

## TRANSPORT POLICY

I. BASIC TRENDS AND STATISTICS OF THE TRANSPORT SECTOR.....	2
II. BASIC TRENDS AND MARKET STRUCTURE FOR EACH MODE OF TRANSPORT .....	2
A. Passenger and goods transport by road.....	2
Conditions of access to market and profession .....	2
Social and technical rules and standards .....	6
Road user charges .....	18
B. Rail transport .....	20
Conditions of access to market and profession .....	20
Overall assessment of the transposition of the acquis: .....	25
International organisation and conventions .....	25
C. Inland waterway transport – Answer “not applicable” where appropriate .....	26
D. Combined transport .....	27
E. Air transport .....	28
Access to market and profession .....	29
Technical and social standards .....	34
International organisations and conventions .....	39
F. Pipeline transportation .....	40
G. Maritime transport .....	44
III. INTEGRATED TRANSPORT SYSTEMS .....	45
A. Transport infrastructure .....	45
Maps of the national network.....	45
Public expenditure and investments.....	45
Regional cooperation.....	45
Legal framework .....	46
B. Transport research .....	49

## I. BASIC TRENDS AND STATISTICS OF THE TRANSPORT SECTOR

**Basic data and statistics should be provided by completing the attached charts in Annex 1.**

Basic data and the statistics are given in the charts in Annex , see [09 Annex 01](#).

## II. BASIC TRENDS AND MARKET STRUCTURE FOR EACH MODE OF TRANSPORT

### *A. Passenger and goods transport by road*

#### **Conditions of access to market and profession**

**1. What are the rules governing access to the profession for operators engaged in national and/or international transport of passengers and goods? How and by whom is this legislation enforced?**

The criteria for access to the profession for operators involved in goods and passenger transport within the national and international road transport are regulated by the Law on Road Transport (Official Gazette of RM No 68/04).

In accordance with the provisions of the Law on Road Transport (Article 8, paragraph 3), the Programme for assessment of the professional competence of the manager or the duly authorised person for transport is regulated by the Minister of Transport and Communications. The assessment of the professional competence is carried out by a Committee established by the Minister of Transport and Communications. An Act for regulation of the Programme for assessment of the professional competence is expected to be enacted during the first half of 2005.

The profession public road transport operator in the national and international transport may be carried out by legal and natural persons, registered for public road transport operations, that fulfil the conditions prescribed in the Law on Road Transport and are holders of licenses for carrying out certain modes of public transport within the road transport.

The license for operating in certain modes of public transport of goods and passengers in the national and international road transport is issued by the Ministry of Transport and Communications, or, for municipal and taxi passenger transport, by the municipality or the City of Skopje.

The procedure and methods for issuing and cancellation of certain types of licenses shall be regulated within a Rulebook on form and content of licence for performing particular type of public transport and manners and procedures for issuing and withdrawing of licences, expected to be enacted during the first half of 2005.

The prerequisite for obtaining a license for legal persons is - registration of the legal person and for natural persons - incorporation into the trade register of the natural person as an individual trader.

The method of registration of the legal person and incorporation of the natural person into the trade register is regulated by the Company Law (Official Gazette of RM No 28/04).

A foreign carrier cannot perform national passenger transport (cabotage) on the territory of the Republic of Macedonia, unless foreseen otherwise by an international agreement.

A foreign carrier cannot perform national goods transport (cabotage) on the territory of the Republic of Macedonia, unless the carrier is issued a special permit by the Minister of Transport and Communications. Special permits for cabotage operations are issued in a case of insufficient suitable transport capacities in the country, due to which the transport has to be carried out by a foreign carrier.

## **2. What are the rules governing market access for national and international road goods transport for resident operators? How and by whom is this legislation enforced?**

The following rules govern market access for national and international road goods transport for resident operators:

- Law on Road Transport (Official Gazette of RM No 68/04);
- Rulebook on Distribution of Licences for International Goods Transport, currently in preparation;
- Valid bilateral agreements for international road transport.

The national road transport of goods is performed without licences.

Resident operators can perform international road transport of goods if they are holders of licenses for international road transport of goods. In addition to the licence, the operator must be a holder of an international bill of lading and a licence for international goods transport if required according to an international agreement on road transport concluded between the Republic of Macedonia and the country of transport destination, the transit country or the country from which the transport is carried out. The Ministry of Transport and Communications exchanges licences for international road transport of goods with competent bodies of the countries with which international agreements are concluded, and it is foreseen that transport is carried out with licences. Resident operators are issued licences by the Ministry of Transport and Communications. International goods transport can also be carried out based on licences from the multilateral quota of licences of the European Conference of Ministers of Transport (ECMT). The methods, procedures and criteria for distribution of international permits for goods transport and ECMT licences shall be regulated by the Rulebook on Distribution of Licences for International Goods Transport.

Until the Rulebook on Distribution of Licences is adopted, the procedure for distribution of ECMT licences is enforced by the Committee established by the Minister of Transport and Communications. The Committee includes members of the Ministry of Transport and Communications and members of the associations of transport operators in the Republic of Macedonia. Licences are distributed based on criteria determined by the Minister of Transport and Communications.

The following indicators are considered as basic criteria for distribution:

- The company is registered for carrying out international goods transport as primary activity;
- Rolling stock capacity of company;
- Number of used licences for international goods transport;
- Utilized ECMT licences in the previous year;
- Number of employed drivers in the company;
- Other indicators that demonstrate the solvency of companies applying for ECMT licences.

The Rulebook on Distribution of Licences for International Goods Transport will be adopted in the first quarter of 2005 and it will thoroughly specify the procedure and criteria for distribution of licences. It shall also include the existing criteria for distribution of licences, however, amended and further specified.

**3. What are the rules governing market access for national and international road passenger transport for resident operators? Are authorisations required for:**

- a) regular services;**
- b) special regular services;**
- c) shuttle services (if any);**
- d) occasional services?**

The market access in national and international passenger transport, within the framework of the road transport, is regulated by the following regulations:

- Law on Road Transport (Official Gazette of RM No 68/04);
- Rulebook on methods and procedures for issuing and cancellation of a permit, the permit form, as well as the criteria and methods for determining and approving the itinerary in national and international regular passenger transport (Art. 42, paragraph 2 of the Law on Road Transport), which is expected to be enacted during the first half of 2005;
- Valid bilateral agreements for international road transport;
- Agreement for international occasional passenger transport – ASOR (Instrument for accession to the INTERBUS Agreement is expected to be submitted to the European Commission by the end of the first quarter of 2005).

A permit is necessary for carrying out a regular passenger transport in the national road transport, according to the Law on Road Transport. The approved line itinerary, registered in the Ministry of Transport and Communications, or in the municipality, or in the City of Skopje, is part of the permit. The permit is issued for a period of 4 years.

A permit is also necessary for carrying out regular passenger transport in the international road transport.

A permit is also necessary to carry out special regular passenger transport in the international road transport.

The national carrier does not have to be a permit holder in order to carry out shuttle passenger transport in the national road transport. In order to carry out shuttle passenger transport in the international road transport, the national carrier must be a holder of a relevant foreign permit for shuttle transport.

The national carrier does not have to be a permit holder in order to carry out occasional passenger transport in the national road transport. In order to carry out occasional passenger transport in the international road transport, a permit is not necessary, unless the bilateral agreement or the ASOR – Agreement (the INTERBUS – Agreement) foresee that this transport mode is also carried out with permits.

**4. How do companies obtain this authorisation? What is the normal validity period of these authorisations? Do companies benefit from exclusive rights? How and by whom is this legislation enforced?**

The carriers are issued a permit based on an application, in accordance with the conditions prescribed with the Law on Road Transport (Official Gazette of RM No 68/04) and the Rulebook on methods and procedures for obtaining and withdrawing of a permit, the permit form, as well as the criteria and methods for determining and approving the itinerary in the national and international regular passenger transport, which is expected to be enacted during the first half of 2005.

For carrying out regular road passenger transport, permits for national carriers are issued by:

- The Ministry of Transport and Communications for: inter-municipal regular passenger transport, international regular passenger transport and special regular passenger transport carried out between two or more municipalities or between a municipality and the City of Skopje.

- The Mayor of the municipality, or of the City of Skopje for: municipal regular passenger transport.

For international shuttle transport, the permits are issued by the Ministry of Transport and Communications, in cases when such permits have been exchanged with concerned countries according to bilateral agreements, or by the responsible authority in the country on whose territory the transport is being carried out in cases when no permits have been exchanged for that type of transport.

International occasional passenger transport is carried out without permits, unless prescribed otherwise in bilateral agreements for this type of transport.

The permits are issued by the Ministry of Transport and Communications, in cases when such permits have been exchanged with concerned countries according to bilateral agreements, or by the responsible authority in the country on whose territory the transport is being carried out in cases when no permits have been exchanged for that type of transport.

The permits for national regular passenger transport are valid for four years.

The permits for international regular passenger transport are valid for four years, unless prescribed otherwise in bilateral agreements.

In accordance with provisions from the Law on Road Transport (Official Gazette of RM No No. 68/04), no special rights are granted to the transport companies.

The Ministry of Transport and Communications, or the local-self government unit for local transport, is responsible for the enforcement of regulations according to which the permits are issued.

#### **5. What are the rules governing the granting of State aids? Is the public service obligation concept applied? How and by whom is this legislation enforced?**

State aid is regulated with the Law on State Aid (Official Gazette of RM No 24/03) and the following Decrees: Decree on method and procedure of submitting a report to the State Aid Commission and on evaluation of the state aid (Official Gazette of RM No 81/03); Decree on determining methods and procedures for granting aid for reconstruction of enterprises that are undergoing certain difficulties (Official Gazette of RM No 81/03) and the Decree on determining the conditions and procedures for allocation of regional aid (Official Gazette of RM No 81/03).

According to Article 1, paragraph 2 of the Law on State Aid, only state aid allocated in the fields of agriculture and fisheries is not regulated with this Law.

According to Article 9, paragraph 1 of the Law on State Aid, each form of state aid is supervised by the State Aid Commission.

The Commission is established by a Decision of the Government of the Republic of Macedonia, upon a proposal of the Minister of Finance and the Minister of Economy.

The State Aid Commission enforces state aid legislation according to the above-stated Law and Decrees.

The Public Service Obligation concept is not applied.

#### **6. What are the rules regarding competition? How and by whom is this legislation enforced?**

The Law on Road Transport (Official Gazette of RM No 68/04) does not regulate the issue of competition.

On 11.01.2005 the Assembly of the Republic of Macedonia adopted the Law on Protection of Competition (Official Gazette of RM No 04/05) which is completely harmonised with the European Union legislation in terms of competition. Pursuant to the provisions of this Law, the sector for passenger and goods transport is not exempted as regards its enforcement. The Assembly of the Republic of Macedonia appoints the members of the Commission for Protection of Competition, which is the competent body in regards to law enforcement.

The Law on Protection of Competition regulates the prohibited forms of preventing, limiting or disrupting competition, the protection of competition and the measures and procedures concerning limiting competition. The Law prohibits agreements, decisions and contractual practises aimed towards limiting competition, as well as the misuse of dominant positions which limit competition on a certain relevant market. Furthermore, an obligation to inform and control relevant concentrations so as to assess their compatibility with the provisions of the Law is introduced.

## **Social and technical rules and standards**

### **7. What are the rules applicable to drivers' hours in domestic and international transport (driving and rest times, daily and weekly driving limits, daily and weekly rest periods etc.)? How and by whom is this legislation enforced?**

The driving time for motor vehicles in the national and international transport in the country is regulated by the Law on Road Traffic Safety (Official Gazette of RM No 14/98, 38/02 and 38/04).

