodies and other coordination fora.
Local elections in fall 2021 may change municipal priorities and vision on development	L	To maintain strong policy dialogue with all local stakeholders and interest groups through public consultations, events and effective communication
Migration from the regions surrounding Prespa Lakes to the capital, big cities and abroad	H	The full implementation of this Action will contribute to improving the living conditions and decreasing the emigration rate
Poor cost recovery for environmental services by the Public Utility Company Proleter	H	Higher tariffs for water supply, waste water collection and treatment and solid waste management; recipes from the sale recycled products including compost for agricultural use; reduced O&M costs through powering the facilities with solar PV panels; optimisation of

		the management practices and digitalisation of the data
Assumptions		
<u>Assumptions linked to the achievement of Outcomes:</u>		
Economic recovery of North Macedonia and neighbouring countries after COVID-19 pandemic.		
The management body of the Transnational Prespa Park is operational and effectively engaged in the sustainable development and environmental protection of the region.		
There is an increasing public interest towards preserving the natural resources of the area.		
The national policy on regional development is strengthened allowing for increased national investments in sustainable regions.		
<u>Assumptions linked to the achievement of Outputs:</u>		
People in Resen are willing to collect the garbage separately.		
Farmers are willing to apply more sustainable agricultural practices.		
Stable interest of people for natural tourism.		

3.4. Mainstreaming

How does this Action contribute to Gender Equality and Women’s and Girls’ Empowerment (in line with the EU gender equality strategy 2020-2025)?

The Action will address gender equality first, by encompassing a number of gender-sensitive indicators to measure the success of the projects. On the background of missing surveys and gender analysis in the targeted area and in the country, the action will collect baseline data and qualitative evidence to better understand the needs and priorities of men and women as regards the protection of the nature and nature-based economic activities. Moreover, the collection of sex-disaggregated data will allow the EU Delegation and all implementing partners to detect early if project activities create further imbalances and underrepresentation in environmental decision making and economic activities in order to apply the timely mitigation measures.

Secondly, the Action is expected to promote green jobs and nature-centred economic activities in the area of agriculture and tourism. In North Macedonia, the percentage of women owning land and production tools is very small and, although no data exist for the target region, it can be expected that this problem is even more acute in the border regions. Therefore, the project will actively promote equal opportunities by ensuring the access to EU funding for women and girls. Special focus is put on engaging women in agricultural activities and support has been envisaged for cooperatives of women.

The two planned call for proposals (i.e. direct financial support for sustainable eco-tourism and the grant scheme for youth and other civil society organisations) will have specific provisions (quotas) to ensure the participation of young people (under 45 years old) and women.

During the implementation, equal opportunities and gender mainstreaming will be ensured through gender sensitive analysis, training, review of standards, skills development and information. In addition, all implementing partners will be requested to provide monitoring data recording the participation of men and women by age in terms of expert inputs and staff hired by the project.

How does this Action address Environment and Climate change?

The Action itself is a tool to implement in practice the European Green Agenda for the Western Balkans in the transboundary Prespa area. All planned activities in this Action will ensure better

protection of the environment. The envisaged measures on waste, water and wastewater activities, as well as the investment in sustainable and greener tourism and agriculture aim at reducing the pollution caused by human activities. This is coupled with a strong programme for restoration of natural resources.

Furthermore, the action aims at mainstreaming renewable energy and energy efficiency in the sectors of intervention through promoting solar PV in powering waste water treatment investments and promoting energy efficiency such as replacing electric geysers with solar water heaters, proper roof, door and window insulations in buildings for tourist accommodation.

How does this Action address the Rights Based Approach?