More exactly, the driving time of bus drivers, drivers of cargo vehicles or of a group of vehicles with maximum allowed weight over 3.500 kg shall not exceed a continuous period of five hours of work without a break.

A continuous period of work as regards the above-stated category is a period during which the driver did not have a break of at least half an hour.

The total driving time for motor vehicles from the above-stated category shall not exceed eight hours per day.

Bus drivers, drivers of cargo vehicles or of a group of vehicles with maximum allowed weight over 3.500 kg must have a continuous rest period of at least ten hours before the beginning of the working day.

In cases when there are two members of the crew, and the vehicle provides for rest space for one of them, each one of the drivers must have a continuous rest period of at least eight hours during each thirty hours of driving time.

The continuous rest period must be used by the driver outside of the vehicle, unless the vehicle provides for rest space for the driver in a lying position, in which case the driver can use the vehicle for rest, provided that the vehicle is not moving at that particular period.

Total driving time duration, drivers' rest periods and method of work of the crew members of the vehicles, within a volume that has impact on safe driving, as well as the form of the individual control logbook and rules for filling up the form are regulated by acts enacted on the basis of the above-mentioned law.

In addition, the motor vehicle driver must be a holder of an individual control logbook, which will contain the activities of the driver, and which shall be presented to the authorised official upon request.

The driver does not have to be a holder of an individual logbook if the vehicle has installed devices for keeping records regarding the driving time of the crew members, the time used for carrying out professional activities that are not related to the vehicle driving, as well as the rest periods, vehicle speed and the passed distance.

Bus drivers, or drivers of cargo vehicles or of a group of vehicles with maximum allowed weight over 20 tonnes, after having passed 500 km of distance within a period of 24 hours, must be replaced with another driver the latest after eight hours of driving, i.e. after having passed 500 km of distance.

The above-stated provisions, prescribed by the Law, relating to driving time duration and rest periods of drivers are also applied to drivers of motor vehicles registered abroad, when they are driving on the territory of the Republic of Macedonia, unless otherwise prescribed with an international agreement.

The above-stated provisions of the Law are enforced during the procedure of road traffic control, which is carried out by authorised officials of the Ministry of the Interior.

**8. What are the modalities concerning the attribution of driving licences? What is the minimum age for drivers? What are the driving licence categories? Please provide information on the driving licence model and on the theoretical and practical driving exams. Which institution is in charge of the organisation and supervision of driving exams? Is possession of the appropriate national driving licence sufficient for entry into the profession of commercial vehicle driver? If no, is complementary initial training, sanctioned by a certificate of professional proficiency (CCP) or an equivalent document required? How and by whom is this legislation enforced? Which authority issues permits for the establishment of driving schools and according to what procedure are they issued?**

The procedure for issuing driving licences is regulated by the Law on Road Traffic Safety (Official Gazette of RM No 14/98, 38/02 and 38/04) and the Rulebook on driving licence, tractor driving licence and driving certificate (Official Gazette of RM No 85/99). The rules governing the issuing of driving licences are enforced by the Ministry of the Interior.

The driving licences are issued by the local office of the Ministry of the Interior according to the address of the person or current address of the foreign citizen.

There are two methods for issuing driving licenses in the Republic of Macedonia:

- taking a driving exam in the Republic of Macedonia; and
- exchanging a foreign driving licence for a Macedonian one.

The driving exam is allowed to a candidate who, according to the legal conditions, is eligible for driving a motor vehicle or a tractor, or a motor-powered vehicle. The driving exam is also allowed to a driver candidate who is educated for the driver profession.

A candidate for a motor vehicle driver and tractor driver, who has applied to take the driving exam, is obliged to present evidence on training for driving a motor vehicle or a tractor, as well as to present evidence on complying with the prescribed conditions for driving a motor vehicle or tractor of the relevant category.

The prescribed obligatory conditions for driving a motor vehicle are as follows:

1. The driver must be psychologically and physically capable of driving a motor vehicle;
2. The age of eligibility is 18 years (21 year for driving buses and trolleybuses and 16 for driving a tractor and motorbike up to cubic capacity of 125 cm<sup>3</sup>);
3. There is no decision issued by a responsible authority according to which the driver is prohibited to drive a motor vehicle.

The right to drive a category D motor vehicle can be acquired by a driver who has the right to drive a category C motor vehicle, if the following conditions are observed:

1. He/she has been a category C motor vehicles driver for at least two years, or
2. He/she has been a category B and C motor vehicles driver for at least three years.

The driver candidate, unless he is a trainee driver in a High School or University institution that provides training for the driver profession, takes the driving exam in front of a competent commission designated according to the driver's address. The driver candidate, who due to his/her employment or education location, or other relevant reasons, resides in a place other than his/her permanent address, can take the driving exam in front of a commission according to the place of residence.

The Law Amending the Law on Road Traffic Safety (Official Gazette of RM No 38/04), in addition to the existing categories, prescribes subcategories of driving licenses and additional conditions as regards to driving exams. Subsequently, in addition to the above-stated conditions, the driver candidate will have to have at least a completed primary education.

Furthermore, the right to driving a category C and subcategory C1 motor vehicle can be allowed to a driver with at least one year experience in driving a category B motor vehicle.

The right to drive a category D motor vehicle can be allowed to a driver with at least two years experience in driving category C motor vehicles, and the right to drive subcategory D1 motor vehicles can be allowed to a driver with at least two years experience in driving category C or subcategory C1 motor vehicles.

The right to drive motor vehicles of the categories B+E, C+E and D+E can be attributed to a driver who is a holder of driving licences for the categories B, C and D, and the right to drive motor vehicles of the subcategories C1+E and D1+E can be attributed to a driver who is a driving licence holder for subcategories C1 and D1.

The second method for issuing a Macedonian driving licence is by making an exchange of a foreign driving licence. Besides a submitted request for exchange of the valid foreign driving licence for a Macedonian one, it is necessary to submit a certificate as regards the psychological and physical capability, two photographs with dimensions of 3,5 x 4,5 cm, notary verified translation of the foreign driving licence and a written document confirming that the person has been residing in the country which issued the foreign driving licence more than six months (for Macedonian citizens). In a case when the text of the foreign driving licence is not clear as regards the category of motor vehicles or the validity expiry date, the applicant shall submit a document certifying the category of motor vehicles as well as the validity expiry date.

Pursuant to the Law on Road Traffic Safety (Official Gazette of RM No 14/98, 38/02 and 38/04), the age eligibility for driving a motor vehicle is 18 years of age.

By derogation of this provision, the age eligibility for driving a bus or trolleybus is twenty one years of age, and the right to driving motorcycles up to cubic capacity of 125 cm<sup>3</sup> is sixteen years of age. The age eligibility for driving a tractor is sixteen years of age, and for driving a motorbike is fourteen years of age.

The driving licence categories in the Republic of Macedonia are as follows: A, B, C, D and E. In addition, a tractor driving licence is issued as a special form of driving licence, which can be used for driving a tractor, and a driving certificate used for driving rotary cultivators, motorbikes and trailers towed by a rotary cultivator.

Motorcycles are category A vehicles.

Motor vehicles are category B vehicles, exclusive of category A vehicles, with maximum allowed weight of 3.500 kg, and with no more than eight seats, not including the driver's seat.

The cargo motor vehicles, with maximum allowed weight of 3.500 kg, are category C vehicles.



Category D are motor vehicles for passenger transport, which have more than eight seats, not including the driver's seat.

Category E are group of vehicles, which consist of category B, C or D truck-tractor vehicles, and trailer vehicles with weight over 750 kg.

The Law Amending the Law on Road Traffic Safety (Official Gazette of RM No 38/04) has completely harmonized the driving license categories issued in the Republic of Macedonia with the driving licences issued in the European Union member states. In the future, the following categories and subcategories of driving licenses shall be issued in the Republic of Macedonia:

- categories: A, B, B+E, C, C+E, D, D+E and
- subcategories: A1, B1, C1, C1+E, D1 and D1+E.

The stated provision of the Law referring to the driving licences categories shall be applied after the enactment of secondary legislation that will precisely define this matter, and which is to be enacted within a period of six months as of the date when the Law became valid. The secondary legislation enactment procedure is ongoing. It is foreseen that it shall be enacted within the prescribed legal time-frame, which will contribute towards complete harmonisation of the categories and subcategories of driving licences issued in the Republic of Macedonia with the EU member states driving licences.

The driving licence model currently in use in the Republic of Macedonia, prescribed with the Rulebook on forms for vehicle registration documents, driving licence, vehicle registration document for agricultural tractor and driving certificate (Official Gazette of the RM No 66/99), is not the driving licence model currently in use in the EU member states. The Macedonian driving licence consists of the A, B, C, D and E categories. This is a three-part form, in pink colour and rectangular shape. When unfolded it has dimensions of 222 x 105 mm, and 74 x 105 mm folded.

The tractor driving licence and driving certificate are in pink colour with imprinted ornaments, issued as a two part form in a rectangular shape, which have dimensions of 148 x 104 mm unfolded, and 74 x 104 mm folded.

In accordance with the Law Amending the Law on Road Traffic Safety (Official Gazette of RM No 38/04) a new Rulebook on driving licence forms is foreseen to be enacted during the first half of 2005, which will comply with the forms issued in certain states of the European Union. It is a three-part form, in pink colour, with dimensions of 222 x 106 mm, and consists of the following categories and sub-categories of driving licenses:

- categories: A, B, B+E, C, C+E, D and D+E.
- subcategories: A1, B1, C1, C1+E, D1 and D1+E.

New forms for tractor driving licenses and driving certificates are foreseen to be adopted during the first half of 2005.

The exam is organised by a Commission, which consists of a president, a person responsible for the theoretical part, and a person responsible for the practical part of the driving exam programme.

The programme for taking a driving exam for driving a motor vehicle or tractor consists of two parts: theory and practice, and for driving a rotary cultivator and a motorbike consists of theory only.

The Programme for taking the driving exam is an integral part of the Rulebook on programme, organisation, methods for taking the driving exam, eligibility assessment of the driver candidates, special criteria to be complied with by the president and members of the commission, as well as on the premises and equipment where the exam is taking place and on keeping records in connection with the driving exam (Official Gazette of RM No 79/02).

The theoretical part of the programme for taking the driving exam for driving a motor vehicle covers the following areas:

- Rules and regulations as regards the road transport safety, traffic signs and their relevant meaning, and signs of the authorised official while performing control and road traffic regulation.
- Dangers occurring as a result of road traffic illegal actions.
- Influence of alcohol, narcotics, medicines, illness and other forms of adverse psycho-physical conditions to the road traffic safety.
- Impact of natural factors (snow, fog and other types of atmospheric and climate conditions), as well as the condition of the vehicle or the cargo or the road itself to the traffic safety.
- Functionality of the devices of the motor vehicle which are of importance for the road traffic.
- Road traffic relations, human relations and solidarity towards the other traffic participants.
- Obligations in case of traffic accident, and
- First aid assistance to a person injured in a traffic accident.

The candidate drivers of tractor, rotary cultivators and motorbikes take only the theoretical exam from the Programme for driving exams, only in terms of the areas listed above in points 1 and 2.

A candidate driver for a category C motor vehicle, who has passed the category B driving exam, as well as a candidate driver for category D, are taking the theoretical part on additional subjects of the driving exam according to the Programme for driving exams.

The practical part of the Programme for driving exams for motor vehicles or tractors involves carrying out activities with the motor vehicle or the tractor which are important for successful and safe driving, according to the traffic regulations and conditions on the road and in traffic and gaining skills for driving technique.

The Ministry of the Interior grants approval for work to exam commissions of the driving schools.