This Action takes into consideration the country's commitment to advance the human rights agenda in practice. First, it will support North Macedonia in enforcing the right of the citizens to a clean environment; all projects activities are focused on this objective and they have the potential to prevent further pollution of the waters and soils, which are a life resource. Second, the project will enhance the participation in the economic and social life. It will actively promote the equal opportunities by ensuring the access to EU funding for women and men, young people and persons with disabilities. By creating nature-centred living, encouraging sustainable business practices and activities, the project will create jobs, decrease the marginalisation of vulnerable people and will provide a development perspective. In addition, the infrastructure facilities to be created through this EU investment will be accessible for people with disabilities. Also, all safety rules will be put in place to make sure that children can benefit from the EU investments as well.

How does this Action promote the systematic engagement with Civil Society?

This Action has been developed in an inclusive process encompassing numerous outreach activities and involving civil society at large. Local and trans-boundary stakeholders took part in analysing the challenges and defining priorities for the development of the region. This approach will further apply in the implementation stage, which will continue to engage representatives of NGOs and civil society. Particularly important for the local civil society will be the establishment of the Multimedia Centre, which will also play the role of a "people house", providing space for the activities and the operations of the local civil society organisations. A grant scheme will provide civil society organisations with the opportunity to implement their own projects, to engage local communities in decision-making, and enlarge the community services, thus advancing the agenda of the civil society in the region.

Others (such as Resilience and Conflict Sensitivity, Roma, people with disabilities and other vulnerable groups)

This project was born following the Prespa agreement and aims to enhance the international cooperation through addressing environmental and socio-economic challenges with regional importance. It promotes the transboundary and intercultural approach in finding common and long-term solutions.

One of the main goals of the action is to mobilise local communities across the three countries around the collective goal to protect the Prespa park area and to stimulate sustainable and inclusive socio-economic development.

3.5. Conditions for implementation

The following (pre)conditions apply to this Action:

- The municipality and Public Utility Company shall ensure the sustainability, good maintenance and operational management of the related infrastructure provides sufficient and qualified staff and appropriate operational budget.
- The municipality of Resen shall resolve all expropriation issues and secure all needed permits

for construction, putting in use and operation the relevant premises.

- All relevant preparatory documentation is prepared by the municipality of Resen prior to the start of the investments (works/supplies) activities.
- All relevant technical documentation is prepared by the Customs administration before the start of the work/supplies for the opening of the border crossing point in Prespes-Dolno Dupeni.

Failure to comply with the requirements set out above may lead to a cancellation of the relevant activity and re-allocation of the funds.

3.6 Logical Framework for PROJECT MODALITY

Results	Results chain:	Indicators	Baselines (year)	Targets 2025	Sources of data	Assumptions
Impact	To promote the Green Agenda for the Western Balkans in the transboundary Prespa lake area in line with the “no persons and regions left behind” principle.	Ecological and chemical status of water in the Prespa Lakes	Failing good (2015) ¹⁵	Good	Ministry of Environment and Physical Planning Monitoring Reports	<i>Not applicable</i>
		Number of full-time equivalent green jobs (sex and age-disaggregated data) in Resen municipality.	TBD at the beginning of the action	15% increase	Ad hoc survey/ assessments at the start/ end of the action	
		Number of unemployed people ¹⁶	1 305 (2019)	< 1 000	State Statistical Office ¹⁷	
		Percentage of young residents in Resen (sex-disaggregated data) (under the age of 45)	51.5 (2018) 53.4 (Male) 49.5 (Female)	53.5 55.4 (Male) 51.5 (Female)	State Statistical Office ¹⁸	
Outcome 1	The ecological system in Prespa lake area preserved and improved	Percentage of solid waste separated collection (100 * separated collection/total collection)	0 (2019)	30	Public Utility Company Reports	Economic recovery of North Macedonia and neighbouring countries after COVID-19.
		Tons of compost distributed per year	0 (2019)	2 000	Public Utility Company Reports	

¹⁵ Source: Initial Characterisation of Lakes Prespa, Ohrid and Shkodra/Skadar. GiZ GmbH, 2015

¹⁶ Measurement at the end of November to capture the seasonal character of the employment offer

¹⁷ Source: <http://www.av.gov.mk/content/Statisticki%20podatoci/Ноември%202019/P1gradselo112019.pdf>

¹⁸ Source: <http://www.av.gov.mk/content/Statisticki%20podatoci/Ноември%202019/P1gradselo112019.pdf>

		Ecological status of the Macro Prespa Lake in North Macedonia @ water body 1 (littoral); water body 2 (pelagic zone); tributaries of Lake Prespa (Ezerani Waste Water Treatment Plant & Golema river)	Poor or bad (2015) ¹⁹	Good	Ministry of Environment and Physical Planning Reports	The management body of the Transnational Prespa Park is operational and effectively engaged in the sustainable development and environmental protection of the region. There is an increasing public interest towards preserving the natural resources of the area. The national policy on regional development is
		Chemical status of the Macro Prespa Lake in North Macedonia @ water body 1, water body 2 and @ tributaries of Lake Prespa	Failing good (2015) ²⁰	Good	Ministry of Environment and Physical Planning Reports	
		Tons of collected hazardous waste per year (Packaging from Fertilizers and Pesticides)	0 (2019)	20	Public Utility Company	
		Number of Hectares of potential Natura 2000 sites with Standard Data Form	19 320 (2020)	23 000	Spatial Information System of the MoEPP	
Outcome 2	Sustainable economic activities in Prespa area boosted	Number of people visiting the Galichica Park (sold tickets)	150 000 (2019)	170 000	Galichica Park ²¹	
		Number of overnights in the hotels and rented houses	30 334 (2019)	40 000	State Statistical Office ²²	
		Number of Tourists	8 139 (2019)	11 000	State Statistical Office ²³	
		Number of farms registered to provide agritourist services	0 (2020)	10	Department for local development and	

¹⁹ Source: Initial Characterisation of Lakes Prespa, Ohrid and Shkodra/Skadar. GiZ GmbH, 2015

²⁰ Ditto

²¹ Source: <http://galichica.org.mk/>

²² Source: http://makstat.stat.gov.mk/PXWeb/pxweb/en/MakStat/MakStat_TirizamUgostitel_Turizam_TuristiNokevanja/125_Turizam_Op_BrTurNok_ml.px/?rxid=2279f288-d42b-4116-b9fa-d077cc3c31a6 (Select: Resen, domestic tourists, foreign tourists, months of the year, number of tourists)

²³ Source: http://makstat.stat.gov.mk/PXWeb/pxweb/en/MakStat/MakStat_TirizamUgostitel_Turizam_TuristiNokevanja/125_Turizam_Op_BrTurNok_ml.px/?rxid=2279f288-d42b-4116-b9fa-d077cc3c31a6 (Select: Resen, domestic tourists, foreign tourists, months of the year, number of nights spent)

					cross-border cooperation, Municipality of Resen	strengthened allowing for increased national investments in sustainable regions.	
Outcome 3	Enhanced cross-border cooperation	Strategic priorities for the development of Prespa area agreed internationally (qualitative indicator: Yes/No)	No	Yes	Strategic Plan for Prespa Park adopted		
		Number of people taking part in new CBC initiatives focused on the preservation and development of the Prespa area	Not available	At least 1000	Projects reports		
Output 1.1	Decreased pollution from human activities	Percentage of households connected to a sewerage network	66 (2019)	80	Public Company	Utility	People in Resen are willing to collect the garbage separately.
		Percentage of waste water treatment plants operated with and compliant to a permit	0 (2019)	100	Public Company	Utility	
		Percentage of households benefiting of potable water	87 (2019)	98	Public Company	Utility	Farmers are willing to apply more sustainable agricultural practices.
		Percentage of households with separate collection of solid waste	0 (2019)	95	Public Company	Utility	
		Number of illegal dumpsites in the territory of the municipality	6 (2019)	0	Public Company	Utility	
Output 1.2	Natural resources preserved and protected	Number of habitats / Hectares of habitat types and species areas under regular monitoring	8 / 2 075 (2019)	20 / 8 000	Spatial Information System of the MoEPP and Monitoring protocol reports		Stable interest of people for natural tourism.
		Number of species under regular monitoring	18 (2019)	45	Spatial Information System of the MoEPP and Monitoring protocol reports		
		Additional hectares of habitats under active management	0 (2019)	30	Project Reports		