A driving school can establish an exam commission if as of the date of its entry in the court register, it has been operating the drivers training activities for at least three years in a row, for each category separately, and if it complies with the prescribed conditions as regards the expert personnel, the premises and the equipment, duly established by a Decision of the Ministry of the Interior.

The Ministry of the Interior supervises the driving exams and compliance with the stated conditions.

In case the Ministry of the Interior establishes that the exam commission does not comply with the conditions, or if the driving exams are not carried out pursuant to the prescribed regulations, the Ministry shall bring a Decision for temporary termination of work for a period from three months to one year.

The national Macedonian regulations are not familiar with the term – commercial vehicle, which means that it is allowed to drive any motor vehicle of a relevant category or subcategory if the driving licence is issued for that particular category or subcategory.

A driving school can be founded by a legal and by a natural person. The driving school can become operational after its entry in the court register. By submitting a request for entry in the court register, a decision issued by the Ministry of the Interior according to the address of the driving school is also submitted, which authorises the driver training.

The procedure for establishing and operating driving schools is prescribed with the Law on Road Traffic Safety and the Rulebook on criteria and methods of operation of the driving schools, the curricula, experts personnel, available equipment and data bank for driver candidates training (Official Gazette of RM No 66/00).

In order to train the candidate drivers, the driving school provides the following:

- Premises (classrooms) for theoretical lecturing;
- Separate office for clients;
- Teaching instruments, devices and utilities;

- Using the testing grounds;
- Motor-powered vehicles;
- Relevant expert personnel; and
- Curricula for training candidates for drivers of motor vehicles.

Records are kept regarding the training of drivers in the driving schools, which must be available as blank forms before the driving school becomes operational, as follows:

- Register for training candidates for motor vehicle drivers;
- Logbook for the theoretical part of the Programme for training candidate drivers; and
- Carton for training of candidate drivers in terms of the practical part of the Programme for training candidate drivers.

**9. What are the national limits of maximum weights and dimensions for road vehicles (including maximum axle weights)? What would be the timeframe to make the road network accessible to vehicles in compliance with Directive 96/53/EC?**

The national limits of maximum weights and dimensions of road vehicles are regulated with the Law on Road Traffic Safety (Official Gazette of RM No 14/98, 38/02 and 38/04) and the Rulebook on dimensions, total weight and axle load of vehicles and basic conditions for devices and equipment of the vehicles for road transport (Official Gazette of the SFRY No 50/82 and Official Gazette of RM No 21/01).

The maximum allowed length of vehicles is as follows:

- 1) Commercial vehicle – 12 m;
- 2) Bus, cargo vehicle, special vehicle and work vehicles – 12m;
- 3) Bus, special commercial vehicle and special cargo motor vehicle, with articulated structure – 17 m, and for buses for city and suburban transport and trolleybus for city transport, with articulated structure – 13 m;
- 4) Trailer vehicle (with shaft)
  - a) one-axle motor vehicle – 6 m;
  - b) two-axle motor vehicle – 10 m;
  - c) three- or more-axle motor vehicles – 12 m;
- 5) Group of vehicles;
  - a) Truck-tractor with semi-trailer – 16,5 m;
  - b) Truck-tractor with one or two trailers, unless for a vehicle for city and suburban passenger transport – 18,75 m;
  - c) Bus with a trailer for city and suburban transport – 20 m;
  - d) Commercial vehicle with trailer – 15 m;
  - e) Carts, including the harness – 10 m;

The maximum allowed width of vehicles is 2,55 m;

For cargo motor vehicles and trailers that are isothermally upgraded (cooler etc.) and the walls of which are wider than 45 mm, the allowed width is 2,6 m.

The maximum allowed height of vehicles is 4,0 m.

Motor vehicles and trailers, as well as groups of vehicles must have devices that will enable moving in circle of 360 degrees, whereas the circle area with external diameter of 24 m will not be wider than 7,2 m. The outermost forward point of the vehicle would describe a circle of diameter of 25 m.

The maximum allowed weight of motor vehicles or a group of vehicles is 40 tonnes, provided that the axle load of the vehicle or of the group of vehicles – in a stable condition on a horizontal surface, will not exceed the following:

1. single non-powered axle load – 10 tonnes
2. one-handed non-powered axle load or more axles with distance in-between less than 1 m is 11 tonnes
3. double non-powered axle load with distance in-between:

- from 1m to < 1,3 m is 16 tonnes
  - from 1,3 m to < 1,8 m is 18 tonnes
  - $\geq 1,8$  m is 20 tonnes
4. one-handed powered axle load is 11,5 tonnes
5. tandem powered axle load with distance in-between:
- 1m is 11,5 tonnes
  - from 1m to < 1,3 m is 16 tonnes
  - from 1,3m to < 1,8 m is 18 tonnes
  - $\geq 1,8$  m is 24 tonnes

In case the distance is greater than 1.3 m, and the vehicle has powered axle with double tyres and pneumatic system for support, the allowed weight per axle is increased for an additional one tones. Maximum allowed weight of a vehicle without pneumatic tyres is, for a vehicle with tyres with metal rims, plastics or similar material, as follows:

- 1) single axle – 1,2 tonnes; and
- 2) two axles – 3,0 tonnes

The road network in the Republic of Macedonia is already accessible for vehicles according to the Directive 96/53/EC.

**10. Is there national legislation concerning the installation of tachographs in trucks and busses? Does legislation concerning the installation of speed limiting devices on these vehicles exist? How and by whom is this legislation enforced? What is the minimum number of controls carried out at the roadside and at the premises companies? What are the penalties?**

The Law on Road Traffic Safety (Official Gazette of RM No 14/98, 38/03 and 38/04) regulates the installation of tachographs in trucks and buses.

Pursuant to the provisions of the Law on Road Traffic Safety, individual control-books recording the time the driver spent behind the wheel or resting are obligatory for trucks and buses. In cases when a tachograph is installed in the vehicle, there is no need to keep an individual control-book.

The driver of a motor vehicle with an installed tachograph is obliged to hold in possession a key to open the tachograph head and the used tachograph paper charts for the last 24 hours of driving, as well as an inspection certificate so that the tachograph can be sealed.

The Ministry of the Interior is responsible for control and enforcement of this legislation.

The existing legislation does not determine the minimum number of controls to be carried out at the roadside and at the premises of the companies.

The fines are prescribed in the Law on Road Traffic Safety, pursuant to which they amount from 7.000 MKD up to 20.000 MKD.

During 2005, secondary legislation is foreseen to be enacted, which shall regulate the installation of speed limiting devices.

**11. Is there national legislation on technical vehicle inspection and control? How and by whom is this legislation enforced? What are the scope and frequency of these controls? Are technical inspections of vehicles also conducted at the roadside? If yes, how often on average per year?**

The control of the technical functionality of the motor and trailer vehicles, carried out through a technical inspection of the vehicles in the country, is a procedure regulated with the Law on Road Traffic Safety (Official Gazette of RM No 14/98, 38/02 and 38/04).

In accordance with the above-stated Law, technical inspection of motor, trailer vehicles, tractors and agricultural tractors is being carried out on an annual basis.

Technical inspection of motor and trailer vehicles for public passenger transport, first aid vehicles, motor and trailer vehicles used for dangerous goods transport, rent-a-car, vehicles of the driving schools used for training of candidates for drivers and vehicles older than fifteen years, is performed every six months.

Technical inspection of motor and trailer vehicles, tractors and agricultural tractors may be carried out by an organisation that has its own business space, technical equipment and devices, suitable structure, at least two experts specialized in technical inspection for each technical inspection station separately, authorised by the Minister of Interior.

The Ministry of the Interior performs the supervision as regards the compliance with the prescribed working conditions of the authorised legal persons for carrying out technical inspection of vehicles, as well as the legality of collection, storing, utilization and submission of data on inspected vehicles.

The control regarding the technical functionality of vehicles operating on public roads in the Republic of Macedonia is being carried out through regular and planned controls by the Ministry of the Interior during which in case of a grounded suspicion of technical malfunction of steering devices or brakes, vehicles that have been involved in a traffic accident during which devices and assemblies, relevant for traffic safety, were damaged, as well as the vehicles that are suspected to have dysfunctional connecting device of articulated and trailer vehicle, are instructed to the stations for technical inspection of vehicles so as to determine their technical functionality.

Besides the regular control of technical functionality of vehicles, carried out by authorised officials of the Ministry of the Interior, planned, enforced action controls of the technical functionality of the vehicles are also being carried out eighteen times during the year, using methods and procedures prescribed by law.

**12. Is there national legislation concerning road, rail or inland waterway transport of dangerous substances, transportable pressurised equipment and designation/professional qualification of safety advisers to these transports? How and by whom is this legislation enforced? What are the scope and frequency of these controls?**

The carriage of dangerous goods is carried out by road, rail, water and air transport. The following agreements apply to each transport mode:

- ADR - European Agreement Concerning the International Carriage of Dangerous Goods by Road;
- RID - European Agreement Concerning the International Carriage of Dangerous Goods by Rail;
- ICAO – International Civil Aviation Organisation; and
- IMO – International Maritime Organisation;

The Law on Carriage of Dangerous Goods (Official Gazette of SFRY No 27/90 and 45/90 and (Official Gazette of RM No 12/93 and 31/93) regulates the carriage of dangerous goods by road, rail, inland waterways and air transport. The provisions of this Law stipulate that the above-mentioned agreements are valid as regards all issues not covered by this Law.

The responsible Ministries, such as the Ministry of the Interior (explosive substances, combustible substances, liquids and gas), Ministry of Health (toxins and radioactive substances), Ministry of Transport and Communications (carriage of dangerous goods), Ministry of Environment and Physical Planning (substances depleting the ozone layer), supervise the implementation of this Law and the above-mentioned agreements which regulate this subject.

The following Rulebooks also regulate this subject:

- Rulebook on Methods of Carriage of Dangerous Goods by Road (Official Gazette of RM No 82/90, 12/93 and 31/93);

- Rulebook on Vocational Training of Drivers of Motor Vehicles Transporting Dangerous Goods and of Other Persons Participating in Carriage of Dangerous Goods (“Official Gazette of the SFRY” No 17/91).

Pursuant to the Law, a Programme for vocational training of drivers transporting goods was prepared, and lecturing has been being provided thereby. Association of Macedonian Enterprises for Road International Transport “Makedonija soobrakaj” – Skopje is the authorised training company. Exams, written and verbal are carried out after the completion of the training by a Commission established by the Ministry of Transport and Communications. The candidate who passes the exam is issued a Certificate, by the Ministry of Transport and Communications and pursuant to the European Agreement Concerning the International Carriage of Dangerous Goods by Road. The Certificate for vocational training of drivers of motor vehicles transporting dangerous goods is issued in Macedonian and English and is valid for five years.

The vehicles transporting dangerous goods need to comply with the ADR Agreement provisions. The Faculty of Mechanical Engineering (Institute for Vehicles) is the authorised institution for issuing certificates to vehicles transporting dangerous goods. The Certificate in both its form and content is in full compliance with the ADR Agreement and valid for one year.

The Ministry of Transport and Communications will amend the Law on Carriage of Dangerous Goods and the existing secondary legislation pursuant to Directive 96/35 EC by the end of 2005.

The Ministry of Transport and Communications will prepare a Programme for Vocational Training of Experts for Carriage of Dangerous Goods by the end of 2005.

A Commission, authorised to issue certificates to experts on carriage of dangerous goods, following the examinations, was established by the Ministry of Transport and Communications.

Control of the carriage of dangerous goods is carried out at the border crossing points of the Republic of Macedonia, both at entry and exit. The Ministry of the Interior, the Ministry of Health and the Customs Administration of the Republic of Macedonia control the border crossings, within its scope of competence.