		Number of hectares of restored habitat types	0 (2019)	12	Spatial Information System of the MoEPP and Monitoring protocol reports
		Average alien fish assemblage sampled as per European Committee for Standardisation 14757 in the lake	45 (2015)	≤ 20	Hydrobiological Institute – Ohrid Monitoring report
		Number of alien species of fish in the Prespa lake	7 (2015)	≤ 7	Hydrobiological Institute – Ohrid Monitoring report
		Cumulative number of local participants in ecological education activities	30 (2019)	200	<i>Project Reports</i>
		Numbers of local pupils (<15years old) reached by tailored Prespa-specific education packages	80 (2019)	750	<i>Project Reports</i>
Output 2.1	Increased share of environmentally friendly agriculture	Number of farmers included in a selected-packaging-waste disposing system (sex-disaggregated data)	0 (2019)	1500	UNDP plus Public Utility Company Proleter
		Number of hectares of cultivation under transition or certified organic farming	10 (2019)	60	UNDP Reports
		Number of hectares of cultivation under integrated crop management	400 (2019)	600	UNDP Reports
		Number of hectares under extended early warning system for irrigation optimisation.	0 (2019)	4500	UNDP Reports
		Number of farmers certified for organic production in protected areas (sex-disaggregated data)	5	50	UNDP Reports
		Number of Women associated to the women cooperative	20 (2020)	50	UNDP Report

		Number of Non Timber Forest products piloted and branded	0 (2020)	3	UNDP Report
		Number of pilot plots cultivated with Non Timber Forest Products NTFPs	3 (2019)	10	UNDP Report
Output 2.2	Sustainable tourism products promoted and diversified	Additional Kilometres of cycling trails	0 (2019)	100	UNDP Report
		Additional Kilometres of hiking trails	0 (2019)	70	UNDP Report
		Number of supported hotels/service providers, traditional houses (sex-disaggregated data for women owners/managers)	0 (2019)	20	UNDP Reports
		Number of new sustainable tourism products put in place	0	10	UNDP Reports
Output 3.1	Strengthened strategic vision on the development of Prespa Trans-boundary Area	Number of meetings of the official bodies of the transboundary Prespa Park	0 / 1 (2019)	3 / 6	UNDP Reports Prespa Park Management Committee Reports
		Number of cross-border people-to-people events organised by the Multimedia centre or similar organisation.	0 (2019)	2	Report of the Municipality of Resen
		Number of new youth/women initiatives focused on the preservation and development of the Prespa area	0 (2020)	7	Funded projects reports
Output 3.2.	Established border crossing point with Greece	Number of border crossings at the new established border crossing point	0 (2020)	at least 500 / month	Annual report of the Customs Office

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with North Macedonia.

4.2. For budget support only - NA

4.3. Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²⁴.

4.3.1. Direct Management (Grants)

(1) Grant scheme “EU for Sustainable Development of Prespa lake”

(a) *Purpose of the grant(s):* To ensure the implementation of Output 3.1 Strengthened strategic vision on the development of Prespa Trans-boundary Area - Activity 3.1.2: Improving the participation of local communities in the sustainable development of the region. The grant scheme will involve civil society organisations in implementing smaller-scale projects addressing environmental, social or economic challenges identified by the local communities as priorities, encourage the participation of the local communities in decision-making process and mobilise local resources in support of the sustainable local development.

(b) *Type of applicants targeted:* Applicants must be legal entities, public bodies, civil society organisations, local authorities, public bodies, international organisations, NGOs established in North Macedonia.

(2) Grant “Waste management public awareness programme”

(a) *Purpose of the grant:* To ensure the implementation of Output 1.1 Decreased pollution resulting of human activities - Activity 1.1.3: Waste management communication programme, which involves the organisation of events, trainings, graphics and printing of materials, awareness campaign, development of an interactive waste management games for at the local kindergartens and schools, and door to door, transport and marketing costs.

(b) *Type of applicant targeted:* Applicants must be legal entities, public bodies, civil society organisations, local authorities, public bodies, international organisations, established in North Macedonia.

(3) Grant “Monitoring, Restoration, Management of Natural Resources”

(a) *Purpose of the grant:* To ensure the implementation of Output 1.2 Natural resources preserved and protected - Activity 1.2.1: Monitoring, Restoration, Management of Natural Resources, which entails ecological education and training of teachers and students of different age groups in wider Prespa region, research and monitoring

²⁴ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

mainly for young scientists, conservation, restoration and management of habitats and communication awareness activities dealing with natural resources preservation and protection.

(b) *Type of applicants targeted:* Applicants must be legal entities, public bodies, civil society organisations, local authorities, public bodies, international organisations, NGOs established in North Macedonia.

4.3.2. Direct Management (Prizes) – NA

4.3.3. Direct Management (Procurement)

Procurement will be used for the implementation of Output 3.1 Strengthened strategic vision on the development of Prespa Trans-boundary Area - Activity 3.1.3. : Multimedia Centre on Prespa Lakes.

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Output 3.1 Strengthened strategic vision on the development of Prespa Trans-boundary Area - Activity 3.1.3. Support for the establishment of a Multimedia Centre	Supplies	Q1 2023

4.3.4. Indirect management with an entrusted entity

(1) A part of this action may be implemented in indirect management with an entity selected by the Commission’s services.

This implementation entails ***Contract "EU for infrastructure improvements in Prespa area"***, which will ensure the implementation of *Activity 1.1.1: Improvement of water and wastewater management in Resen, Activity 1.1.2: Improvement of Solid Waste Management in Resen and Output 3.2: Construction of a border crossing point with Greece.*

The following criteria will be used for the selection of the entity: Technical and financial capacity, including (1) Permanent country office or permanent regional office in another Western Balkan country, in-country experience of project management and in-house technical expertise in relevant sectors, stable and sufficient sources of finance; (2) experience in the implementation of infrastructure projects addressing environment and climate change challenges and modernisation of municipal services, and; (3) comparative added value, reflected in the quality of the concept note submitted as well as through interest to leverage the EU investments in Prespa area with own funds and contributions.

(2). A part of this action may be implemented in indirect management with UNDP.

This implementation entails Contract ***“Restoration of the natural resource and enhancing sustainable agriculture and tourism”***, which will ensure the implementation of *Activity 1.2.2: Eradication of alien fish species and control of main biochemical and physical parameters in the Prespa lake and in the main tributaries, all activities for achieving Output 2.1 Increased share of*

Environmentally Friendly Agriculture and Output 2.2 Sustainable tourism product promoted and diversified, and Activity 3.1.1: Support to the institutional transboundary cooperation in the Prespa region.

The envisaged entity has been selected on the grounds of professional and financial criteria. UNDP has been supporting the country in its efforts to ensure better management of its valuable natural resources, combatting climate change and investing in disaster risk reduction. For more than seventeen years, UNDP has been dedicated to improving the Prespa Lakes Basin and supporting sustainable human communities and economies, while also protecting the unique biodiversity of this globally significant ecosystem. Additionally, in the period 2013 – 2016, the UNDP carried out the Lake Prespa Water Quality Monitoring Report that addresses exactly the main activities that are going to be implemented under this direct grant. The activities included in the grant are the continuation of activities that so far have been implemented by UNDP in the Prespa Lake also funded by the EU (direct grant of EUR 4 million under the multi annual programme for Environment of IPA II).