The Customs Administration of the Republic of Macedonia controls the documentation of the dangerous goods which are transported. The equipment of the Customs Administration used for inspecting dangerous substances includes stationary gamma neutron detectors, handheld gamma radiation detectors and individual detectors for radioactive pagers. Furthermore, the Customs Administration possesses equipment for detecting ozone layer depleting substances.

The Ministry of the Interior controls the vehicles' and drivers' certificates at border crossings, which must comply with the provisions of the ADR or RID Agreements.

The Ministry of the Interior and the State Transport Inspectorate supervise the carriage of dangerous goods on the territory of the Republic of Macedonia.

The dangerous goods carriage control is carried out at the loading and unloading points by duly authorised experts, employed in the companies for import and export of such goods.

The carriage of dangerous goods by rail is regulated by the Law on Carriage of Dangerous Goods and the Rulebook on International Carriage of Dangerous Goods by Rail – RID, Appendix C of the COTIF Convention.

The dangerous goods carriage control is carried out continuously throughout the year.

### 13. Is there national legislation on vehicle registration documents? What data do these documents contain?

There are national acts in the Republic of Macedonia that regulate the registration of vehicles and the official documents that are being issued to registered vehicles. The registration of vehicles is regulated by the Law on Road Traffic Safety (Official Gazette of RM No 14/98, 38/02 and 38/04).

This subject is more closely defined and regulated with secondary legislation, which prescribes the procedure for registration of vehicles, as well as the forms for the vehicle registration document and the licence plates that are issued to registered vehicles. The Rulebooks are as follows:

- Rulebook on registration of motor and trailer vehicles, and keeping records for the registered motor and trailer vehicles (Official Gazette of RM No 97/00);
- Rulebook on forms for vehicle registration document, driving licence, vehicle registration document for agricultural tractor, registration certificate, tractor driving licence and driving certificate (Official Gazette of RM No. 66/99) and
- Rulebook on licence plates of motor and trailer vehicles, work machines, agricultural tractors, rotary cultivators, motorbikes, carts and trailers towed by an agricultural tractor or rotary cultivator and for national marking (Official Gazette of RM No 66/99).

During the first half of 2005, secondary legislation is foreseen to be enacted according to the Law Amending the Law on Road Traffic Safety, in connection with registration of vehicles, forms for vehicle registration document and licence plates of vehicles.

Vehicle registration document is issued during the registration of motor and trailer vehicles.

The vehicle registration document that is being issued for registered motor and trailer vehicles and is being used in the Republic of Macedonia is a three-part form with a rectangular shape and grey colour, with dimensions 222x105mm and containing the following data:

- The front page consists of the registration number, date of vehicle registration, the issuing authority, date of issuing and record number for verification of the document, seal and signature of the official that has issued the document;
- The first page of the vehicle registration document contains columns for the following data: date, place and registration number of the first vehicle registration, name, last name and address of the owner of the vehicle;
- The second and third page contain data for the vehicle in 16 columns: type, model, chassis number, engine number, year of production, engine power and size, empty vehicle weight, allowed load capacity (for cargo vehicles only), sitting places, places for standing and lying, form and colour of the vehicle body, number of axles (for trailer vehicles only) and a column for comments;
- The fourth page contains columns as regards the validity of the vehicle registration document, and the fifth page contains the column for comments” and
- The front page, the fourth and fifth page of the vehicle registration document contain the serial number in the lower part.

The vehicle registration document for an agricultural tractor is a two part form in green colour and with rectangular shape, which has dimensions of 148x105 mm unfolded, and 74x105 mm folded.

- The front page contains the same data as previously stated for the motor vehicle registration document;
- The first and the second page contain data for the vehicle in 12 columns, as follows: type, model, chassis number, engine number, year of production, engine power and size, empty vehicle weight, allowed load capacity, form and colour of the vehicle body, and a column for comments;
- The penultimate page contains data on the first registration with number, place, registration number and a column for data on the vehicle owner such as: name, last name, address and the personal identity number;
- The front and last page of the vehicle registration document for an agricultural tractor contain serial number in the lower part.

The registration certificate is issued to a registered work machine, motorbike, rotary cultivator and trailer towed by a rotary cultivator. The registration certificate is a two part form in green colour, with

rectangular shape, which has dimensions of 148x105 mm unfolded, and 74x105 mm folded, and the form contains the same data as the vehicle registration document for an agricultural tractor.

#### **14. Is there national legislation on the setting up of a data bank on road accidents? Are the data collected in line with the content of the European road accidents database CARE?**

Pursuant to the Law on Road Traffic Safety (Official Gazette of RM No 14/98, 38/02 and 38/04) the Ministry of the Interior keeps a database on vehicles, drivers, penalties and safety measures, as well as regarding traffic accidents and relevant consequences. The data as regards to drivers, penalties and safety measures are kept according to the address of the person, while regarding traffic accidents according to the location of the accident. The database can be used by the jurisdictional bodies, health institutions, bodies and enterprises dealing with traffic safety issues, as well as bodies and enterprises performing public transport or transport for individual needs.

The traffic accidents data is collected on the basis of a traffic accident questionnaire (form CH 1), which is filled by authorised officials of the Ministry of the Interior responsible for the traffic accident.

The completed questionnaire data is processed and entered into the information system of the Ministry of the Interior, which provides central register of road accidents data.

The traffic accidents questionnaire contains the following group of questions and sub-questions regarding the traffic accident:

- **Time and place of the accident** (date, hour and weekday, settlement, kilometre number of the road and other data connected to the time and place of the accident);
- **Road data** (category, road type, characteristics and slope, narrowings; type, characteristics and situation of the road area, road width, atmospheric and visibility situation, and other road related data);
- **Type of traffic accident** (collisions of vehicles moving in the same direction, opposite direction and side direction, collision into a parked vehicle or other object on the road, turned over vehicle, running-over pedestrians and animals on road and other data related to the type of accident);
- **Vehicle data** (type, function and load capacity of vehicles, whether they are for public transport or not, etc.) **and data regarding their owners or beneficiaries;**
- **Data related to the participants in the traffic accident** (drivers, pedestrians, passengers and other participants, as well as data regarding the sex, age, driving experience and other participants related data);
- **Data on the persons injured in the accidents** (killed persons, persons with light and heavy injuries) and
- **Accidents factors:**
  - Driver of a motor/non-motor vehicle (speed, overtaking, bypassing, side and direction of movement, right of passage, alcohol and other psycho-physical conditions of the drivers, stopping, parking and other errors of the drivers);
  - Passenger (mistakes of passengers);
  - Pedestrian (mistakes of pedestrians);
  - Animals (wild and domestic);
  - Vehicle (technical malfunction and vehicle cargo);
  - Other traffic participants (other participants not in a category of the above-listed participants);
  - Road (defects of the road and the horizontal and vertical signalization of the road) and
  - Other accident factors (other factors not in a category of the above-listed factors);

The Questionnaire contains data on using helmets, safety belts, accident data and data referring to the measures undertaken on site, such as: breath test and taking blood and urine samples from the participants for analysis.



The Questionnaire is detailed and provides thorough analysis of the reasons causing the traffic accident, on the basis of which the Ministry of the Interior and other relevant entities related to the road transport safety can plan the future activities and measures.

All terms, i.e. definitions referring to the vehicle, driver, passenger, pedestrian, traffic accident, accident participants etc., correspond with the definitions of the European road accidents database CARE, and the traffic accidents data are collected in accordance with the content of the European road accidents database CARE.

**15. What is the administrative capacity to enforce legislation concerning social and technical regulations in the field of road transport?**

The administrative capacity to enforce legislation concerning social and technical regulations in the field of road transport satisfies the conditions for execution of this activity. The Republic of Macedonia is currently facing the problem of not having sufficient technical equipment, necessary to enforce legislation in this field.

The Ministry of Transport and Communications, pursuant to the Law on Road Transport (Official Gazette of RM No 68/04) and the Ministry of the Interior, pursuant to the Law on Road Traffic Safety (Official Gazette of RM No 14/98, 38/02 and 38/04), are responsible for the enforcement of legislation concerning social and technical regulations in the field of road transport.

The State Transport Inspectorate, as a body within the Ministry of Transport and Communications, is responsible for controlling the enforcement of provisions of the Law on Road Transport and relevant regulations governing the transport of passenger and goods in national and international road transport. In order to have efficient inspection on the entire territory of the country in terms of control, the road transport inspectors are organised by regions. Controls are performed on a continuous and daily basis. In addition, planned occasional controls are carried out in coordination with the Ministry of the Interior.

Enforcement of legislation governing the issues in the field of road transport, elaborated in the Law on Road Traffic Safety is carried out by traffic policemen during their daily continuous performance of job activities, as well as through carrying out planned selective controls which include other entities responsible for control, transport, maintenance and protection of roads. For example, the national legislation concerning freight of vehicles is enforced by the Ministry of the Interior in coordination with the road maintenance enterprise (Public Enterprise Makedonija pat), using mobile weight-scales to measure the axle load of vehicles, thus providing that the vehicles operating in road transport comply with the criteria which guarantee their safe participation in traffic.

The Ministry of the Interior also participates in the control and enforcement of national legislation concerning vehicles that do not comply with the prescribed conditions, by issuing approvals in which conditions that provide safe transport and transport without obstacles are defined, and in certain cases (when cargo exceeds the prescribed dimensions and conditions), the Ministry provides security with police vehicles. Vehicles and drivers transporting cargo and passengers by road must comply with certain traffic related technical parameters, which are regulated by the Law on Road Traffic Safety and enforced by the traffic police.

## Road user charges

**16. What (if any) road user charges system has been implemented in your country? What are the fee levels and what are the modalities for collecting them? Do these fees also apply to third country operators? What is the total amount of road fees collected per year? How reliable is the collection system? What are the collected funds used for?**

Pursuant to the Law on Public Roads (Official Gazette of RM No 26/96, 40/99, 96/00, 29/02 and 68/04), the drivers of motor and trailer vehicles are charged a road fee for using public roads, which represents one of the sources for financing public roads. According to the legislation of the Republic of Macedonia, the vehicles registered in the country and the vehicles registered abroad are treated equally as regards the payment of fees for using motorways or national roads, parts thereof or road objects (toll payment).

The Fund for National and Regional Roads is established according to the above-stated Law with competences related to planning, financing, construction, reconstruction, maintenance and protection of national and regional roads. Pursuant to the Law on Public Roads the following fees are applicable:

1. Public roads user charge (road fee) for motor and trailer vehicles;
2. Fee for using motorways or national roads, parts thereof or road objects (toll payment);
3. Special transport fee;
4. Fee for placing billboards in the road safe area;
5. Fee for connecting access roads to public roads;
6. Fee for installations in roadbeds and in road safe area;
7. Fee for construction and utilisation of commercial objects with access to public road outside of inhabited places;
8. Fee for leasing certain parts of the road safe area or other land pertaining to the public road;
9. Fee for damage caused to road or road objects and
10. Other sources.

National and foreign users are charged for using public roads as stated in points 1, 2 and 3 above.

The above-stated fees are prescribed by special regulations that represent the legal basis as regards the fee amount, payment methods, allowances and other issues.

Individual fees are given in Annex, see [09 Annex 03](#).

The public roads users charges, prescribed with the Law on Public Roads, also apply to third country operators.

The total amount of road fees collected annually – in average (public roads fee (road fee) for motor and trailer vehicles, and fees for using motorways or national roads, parts thereof or road objects (toll payment)) was 1.700.000.000 MKD in 2003.

The collected funds are used for realisation of the Annual Programme for Construction, Reconstruction, Maintenance and Protection of the National and Regional Road Network in the Republic of Macedonia.

The toll collection system is unreliable, due to the fact that it is not possible to collect 100% of the fees from all users of motorway sections in the Republic of Macedonia due both to objective and subjective reasons, including the high human factor dependence, as well as to numerous toll payment vehicle exemptions pursuant to Article 108 of the Law on Public Roads.

Currently, the introduction of a new road user charges system is being developed, pursuant to the best practices of the EU member states (vignette system or other types of systems) which will

contribute towards overcoming the deficiencies and will provide a reliable collection system. The new road user charges system is foreseen to be prepared by the end of 2005.

**17. What is the procedure applied to the selection of contractors for road maintenance and development of road infrastructure?**

The provisions of the Law on Public Procurement (Official Gazette of RM No 19/04) regulate the selection of contractors for road infrastructure development.

Pursuant to the Law on Public Roads (Official Gazette of RM No. 26/96, 40/99, 96/00, 29/02 and 68/04) the Public Enterprise "Makedonija pat" – Skopje is authorised in regards to the maintenance of national roads, regional roads, and motorways in the Republic of Macedonia.

The activities in connection with maintenance of roads not carried out by the Public Enterprise "Makedonija pat" – Skopje are outsourced to other contractors, according to the existing Law on Public Procurement. This means that the existing legislation does not promote free competition relating to road maintenance.

In order to overcome this situation, a Study aimed towards introduction of free competition in the field of road maintenance is to be prepared, with the assistance of the European Bank for Reconstruction and Development. The French Consulting Company BCEOM was selected as a winner of the tender for the preparation of the Study. The Study is to be completed by the end of 2005, within a period of twelve months.

The activities in connection with planning, financing, construction, reconstruction, maintenance and protection of local roads and streets are a responsibility of the local self-government units, which prepare annual programmes in that respect. The selection of contractors for implementation of the annual programmes is carried out pursuant to the Law on Public Procurement (Official Gazette of RM No 19/04).

**18. International organisations and conventions: On which date did your country sign or intends to sign:**

- a) the United Nations ADR agreement;**
- b) the United Nations ATP agreement;**
- c) the United Nations RID agreement;**
- d) the United Nations - ECE legislation on motor vehicle type approval;**
- e) the United Nations AETR agreement;**
- f) accession to the Vienna Convention of the United Nations (1968)?**

The Republic of Macedonia assumed the international agreements previously acceded to by SFRY, with the Notification of Succession.

- UN Agreement on International Carriage of Dangerous Goods by Road (ADR) – the Republic of Macedonia has acceded to the Agreement on 17.11.1991, and the Agreement became valid on 18.04.1997 ("Official Gazette of the SFRY" No 59/72).
- UN Agreement on Carriage of Perishable Goods - the Republic of Macedonia has acceded to the Agreement on November 17.11.1991, and the Agreement became valid on 20.12.1999 ("Official Gazette of the SFRY" No 50/76).
- UN Agreement on International Carriage of Dangerous Goods by Rail – the Republic of Macedonia has acceded to the Agreement on 18.04.1997.
- UN and ECE legislation on type-approval of motor vehicles – the Republic of Macedonia has acceded to the Agreement on 17.11.1991, and the Agreement became valid on 01.04.1998 ("Official Gazette of the SFRY" No 05/62).
- UN Agreement on the operation methods for drivers involved in the international transport – the Republic of Macedonia has acceded to the Agreement on 17.11.1991, and the Agreement became valid on 10.11.1999 ("Official Gazette of the SFRY" No 06/78).

- Acceding to the UN Vienna Convention (1968) – the Republic of Macedonia has acceded to it on 17.11.1991, and it became valid on 20.12.1999 ("Official Gazette of the SFRY" No 50/76).

## ***B. Rail transport***

### **Conditions of access to market and profession**

#### **1. What are the rules governing market access (e.g. regarding railway licences, safety certificates, safety certification of rolling stock and of staff)?**

The access to market and to the profession is governed by the Law on Macedonian Railways, enacted in 1998 (Official Gazette of RM No 09/98). The existing railway transport organisation does not provide efficient and effective railway transport which results in a low level of utilisation of the existing capacities, especially concerning the railway passenger transport. The new legislation should create conditions that will stimulate the commercial railway transport operations. The new Law on Railways, which at this moment is Proposal to Adopt a Law, is to be enacted by the Assembly of the Republic of Macedonia in the first half of 2005.

The new Law on Railways shall regulate the organisation of the railway system, the method and conditions for the performance of the railway transport, the status of the railway infrastructure, the services pertinent to the railway transport of special public interest, for which the Republic of Macedonia provides part of the finances, as well as the system of organisation of the railway transport.

Furthermore, the new Law governs the conditions for granting permits / licenses for public transport and the conditions for granting safety certificates. According to the new Law on Railways, eight conditions must be fulfilled in order to obtain a transport license, which are as follows:

1. The headquarters of the railway carrier must be on the territory of the Republic of Macedonia;
2. It must be registered for the performance of the railway transportation activity (with or without traction of trains or only for the traction of trains);
3. It must not be subject to a bankruptcy procedure;
4. The manager or any member of the managing body must not be subject to an effective sentence stipulating a duration of one or more years for a crime related to public finances, monetary transactions and economy; crime against the general safety of people and properties, crime against employment, evading customs supervision and failure to pay custom duties payable in the customs procedure in cases when the carrier seeks a license for international transportation of goods, subject to customs procedures;
5. The carrier should be financially capable, meaning that it should be able to fulfil its present and future obligations, under normal working conditions, within a specific period of time;
6. The carrier must employ expert workers who can provide a high level of safe traffic;
7. The carrier should have available a quality rolling stock and other appropriate technical equipment;
8. The carrier should be insured in an insurance company in order to be able to compensate any inflicted damages resulting from the performance of its activity, as well as be able to provide guarantees for compensating damages in case of an accident with regard to the passengers, luggage, cargo, mail, third parties and the environment in accordance with the Law and other regulations, as well as international agreements binding to the Republic of Macedonia.

In order to perform transport operations, the carrier must fulfil the following safety measures:

1. Technical conditions and traffic conditions prescribed with regard to the performance of railway transport;

2. Employed staff in charge of managing and monitoring of trains, must be qualified to apply the traffic rules for safe railway traffic and
3. The railway vehicles used in the railway transport on the rail network in the Republic of Macedonia must fulfil all of the safety measures, prescribed by the Law on Railway Transport Safety.

The following EU measures will be transposed in the new Proposal to adopt the Law:

- Directive 2001/12/EC of the European Parliament and of the Council of 26 February 2001 amending Council Directive 91/440/EEC on the development of the Community's railways
- Directive 2001/13/EC of the European Parliament and of the Council of 26 February 2001, amending Council Directive 95/18/EC on the licensing of railway undertakings
- Directive 2001/14/EC of the European Parliament and of the Council of 26 February 2001 on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and safety certification, replacing the existing Directive 95/19/EC
- Council Directive 91/440/EEC of 29 July 1991 on the development of the Community's railways
- Council Directive 95/18/EC of 19 June 1995 on the licensing of railway undertakings
- Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise
- Council Directive 95/19/EC of 19 June 1995 on the allocation of railway infrastructure capacity and the charging of infrastructure fees
- Regulation (EEC) No 1191/69 of the Council of 26 June 1969 on action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway
- Council Regulation (EEC) No 1893/91 of 20 June 1991 amending Regulation (EEC) No 1191/69 on action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway

**2. Does the national railway company have management autonomy in relation to the State (government or parliament)? Is there accounting separation between operations and infrastructure? Is the national railway company financially sound (no accumulated debt burdens imposed by the State)?**

Pursuant to the existing Law on Macedonian Railways (Official Gazette of RM No 09/98), the PE "Macedonian Railways" performs railway transport, construction, reconstruction, overhaul, maintenance and protection of the railway infrastructure, as activities of public interest.

According to Article 3 of this Law, the Republic of Macedonia owns the railway infrastructure and the rolling stock of the Macedonian Railways. The railway infrastructure is considered as a good intended for general use, and it cannot be subject to acquisition of property rights. The Government of the Republic of Macedonia appoints the Management Board of the PE "Macedonian Railways". They prepare the Annual Programme, which is considered as the annual business plan for financing of the reconstruction, the capital overhaul and maintenance of the railway infrastructure. The Programme is adopted by the Government of the Republic of Macedonia.

Special accounting records are kept both for infrastructure and operations; however, a single financial report for the enterprise is prepared and submitted to the competent bodies, after the report is adopted by the Management Board of the Enterprise.

The PE "Macedonian Railways" is in a poor financial state, with accumulated debts and insufficient investments in the maintenance of the current technical state of the enterprise, not including the minimal development component; furthermore, there is no possibility for servicing the current costs for salaries, the costs for contributions for salaries and other current costs of the enterprise. The Enterprise is still in debts towards the State which took the non-performing claims of the railways towards the commercial banks since 1995, and which PE "Macedonian Railways" will not be able to finance. Due to the previously mentioned situation, the financial consolidation of the enterprise is ongoing through reforms and the restructuring of the PE "Macedonian Railways".

Within the frame of the Project, financed through a loan/credit from the World Bank, an Action Plan was prepared, and a restructuring “Model” was defined, were adopted by the Government of the Republic of Macedonia.

According to the new Law on Railways, the existing PE “Macedonian Railways” will be separated into two entities, according to the Law on Public Enterprises (Official Gazette of RM No 59/96, 06/02 and 40/03), as follows:

- Public Enterprise for Infrastructure; and
- Joint Stock Company for Operations.

According to the new Law, the Government of the Republic of Macedonia will immediately privatise the Joint Stock Company for Operations by selling or transferring a part or all of its shares, in one or more transactions.

The Government of the Republic of Macedonia, upon a proposal from the existing PE “Macedonian Railways”, will decide on a separation of the non-core parts of the Public Enterprise, until the new Law is enforced. These parts are foreseen to be structured as Limited Liability Companies, Joint Stock Companies and afterwards privatised pursuant to the Law on Transformation of the Socially Owned Enterprises (Official Gazette of RM No 48/93, 07/97, 09/98, 21/98, 25/99, 39/99, 81/99, 49/00, 06/02, 31/03 and 38/04).

**3. Normalisation of accounts. The aim of this legislation is to eliminate disparities between transport modes and to avoid cross-subsidies between rail freight and passenger operations. Public authorities may impose public service obligations (PSO), e.g. to provide socially necessary services, on railway undertakings which have a negative impact on the conditions for competition. Such PSO can be compensated by subsidies. Does similar legislation exist in your country?**

There is no legislation in the Republic of Macedonia regulating the disparities of accounts between transport modes. According to the existing Law on Macedonian Railways (Official Gazette of RM No 09/98), the State does not subsidise the railway transport.

Pursuant to the existing Law on Macedonian Railways, the public authorities may impose public service obligations (PSO) such as: transport in special cases, passenger transport not included in the time table, and transport of passengers and goods with preferential prices.

According to Article 57 of the new Law on Railways, in order to achieve the special state interest in rail passenger transport in the Republic of Macedonia, where the revenue collected from transport passenger services cannot cover the costs, as well as in order to increase the level of competitiveness between the rail carriers for passenger transport with carriers in other transport modes, the Government of the Republic of Macedonia or the local self government units shall determine those types of services, and the Ministry of Transport and Communications shall be informed in writing thereof.

The funds will be provided from the Budget of the Republic of Macedonia and/or budgets of local self government units, in accordance with the following criteria:

- Existence of a special state interest;
- Availability of another type of transport;
- State policy concerning fares for passenger railway transport and
- Investments in railway transport safety.

Pursuant to Article 58 of the new Law on Railways, the Ministry of Transport and Communications shall administer the bidding procedure for selection of carriers. The selected carrier shall enter into agreement with the Government of the Republic of Macedonia or the local self government units. If the carrier is not selected with the bidding procedure, and no agreement is entered into, the Ministry of Transport and Communications shall enter into a direct agreement with a particular carrier which

complies with the conditions as prescribed by the Law. According to the Agreement, the selected carrier will be provided with compensation, based on calculations as prescribed with the Agreement.