4.3.5. Indirect management with an IPA III beneficiary – NA

4.3.6. Contribution to Regional Blending Facility/Platform – N/A

4.3.7. Budgetary guarantees – NA

4.3.8. Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

- a) If the procedures for selection of an entrusted entity under *Contract "EU for infrastructure improvements in Prespa area"* fails, this part of the action may be implemented through direct management by the EU Delegation, involving grants to public bodies and local authorities in North Macedonia. This concerns *Activity 1.1.1: Improvement of water and wastewater management in Resen, Activity 1.1.2: Improvement of Solid Waste Management in Resen and Output 3.2: Construction of a border crossing point with Greece.*
- b) If the procedures for selection of an entrusted entity under *Contract "Restoration of the natural resource and enhancing sustainable agriculture and tourism"* fails, this part of the action may be implemented through direct management by the EU Delegation involving:
 - Procurement for the implementation of:
 - o Activity 3.1.1: Support to the institutional transboundary cooperation in the Prespa region;
 - o Output 2.1 Increased share of Environmentally Friendly Agriculture;
 - o Output 2.2 Sustainable tourism product promoted and diversified
 - Grants to public bodies and local authorities and their subsidiary

companies for the implementation of:

- Activity 1.2.2: Eradication of alien fish species and control of main biochemical and physical parameters in the Prespa lake and in the main tributaries.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

4.5 Indicative budget

Implementation modalities	EU contribution (amount in EUR)	Indicative third party contribution, in EUR
Output 1.1 Decreased pollution from human activities , composed of	10 570 000	1 143 000
Direct management (Grants) – cf section 4.3.1	N.A.	
Indirect management with an entrusted entity - cf. section 4.3.4	N.A.	
Output 1.2 Natural resources preserved and protected , composed of	2 260 000	273 000
Direct management (Grants) – cf section 4.3.1	N.A.	
Indirect management with entrusted entity (UNDP) - cf. section 4.3.4	N.A.	
Output 2.1 Increased share of Environmentally Friendly Agriculture , composed of	1 270 000	20 000
Indirect management with entrusted entity (UNDP) - cf. section 4.3.4	N.A.	
Output 2.2 Sustainable tourism product promoted and diversified , composed of	1 100 000	350 000
Indirect management with entrusted entity (UNDP) - cf. section 4.3.4	N.A.	
Output 3.1. Strengthened strategic vision on the development of Prespa Trans-boundary Area , composed of	1 820 000	1 770 000
Direct management (Grants) – cf section 4.3.1	N.A.	
Direct management (Procurement) – cf. section 4.3.3	N.A.	
Indirect management with entrusted entity (UNDP) - cf. section 4.3.4	N.A.	

Implementation modalities	EU contribution (amount in EUR)	Indicative third party contribution, in EUR
Output 3.2 Established border crossing point with Greece (Markova Noga), composed of	930 000	170 000
Indirect management with an entrusted entity - cf. section 4.3.4	N.A.	
Evaluation (cf. section 5.3)	will be covered by another decision	N.A
Audit/Expenditure verification (cf. section 6)	will be covered by another decision	N.A
Communication and visibility (cf. section 7)	N.A	N.A
Contingencies	50 000	N.A
TOTAL	18 000 000	3 726 000

of which

Direct management	3 870 000	2 016 000
Grants - total envelope under section 4.3.1	3 670 000	416 000
Procurement– total envelope under section 4.3.3	200 000	1 600 000

Indirect Management	14 080 000	1 710 000
with entrusted entities - total envelope under section 4.3.4	14 080 000	1 710 000

4.6 Organisational set-up and responsibilities

The Delegation of the European Union to North Macedonia is in charge for the implementation of the action.

At policy level the implementing partners will be accountable to the relevant Sector Working Groups (Environment and Regional and Local Development) as well as the IPA Monitoring Committee.