Furthermore, according to Article 59 of the new Law on Railways, if the Government of the Republic of Macedonia determines that the railway carrier is obligated to transport passengers and goods at privileged fees, the Government shall compensate the difference to the full cost.

**4. Can new entrants have access to the national rail network, provided that they have a licence which recognises their capacity as a railway carrier and they fulfil other relevant requirements (e.g. safety certificate, etc.)? How are train paths allocated to avoid any discrimination, and how are infrastructure usage fees defined and applied? In case of disagreements/complaints, does an appeal body (regulatory body) exist?**

Pursuant to the existing Law on Macedonian Railways (Official Gazette of RM No 09/98; Article 2), the railway infrastructure can be used by other natural and physical persons, according to terms and conditions prescribed by this Law and international agreements. This legal option has not been implemented yet. Currently, new entrants do not have access to railway networks.

The access to railway infrastructure is regulated by the new Law on Railways. Namely, each railway carrier that possesses a license for public transport and a safety certificate can access the railway infrastructure. For that purpose, the carrier and the Infrastructure Manager shall conclude a non-discriminatory contract which shall regulate the mutual rights and obligations, the amount of the railway infrastructure usage fee, as well as other issues regarding the transport safety and protection of the environment.

The procedure of allocation of train paths/infrastructure capacities is regulated with Article 43 of the new Law on Railways. A request for allocating infrastructure capacity can be submitted by railway carriers and international groups. Furthermore, the applicants will have to fulfil the conditions, which have to be appropriate, specific and non-discriminatory, as determined in the Network Bulletin, which is issued by the Infrastructure Manager.

The Infrastructure Manager shall allocate the infrastructure capacities, taking into account the type and scope of transport, the railway infrastructure usage, the financial and business capacities of the carrier, the additional services provided by the Manager concerning transport along a particular infrastructure capacity, as well as the activity of special state interest related to railway passenger transport.

The carrier may not transfer the awarded infrastructure capacity to another carrier. Furthermore, the trade with infrastructure capacities is not allowed and will result into exclusion of the carrier from any further allocation of capacities.

The right to use the infrastructure capacities in the form of a train path is granted once per year, as a rule, during the period of validity of the time table.

According to new Law on Railways, in case of exceptional requests of the rail carriers regarding the capacity allocation during the validity of the time table (ad hoc), the Infrastructure Manager may fulfill such requests provided that sufficient capacities are available.

The Infrastructure Manager and the submitters of the requests may sign a contract for the use of infrastructure capacities for a period of time longer than the validity of one time table, provided that this contract does not exclude in advance the possibility of use of those capacities by other submitters of requests for the relevant infrastructure usage.

The existing Law on Macedonian Railways does not define the railway infrastructure usage fees, and there is no national appeal body (regulatory body).

The new Law on Railways and the respective secondary legislation shall define and enable the application of railway infrastructure usage fee. The fee is determined and charged by the Infrastructure Manager, upon an approval of the Ministry of Transport and Communications, and according to the transport policy objectives.

The railway infrastructure usage fee must be equal and non-discriminatory for all carriers; the fee shall be determined on a basis of the number of completed kilometres of the train, the structure of the train, the weight and the speed of the train, the axle load, the time of infrastructure usage and other special requests.

If the Government of the Republic of Macedonia requests the Infrastructure Manager to reduce the level of the railway infrastructure usage fee in special cases within the established frame for calculation of such costs, in that case, the Government of the Republic of Macedonia is obligated to compensate the reduced amount of the infrastructure usage fee.

Pursuant to the new Law on Railways, and in order to provide open and unbiased performance of the activities related to the railway transport, a Regulatory Body shall be established by special Law.

## **Social and technical regulations and standards**

### **5. Who sets the technical and environmental standards/technical specifications applicable for rolling stock and for other rail subsystems? Are these standards in conformity with EU legislation on interoperability and with international standards?**

The technical and environmental standards/technical specifications applicable to rolling stock and other rail subsystems are set by the Ministry of Transport and Communications, the Institute for Standardisation and the Ministry of Environment and Physical Planning.

All technical standards are in conformity with the EU legislation on interoperability, the UIC, COTIF, AGC, AGTC regulations and the ISO standards.

### **6. Who sets and enforces the safety standards? Are the rules and standards made public? Who delivers the safety certificates? Does an independent national railway safety authority exist?**

The Ministry of Transport and Communications sets the safety standards. If there are no national norms and standards, or if they are not harmonised with the international standards, the Ministry of Transport and Communications enforces the international standards.

The rules and standards are published in the Official Gazette of the Republic of Macedonia and the Official Railway Bulletin of the PE "Macedonian Railways".

Delivering of safety certificates is not foreseen with the existing Law on Macedonian Railways. Pursuant to the Law, the PE "Macedonian Railways" is obliged to ensure safe traffic, which includes undertaking measures concerning the issue of functionality of the installations, vehicles, devices and equipment.

According to the new Law on Railways, all railway carriers have to fulfil the prescribed conditions for safety. The Ministry of Transport and Communications, upon a request from the railway carriers, delivers the Safety Certificate.

Pursuant to the existing legislation, there is no independent national railway safety authority. The issue concerning the national railway safety authority will be regulated with the special Law on Regulatory Authority (Article 47 of the new Law on Railways), prepared according to Directive 2001/14/EC covering capacity allocation, charging and safety certification.



According to the existing and the new Law on Railways, railway safety is controlled by the State Transport Inspectorate. The State Transport Inspectorate, as a body within the Ministry of Transport and Communications, supervises and controls, through inspectors for railway infrastructure, the traction of trains, rolling stock, railway traffic and transport, and the signalisation, safety, telephone-telegraph and electro-technical installations.

## **7. Is there a specific fiscal regime for rail transport operations?**

Currently, there is no specific fiscal regime for rail transport operations, except for the certain foreign debt servicing on behalf of PE "Macedonian Railways" provided by the state.

There are no special fiscal relieves for rail transport operations. There is no fiscal differentiation based on activities within the fiscal system of the Republic of Macedonia, except for differentiation of the minimal salary per activities according to the classification of activities in the Republic of Macedonia. If the worker is paid a salary lower than the minimal salary, than each entity is obliged to calculate and pay contributions that correspond to the contributions paid for the minimal salary for the relevant activity.

The issue concerning the specific fiscal regime for rail infrastructure and passenger rail transport operations shall be regulated with the new Law on Railways.

## **Overall assessment of the transposition of the acquis:**

**8. Please describe ongoing work, including plans, for the transposition of the relevant acquis, and in particular in relation to the first railway package (Directives 2001/12, 13, and 14), the second rail package (Directive 2004/49 on rail safety and Directive 2004/51 on rail freight market opening – see Official Journal L164 of 30 April 2004 and corrigendum in OJ L220 of 21 June 2004) and in relation to the directives on “interoperability” (Directives 96/48, 2001/16 and 2004/50).**

The issue of rail transport is regulated by the new Law on Railways, which is to be enacted in first half of 2005, and which implements all relevant EU Directives (Directives 2001/12/EC; 2001/13; 2001/14/EC).

Directive 2004/49 on rail safety of the second railway package shall be transposed in the new Law on Railway Transport Safety, which is in its draft version, foreseen to be enacted until the end of 2006. Directive 2004/51 on rail freight market opening of the second railway package shall be transposed in the new legislation – the Law on Railway Transport, foreseen to be enacted in the first quarter of 2005 as the third Law which will regulate railway issues (together with the new Law on Railways and the Law on Railway Transport Safety).

The directives on “interoperability” will be included in the new Law on Railway Transport Safety.

PE "Macedonian Railways" holds membership in UIC, due to which interoperability in the railway system is provided at a high level.

## **International organisation and conventions**

**9. To which multilateral agreements regarding international railway organisations (O.T.I.F. and O.S.Zh.D.) is your country a party?**

The Republic of Macedonia is a party to the following multilateral agreements and organisations:

1. UIC – International Union of Railways (the PE "Macedonian Railways" are UIC party since 10.09.1993);
2. COTIF – Convention concerning International Carriage by Rail, signed in 1980, ratified by the Republic of Macedonia on 10.01.1994;
3. OTIF – Intergovernmental Organisation for International Carriage by Rail, signed in 1980, ratified by the Republic of Macedonia on 10.01.1994;
4. AGC – European Agreement on Main International Railway Lines; the PE "Macedonian Railways" hold membership since 10.09.1993;
5. EUROFIMA – European Company for Financing of Railroad Rolling Stock; the PE "Macedonian Railways" hold membership since 05.12.1996;
6. AGTC – Agreement on international combined transport lines and related installations, signed in September 2003.

### ***C. Inland waterway transport – Answer "not applicable" where appropriate***

#### **1. Please provide a brief description of any transport that may take place on your lakes or, if relevant, rivers.**

Regular and special lake passenger transport exist on natural and artificial lakes in the Republic of Macedonia. The transport operations are regulated in Article 111 – 125 of the Law on Inland Waterways Navigation (Official Gazette of RM No 27/00).

On lakes Prespa, Dojran and artificial lakes, transport is carried out entirely by boats with capacity of eleven passengers, and on Lake Ohrid transport is carried out by ships with capacity of 150 passengers and boats with capacity of eleven passengers.

Public transport, in accordance with provisions of the above-stated Law, is performed with regular and special lake passenger transport, by legal and natural persons that act in accordance with the prescribed conditions.

The river transport and other types of transport on natural and artificial lakes are not of relevance.

#### **2. Please outline the legislation that covers this area. Are there any rules concerning environmental aspects of transport on lakes? Which institution is in charge of registration and control of boats?**

The Law on Inland Waterways Navigation (Official Gazette of RM No 27/00) and secondary legislation enacted in accordance with the authorisations from the above-stated Law regulate the inland waterways, and are as follows:

- Rulebook on Boats (Official Gazette of RM No 34/01 and 56/04);
- Rulebook on Number and Composition of Members of the Crew for Safe Inland Waterways Boat Transport (Official Gazette of RM No. 59/01);
- Rulebook on Special Conditions for Carrying out a Test Boat Sailing (Official Gazette of RM No 59/01); and
- Rulebook on the Conditions for Determining the State of Health of the Crew Members of Vessels and the Conditions and Methods for Performing Health Supervision (Official Gazette of RM No 76/01).

In an Article from the Law on Protection of the Lakes Ohrid, Prespa and Dojran (Official Gazette of RM No 45/77, 08/80, 51/88 and 10/90), the three natural lakes have been proclaimed as monuments of nature of great importance and have been placed under special protection. In accordance with Article 7, indent 6, in order to protect the lakes it is forbidden to "release oil and petroleum from boats and other types of vessels and vehicles".

Article 192 prescribes the validity term of the Law on Protection of the Lakes of Ohrid, Prespa and Dojran, which is in connection with Article 187, paragraph 2 of the Law on Nature Protection (Official Gazette of RM No 67/04).

The Port Authority, a body within the Ministry of Transport and Communications, performs registration and control of boats and vessels, upon a previously determined sailing capacity of the vessels (boats) by the Inspection Committee for determining the sailing capacity of the vessels of the Republic of Macedonia, established by the Ministry of Transport and Communications. The inspection and certification that the vessels have the sailing capacity is carried out in accordance with the technical regulations established by the International Association of Classification Societies IACS.