At programme level, the discussions will be channelled through the project Steering Committee having advisory functions and composed of EU Delegation, Ministry of Environment and Physical Planning, Prespa Ohrid Nature Trust, Resen Municipality, Representatives of the National Parks and Hydro Biological Institute, apple farmers association, Local Action Group and all the implementing partners. At least once per year, the meetings will discuss and analyse the progress of the Action. The Steering Committee will constantly liaise with the Prespa Park Management Committee of the transboundary Prespa Park, which must be consulted in particular for the activities planned under output 3 “Strengthened strategic vision on the development of Prespa Trans-boundary Area”. Where possible the annual Steering Committee meetings will be held back-to-back with the Prespa Park Management Committee.

5. PERFORMANCE/RESULTS MONITORING AND REPORTING

5.1. Internal monitoring

The ongoing monitoring of the specific contracts will be a responsibility of the EU Delegation and the NIPAC office as well as of the body playing the role of the Steering Committees. The monitoring will be based on the action activities, results (outputs, outcomes and impact), indicators and targets.

5.2. Roles & responsibilities for data collection, analysis & reporting

The progress in the implementation of the Action will be monitored at sector level through the established in 2020 Performance Assessment Framework, which includes outcome and impact indicators, targets and baseline data. Performance Assessment Framework has been established as a web-based application (to be backed up by a Government decision on responsibilities and deadlines) allowing regular electronic input of data, data processing and data analytics. The Performance Assessment Framework data will be used in the Sector Working Groups on Environment, which is also the inclusive platform of all stakeholders to monitor the implementation of the sector priorities.

At output level, data about the implementation of each project and contract will be collected in OPSYS, and will be based on the data from official documents such as reports, acceptance certificates or equivalent documents.

The project itself is a tool to improve the capacities of the national and transnational institutions to monitor the environmental developments in the Prespa Lakes area. The competent actors (e.g. Ministry of Environment and Physical Planning, Hydro Biological Institute, Public Utility Company Proleter, Galicica and Pelister Park Management Authorities, Prespa Park Monitoring Committee, etc.) are expected to produce timely and meaningful data for the monitoring of results and impact of the Action. Capacity building support will be provided to pilot data collection regarding green jobs and transboundary harmonisation of data on the chemical and ecological status of lake water. A technical assistance will support the contracting authority in the collection and harmonisation of data.

5.3. Evaluation

Having regard to the importance and the nature of the action, a final evaluation will be carried out for all activities via independent consultants. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the Action includes a full multi-sectoral programme for the development of a transboundary region.

The Commission shall inform the implementing partner at least 2 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing Decision.

6. AUDIT

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing Decision.

7. COMMUNICATION AND VISIBILITY

Visibility of EU funding and communication about objectives and impact of Actions are a legal obligation for all Actions funded by the EU, as set out in the EU communication and visibility requirements in force.

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and
- promoting the actions and their results by providing coherent, effective and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the national administrations (for instance, concerning the reforms linked to EU budget support), entrusted entities, contractors and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

The measures shall be based on a specific Communication and Visibility Plan, established and implemented in line with the EU communication and visibility requirements in force. The plan shall include, inter alia, a communication narrative and master messages for the Action, customised for the various target audiences (stakeholders, civil society, general public, etc.)

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegation. The European Commission and the EU Delegation should be fully informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

At the level of the action, the communication policy will be based on few activities with high media potential, and able to create media events allowing the Commission and the EU Delegation to promote the relevant EU values, policy and investments. Cooperation with the NIPAC office and the other beneficiaries will be very important to ensure one-voice communication to citizens.

At contract level, all contractors and grantees shall develop communication and visibility activities in line with the EU communication and visibility requirements in force. The communication and visibility plans of contractors and grantees will be approved by the EU Delegation. Contractors are expected to show a good communication reflex and the ability to exploit unexpected opportunities to promote the activities and the EU support. Focus should

be put on "out-of-the-box" communication solution having the potential to attract the attention of media and citizens and allow passing important messages. The opportunities provided by the digital communication and social media shall be used at large. It is the responsibility of the contractors and beneficiaries to keep the EU Delegation and the Commission fully informed of the planning and implementation of the specific visibility and communication activities. The beneficiary shall also report on the visibility and communication actions in the relevant reports. The implementation of the communication activities shall be funded from the budgets of the individual contracts.