**3. Are there any requirements regarding access to the profession of carrier of passengers and/or goods by waterway? Are there any rules concerning crew working time and manning in the inland waterway sector? What are the competent authorities responsible for enforcing the relevant legislation and requirements?**

Conditions regarding access to the profession carrier of passengers and/or goods in the field of water transport are as follows:

- established navigational capacity of the vessels; and
- crew, as stipulated in the Rulebook on Number and Composition of Members of the Crew for Safe Inland Waterways Boat Transport (Official Gazette of RM No. 59/01), with appropriate job titles duly acquired according to the federal regulation Rulebook on job titles, conditions as regards acquiring the job titles, and authorisations for crew members of the boats for inland waterways navigation of the SFRY commercial navy ("Official Gazette of the SFRY" No 32/82, 30/83 and 30/87), applied in accordance with the Article 5 of the Constitutional Law on Implementation of the Constitution of the Republic of Macedonia.

The inland waterways navigation is performed only for the purposes of tourism, with duration of two hours in one direction. Because the destinations are short, there is no need of working in shifts or establishing rules in connection with the working hours of the crew and the number of workforce.

The Port Authority, a body within the Ministry of Transport and Communications, is responsible for the enforcement of legal regulations and conditions within the frames of the inland waterways navigation sector.

***D. Combined transport***

**4. What is the situation regarding the combined transport sector in your country?**

Combined transport in the Republic of Macedonia is practiced at a minimum level. Namely, there is a railway-road terminal in Skopje. The Republic of Macedonia, as a land-locked country, has a great need for the development of the following:

- Combined transport;
- Corridor VIII: completing the construction of the rail towards the Republic of Bulgaria in order to connect to the Black Sea, construction of a rail connection towards the Republic of Albania in order to connect to the Ionian Sea, and appropriate development of the existing infrastructure;
- Development of Corridor X

PE "Macedonian Railways" have signed the Memorandum of Support and Development of Combined Transport in the countries of South-East Europe (September 2003).

This Memorandum is intended to encourage the acceptance of policies that are to include general principles, of regulatory and economic character, and policies that shall support the implementation of international multi-modal transport between the countries of South-East Europe and the Western European countries. The commitments of signatories are envisaged in four points of the Memorandum. Furthermore, the necessary Government support is also envisaged in four points. The cooperation within this Memorandum is based on voluntary commitment of the signatories.

For the purposes of multi-modal transport development, a Feasibility Study and a Business Plan for International Terminal in Skopje have been prepared, which analyse both Trans European Corridors passing through the territory of the Republic of Macedonia (Corridor VIII and Corridor X), including a transport review concerning the ports in Varna / Bulgaria; Durrës / Albania and Thessaloniki / Greece.

The "Strategy for Development of Multi-modal Terminals", financed by the EC through the PHARE Programme, was prepared in July 2002. This Study consists a proposal on a mid-term strategy for road and railway coordination. Ten locations on the territory of the Republic of Macedonia are proposed as possible new multi-modal terminals, which are to be thoroughly examined by preparing a new feasibility study. This Study should include more details and provide better analysis as regards the interests of the Macedonian economy. Taking into consideration that there are discrepancies concerning the inter-modal capacities in Skopje, according to the Study it is too soon to invest in new multi-modal capacities in secondary centres, whilst the establishment of a successful model of multi-modal terminal in Skopje is given high priority.

**5. Is there a specific policy in favour of combined transport? What are the existing promotion measures/instruments available for national/international combined transport, such as:**

- a) granting of subsidies for combined transport terminals;**
- b) granting of operational subsidies;**
- c) exemption from general restrictions imposed on road transport (driving ban, maximum authorised weights and dimensions etc.) when performing combined transport operations;**
- d) specific fiscal treatment.**

Combined transport in the Republic of Macedonia is politically supported; however, the stated promotion measures/instruments are still not available. In order to create and implement specific promotion measures/instruments for national/international combined transport, it is necessary to create relevant objective conditions, which are of high cost (construction of railway infrastructure and multi-modal terminals), and which will consume a long period of time.

## ***E. Air transport***

**1. Do rules on competition apply to air transport? If yes, are they different from the rules that apply to other sectors? How and by whom are these rules enforced? What is the legal basis for the establishment of a national air carrier?**

Competition in air transport in the Republic of Macedonia is regulated by the Law on Protection of Competition (Official Gazette of RM No 04/05), which is completely harmonised with the EU legislation concerning competition.

The rules on competition apply to all of the sectors, meaning that there are no special rules on competition in air transport in the Republic of Macedonia.

The Commission for Protection of Competition is responsible for enforcement of these rules.

International public air transport can be carried out by a national air carrier, holder of an AOC Operation Certificate, which complies with the conditions stipulated in international agreements, and

other international acts that regulate safe and professional international air transport. The legal basis for establishment of a national air carrier is provided with the Civil Aviation Law ("Official Gazette of the SFRY" No 45/86; 24/88; 80/89 and 29/90), which is applied as national regulation pursuant to Article 5 of the Constitutional Law on Implementation of the Constitution of the Republic of Macedonia and the Rulebook on Special Conditions for Air Carriers (Official Gazette of RM No 71/04).

**2. What is the financial relation between the national carrier company and public authorities? What are the conditions, if any, for granting subsidies?**

There is no national air-carrier company in the Republic of Macedonia, and therefore there is no financial relation between the carrier and public authorities. The conditions for granting subsidies are not regulated by special acts.

**Access to market and profession**

**3. How can air carriers obtain authorisation to operate specific routes, whether they are domestic or international? Do certain air transport undertakings hold exclusive rights on specific air routes?**

The carrier independently decides on the establishing of a national transport line, while an international transport line is established in accordance with the relevant bilateral agreements signed by the Republic of Macedonia. In a case when a new line is being established in the international air transport, or when another carrier intends to establish traffic on an already established line, the carriers are obliged to reach a joint agreement. If they fail to reach an agreement, the Civil Aviation Authority will decide who will be the carrier to operate on the line. The decision will be valid until the moment the concerned carriers reach an agreement, but no longer than a period of one year (Civil Aviation Law, "Official Gazette of the SFRY" No 45/86; 24/88; 80/89 and 29/90, Article 30).

The Government agrees to grant charter traffic to other air-companies which are registered and operate in the Republic of Macedonia according to point 3.4 of the Annex to the Agreement for Regular Carrier with JSC Macedonian Airlines (MAT), and pursuant to the rules regulated in AIP (Air Nautical Information Publication), upon a written consent of the regular air-carrier MAT. The Ministry of Transport and Communications is undertaking activities according to the decision brought by the Government of the Republic of Macedonia, in October 2004, for the termination of point 3.4 of Annex 1 to the Agreement.

The Draft Civil Aviation Law (expected to be enacted during the first half of 2005) foresees that in order to establish a new line for international air transport, or in cases when another carrier intends to establish traffic on an already established line, the carriers are obliged to submit a plan for the establishment of an economically feasible line, to reach an agreement with the Civil Aviation Authority, and to demonstrate the capacity to operate flights on the requested line. In case the carriers fail to reach an agreement, the Authority, pursuant to the contractual obligation of Paragraph 1 of this Article, will decide who will be the carrier to operate on the line. The decision will be valid until the moment the concerned carriers reach an agreement, but no longer than a period of one year (the draft Law, Article 30).

**4. What are the conditions for certification and licensing?**

**1. Conditions for Certification**

**Air-Carrier Certification**

The general conditions for certification and licensing of air carriers are stipulated in the Civil Aviation Law ("Official Gazette of the SFRY" No 45/86; 24/88; 80/89 and 29/90). In order to have safe and

efficient public air transport, the air carrier must comply with the prescribed conditions depending on the transport mode, especially relating to: approved Manual for operational procedures for that transport mode, type and function of the aircraft and the crewmembers and other expert personnel. Furthermore, the air carrier must provide aircraft maintenance and possess the approved flight operations manuals pursuant to the provisions of this Law and the respective secondary legislation. The air carrier which submits evidence verifying the conformity with the conditions shall be issued a relevant certificate (Air Operators Certificate – AOC) by the Civil Aviation Authority (The Civil Aviation Law, “Official Gazette of the SFRY” No 45/86; 24/88; 80/89 and 29/90, Article 28).

According to the Rulebook on Special Conditions for Air Carriers (Official Gazette of RM No71/04), the special conditions that must be fulfilled by air carriers are as follows:

- the air carrier is to be registered in court;
- the carrier shall own properly equipped aircrafts with devices and equipment which shall depend on the type of region where transport is carried out, air traffic type, and aircraft category and function;
- the carrier shall have sufficient number of crewmembers according to the planned operational activities and approved activities relating to aircraft maintenance;
- air carriers must have insurance policies for the aircraft, crewmembers, passengers, baggage, goods, and civil liability insurance to cover risks in an eventual accident, particularly in regards to third parties;
- air carriers must hold a broker's certificate for re-insurance;
- the carriers must hold approved manuals for operations, prepared according to the accepted international standards (Annex 6 – Operators Maintenance Control Manual or JAR – OPS M – Maintenance Management Exposition Manual);
- air carriers shall enter into contract with national or foreign legal entity, authorised by the Civil Aviation Authority, concerning the base maintenance;
- air carriers must possess an approved operations manual, prepared according to the accepted international standards (Annex 6 of the Chicago Convention or JAR – OPS 1);
- air carriers must possess suitable premises, facilities and equipment for proper functioning according to the accepted international standards;
- air carriers must prepare a business plan for, at least, the first two years of operation, which shall detail the carrier's financial links with any foreseen commercial activities in which the carrier may be engaged either directly or through related undertakings, and which shall be audited by an authorised auditing company; and
- Air carriers shall submit bank guarantees so as to demonstrate to a reasonable satisfaction that they can meet their fixed and operational costs incurred from operations according to their business plan and established under realistic assumptions, for a period of three months from the start of operations, without taking into account any income from their operations.

The air carrier that meets the above-stated requirements shall be issued an operating licence by the Civil Aviation Authority.

The Draft-Civil Aviation Law (expected to be enacted during the first half of 2005), foresees the same conditions as the above-stated Rulebook, and also determines the conditions for performing air traffic for individual needs (Article 37), aircraft specialised services (Article 38), and aircraft sport activities (Article 39).

### **Certification for providers of specialised services (Aerial work)**

The Civil Aviation Law (“Official Gazette of the SFRY” No 45/86; 24/88; 80/89 and 29/90) determines the general certification conditions. In case the aircraft is used for performing services that do not fall into transport of passengers and goods, the service operator must possess a suitable equipment and professional personnel for that particular type of service, and must comply with all other safe aviation related conditions, according to the Civil Aviation Law and the respective secondary legislation (Civil Aviation Law, Article 37).

The special conditions to be complied by the service provider are determined in the Rulebook on Aircraft Emissions of Chemicals ("Official Gazette of the SFRY" No 62/80 and 52/83).

## **Certification for organisations for aircraft maintenance**

Pursuant to the Civil Aviation Law, Article 90, the conditions for certification of organisations for maintenance shall be determined by secondary legislation.

Pursuant to the Rulebook on Special Conditions for Legal Persons for Maintenance and Technical Control of Maintenance of an Aircraft, Engine, Propeller, Parachute and Aircraft Equipment (Official Gazette of RM No 87/04), the conditions for certification of organisations for maintenance are the JAR – 145, JAA conditions.

## **Certification for organisations for constructions of aircrafts**

The Civil Aviation Law (“Official Gazette of SFRY” No .45/86; 24/88; 80/89 and 29/90) stipulates the general conditions. Pursuant to Article 81, the construction and modification of an aircraft, engine, propeller, parachute and aircraft equipment is carried out according to the technical regulations on construction of aircrafts and regulations on quality of materials.