Visibility and communication actions shall focus on results and changes achieved and shall demonstrate how the EU support brings the country closer to the EU standards. The objective is to improve the awareness on the EU funding of the general public and not only of target specific audiences. The communication policy applied must ensure that the added value and impact of the EU's interventions are understood by the citizens and that EU funds are managed and used in a transparent, efficient and effective way for the benefit of the country as a whole.

8. SUSTAINABILITY

The sustainability potential of the action is high both at institutional and at financial level. The Government of North Macedonia, mostly through the Ministry of Environment and Physical Planning, is strongly involved in the protection of the Lake Prespa mostly to stop further degradation of the already critical situation.

Financially, in addition to national resources to address the emergency situation²⁵, the Prespa Ohrid Nature Trust is providing long-term financial help to the main stakeholders engaged with nature protection and conservation²⁶.

From an institutional point of view, the management structures of the Prespa Park are expected to take over on the long term the strategic guidance over the transboundary area of the park.

All the outputs of outcome 3 of the present Action will contribute to enhance sustainability and transboundary cooperation as well as to improve the involvement of the local communities and civil society organisations active in the area (e.g. support to the Park Institutions and People forum; elaboration of a Strategic action plan for Prespa Park; opening of the border crossing between Greece and North Macedonia; multimedia centre).

The Action is expected to decrease pollution of waters, soil and landscape. This, coupled with a strong investment in awareness raising, will produce a long-lasting impact on the pollution levels but will also positively impact the ownership of the local population on how to care and preserve the valuable natural resources. This change of mentality approach, although long in developing, is among the strongest sustainability factors foreseen.

The conservation and restoration of natural resources will ensure the survival of endangered species and increase the targeted populations. The support to Park's management authorities, Municipality rangers and eco-organisations will improve the capacity to better understand and protect the ecosystem and be more successful in addressing future environmental challenges.

The action envisages investment in infrastructure and material assets, which will improve the living conditions and decrease pollution. The sustainability of these investments is guaranteed

²⁵ <https://meta.mk/en/government-of-north-macedonia-provides-mkd-80-million-for-revitalization-of-lake-prespa/>

²⁶ <https://www.pont.org/ministry-of-environment-and-physical-planning-and-pont-join-forces-to-implement-the-action-plan-concerning-lake-prespa/>

through the commitment and involvement of public utility company Proleter, which will take over the management of the created facilities, allocate the needed financial and human resources, and will ensure the functioning of the bio-composting system at costs affordable for the farmers and cooperative.

The introduction of renewable energies sources will reinforce the financial capacity of the local utility to cover in full the operation and maintenance of the waste water treatment plants (centralised and decentralised). The parallel investments in building the capacity of Public Utility Company Proleter will ensure that the management of this new municipal infrastructure will follow good EU practices and will increase the sustainability prospects.

This Action has been designed to support local agriculture and small business by further developing the capacities of local producers and operators to "green" their activities and shift to more sustainable yet profitable offer. Coupling capacity building and financial support will decrease the risk of failure and will improve the survival rate of these new pilot/seeds initiatives and eventually produce a multiplication effect, turning Prespa Lake area into a real sustainable agriculture and tourism destination. Synergies with private economic and non-profit entities in most of the activities foreseen in the action will enhance the sustainability prospect of the action providing economic value for eco-friendly activities. The establishment of a new cross-border point between North Macedonia and Greece and the enhanced relations between the authorities and local communities in the Prespa Park will also add a transboundary aspect to sustainability, ensuring better connections and enhanced shared vision on the development of region long after the project end.