Special conditions concerning working premises, technical equipment, professional personnel responsible for construction of aircrafts and operational technical procedures are determined by:

- The Rulebook on Special Conditions for Construction and Modification of an Aircraft, Engine, Propeller, Parachute and Aircraft Equipment, and Methods for Preparation of Technical – Technological Documentation and Technical Control of Operations (“Official Gazette of the SFRY” No 75/88);
- The Rulebook on Amateur-Built Aircraft Construction (“Official Gazette of the SFRY” No. 19/82);
- The Rulebook on Homologation of an Aircraft, Engine, Propeller, Parachute and Aircraft Equipment, Balloon and Hang-glider (“Official Gazette of the SFRY” No 54/88); and
- The Rulebook on Devices and Equipment to be Installed in an Aircraft, Depending on the Aircraft Category and Function (“Official Gazette of the SFRY” No 54/84);

## **2. Licensing conditions for crewmembers**

Pursuant to the general conditions stipulated in the Civil Aviation Law, crewmembers and other professional personnel must have vocational training and they must meet special medical criteria and other conditions in order to perform particular types of operations (Article 136 of the Civil Aviation Law).

The special licensing conditions for aircraft crewmembers are provided in the following documents:

- Rulebook on Vocational Training, Examinations and Operational Licenses for Crewmembers (“Official Gazette of the SFRY” No 02/80, 31/80, 53/80, 43/81 and 10/85) and amendments in (Official Gazette of RM No 34/95, 45/99, 27/01 and 35/01));
- Rulebook on Vocational Training, Examinations, Licenses and Authorisations of the Flight Control Personnel (Official Gazette of RM No 79/03);
- Rulebook on Vocational Training, Examinations, Licenses and Authorisations of the Aircraft Technical Personnel (“Official Gazette of the SFRY” No. 35/87 and 08/89) and amendments in (Official Gazette of RM No 58/98);
- Rulebook on Vocational Training, Examinations, Licenses and Authorisations of the Technical Flight Control Personnel (“Official Gazette of the SFRY” No 27/92); and
- Rulebook on Medical Conditions for Crewmembers and Other Professional Personnel, as well as Special Conditions to be met by Health Organisations for Performing Medical Examinations (“Official Gazette of the SFRY” No 81/89).

These Rulebooks determine the vocational training and the degree of education required for certain types of licences, as well as the subjects foreseen for exams and types of licenses foreseen for the Republic of Macedonia.



A new Rulebook, which will completely implement the JAR FCL conditions, is currently in preparation.

**5. What are the rules for ground-handling, slot allocation, Computer Reservation System and fares? How and by whom are these enforced?**

The Rulebook on aircraft management, passenger services and baggage handling at the airport ("Official Gazette of the SFRY" No 66/87 and 57/90) regulates the aircraft management, cargo and personal baggage handling.

The aircraft management, the passengers, baggage and cargo handling is carried out according to the national regulations, as well as the standards and recommendations of ICAO (International Civil Aviation Organisation) and IATA (International Air Transport Association), which are the basis of the company's GOM (Ground Operations Manual). Most of the activities related to aircraft management, the passengers, baggage and cargo handling are being carried out by the Service for aircraft management, passengers, baggage and cargo handling, which is a service within the Traffic Sectors of the Skopje Airport and Ohrid Airport branches, as parts of the Public Enterprise for Airport Services "Macedonia".

Regarding the awarding of slots, Skopje Airport operates according to the IATA standards, and this airport has been ranked as Schedules Facilitated Airport (Level 2) according to the Worldwide Scheduling Guidelines (WSG).

During the awarding of slots, a crucial aspect is the terminal building capacity (TC – Terminal congestion) which has two exit and two (entry) gates and eight check-in desks.

The Ohrid Airport operates according to IATA standards and complies with the requests for slots, due to which this airport is registered as Non-coordinated Airport - Level 1.

The tariffs charged by the air-carriers (carriers) are regulated with agreements on regular air transport, concluded between the Republic of Macedonia and other countries.

The operators' reservation systems are being used.

JSC Macedonian Airlines (MAT) uses the Gabriel II reservation system, product of SITA, which is a Host Reservation System.

**6. Which bilateral agreements with EU Member States and with third countries are in force? What type of regime is established under these agreements?**

The Republic of Macedonia has entered into twenty bilateral agreements until 2004, out of which ten with governments of the EU member states: the United Kingdom of Great Britain and Northern Ireland; the Republic of Austria; the Kingdom of Spain; the Kingdom of Denmark; the Kingdom of Belgium; the Kingdom of Netherlands; the Republic of Italy, the Kingdom of Sweden, the Republic of Hungary; Federal Republic of Germany; and ten with governments of third countries: the Republic of Albania; the Republic of Bulgaria; the Republic of Croatia; the State of Israel; the Swiss Confederation; the Republic of Turkey; the Republic of Ukraine; the State Union of Serbia and Montenegro; the Kingdom of Norway and the Russian Federation.

Each party grants rights, which are stipulated in the agreements, to the other party in order to establish and perform international air traffic along the lines specified in the agreements. Republic of Macedonia enters into special agreements for regular air transport with the government of each country, thereby verifying the relevant regime.

The Republic of Macedonia has not concluded an agreement on air transport with completely liberalized regime with any of the EU member states, more exactly, it has not concluded an agreement with the European Union's open skies regime.

## Technical and social standards

### **7. How and by whom are airport charges set? Is there a consultation mechanism? Is airport management separate from airport ownership?**

The amount of fees for airport services is determined by the Government of the Republic of Macedonia with a Decision. The Handling service is charged by the Public Enterprise for Airport Services Macedonia, and Landing and ATC services are charged by the Civil Aviation Authority. The airport management function is not separated from the airport ownership function, due to the fact that this is a public enterprise. The Public Enterprise for Airport Services "Macedonia" is founded with a Decision of the Parliament of the Republic of Macedonia ("Official Gazette of SRM" No 38/90). The structure and ownership is in accordance with the Law on Public Enterprises ("Official Gazette of RM" No 38/96, 09/97, 06/02 and 40/03).

### **8. How are aviation safety requirements in the field of design, operation and maintenance of aircraft and persons and organisations involved implemented and applied (i.e. licensing of pilots and crew, flight time limitation scheme and training requirements of pilots and cabin crew)? Which institution is responsible for controlling the implementation of aviation safety requirements?**

The Civil Aviation Law ("Official Gazette of the SFRY" No 45/86; 24/88; 80/89 and 29/90; Part three, Air Aviation Safety – Article 82) regulates the conditions for safe flying with aircrafts. The construction and modifications of an aircraft, technical control of the structure and preparation of technical-technological documentation for construction and modifications can be carried out by an organisation which complies with the conditions for performing economic activity and with the special conditions prescribed in the Rulebook on special conditions relating to the construction and modifications of an aircraft, engine, propeller, parachute and aircraft equipment, methods for preparation of the technical-technological documentation and technical supervision of the construction (Official Gazette of the SFRY No 75/88).

Currently, there are no organisations in the Republic of Macedonia that perform designing and preparation of the technical-technological documentation for construction and modifications of aircrafts and aircraft products, and also there are no organisations that construct, produce or modify aircrafts or aircraft products.

A new type of aircraft must be inspected through a homologation procedure in order to determine the compliance with the technical airworthiness conditions prescribed in the Civil Aviation Law (Articles 85 and 86). The procedure is carried out pursuant to the Rulebook on homologation of aircraft, engine, propeller, parachute, balloon, hang-glider and aircraft equipment ("Official Gazette of the SFRY" No 54/88).

Due to the fact that there is no production of aircrafts or aircraft products in the Republic of Macedonia, no initial homologation procedure has been carried out so far. The homologation of aircraft types a-tested abroad, imported into the Republic of Macedonia for a first time, or certification of the homologation tests carried out abroad, is performed by the Civil Aviation Authority by issuing a Macedonian homologation certificate pursuant to the Civil Aviation Law and the relevant secondary legislation.

The homologation tests are not carried out in cases when, on a basis of the results from the tests performed abroad, it is confirmed that the a-tested aircraft complies with the prescribed technical airworthiness conditions. The Joint Aviation Requirements (JAR) and Federal Aviation Regulations (FAR) standards are accepted in the Republic of Macedonia as technical airworthiness conditions for aircrafts and aircraft products. The Republic of Macedonia is candidate member to the Joint Aviation Authorities (JAA) since 14.12.1999, and has the right to apply the JAA /JAR standards. Pursuant to Article 6 of the Draft-Civil Aviation Law (expected to be enacted during the first half of 2005), the

Minister of Transport and Communications adopts the regulation for implementation of standards and recommended practice of ECAC, EUROCONTROL and JAA.

According to the Draft-Civil Aviation Law, a new type of aircraft, engine, propeller, parachute and aircraft equipment must be tested so as to confirm its compliance or to verify the existing assessment. The testing for confirming the compliance of the new type of aircraft, engine, propeller, parachute and aircraft equipment can be carried out by a legal entity that employs at least two employees with University degree in the field of technical science and at least three years of work experience, as well as if the entity has relevant equipment and facilities (Article 124).

The homologation of aircraft types a-tested abroad, imported for the first time, or the certification of homologation tests carried out abroad, is performed by the Civil Aviation Authority by issuing a Macedonian homologation certificate pursuant to the Civil Aviation Law and the relevant secondary legislation.

The homologation tests shall not be carried out if, based on tests carried out abroad, it is confirmed that the a-tested aircraft complies with the prescribed technical airworthiness conditions.

The Rulebook on amateur construction of aircrafts ("Official Gazette of the SFRY" No 19/82) regulates the amateur construction.

The holder of the right for using an aircraft, or the aircraft owner, is obliged to continuously test and inspect the aircraft and to maintain it in a condition that ensures airworthiness, according to the provisions of Articles 87 – 91 of the Civil Aviation Law. The aircraft maintenance must be carried out pursuant to an approved technical maintenance system that includes programme, maintenance procedures, terms and methods for execution, submitted for approval to the Civil Aviation Authority by the holder of the right. The aircraft airworthiness inspections shall be carried out by the Civil Aviation Authority according to the provisions of Articles 92 to 103 of the Civil Aviation Law and according to the Rulebook on procedures and aircraft airworthiness certification (Official Gazette of the SFRY No. 35/80).

The aircrafts involved in commercial air traffic are maintained pursuant to the JAR-OPS Subpart M requirements exclusively by organisations for technical maintenance approved or accepted by the Civil Aviation Authority.

Pursuant to the Draft-Civil Aviation Law, Article 128, in case the owner or the holder of the right to use an aircraft entrusts a foreign legal person for base maintenance of the aircraft, engine, propeller, parachute and aircraft equipment, he is obliged to submit to the Authority an evidence that the responsible aviation body of the foreign country has authorised that person for base maintenance of that type of aircraft, engine, propeller, parachute and aircraft equipment.

In case an aircraft entered into the aircraft register of the Republic of Macedonia is leased to a foreign person, the owner or holder of the right to use an aircraft is obligated to provide maintenance of the aircraft, engine, propeller, parachute and aircraft equipment by a duly authorised person, pursuant to the approved technical maintenance system.

The owner or holder of the right to use an aircraft, upon his request, and after the performed supervision of the foreign legal person concerning the conditions and methods of aircraft maintenance, is issued by the Civil Aviation Authority a certificate of compliance with the maintenance conditions of the aircraft entered into the aircraft register.

In addition, pursuant to Article 129, maintenance and technical maintenance control of the aircraft, engine, propeller, parachute and aircraft equipment, as well as the preparation of the technical-technological documentation, can be carried out by a legal person that fulfils the special conditions relating to the working premises, technical equipment, aviation-technical personnel, operational-technical procedures, as well as the approved operations manual prescribed by the Minister of Transport and Communications.

The legal person which presents evidence as regards the compliance with the conditions shall be issued a certificate by the Civil Aviation Authority.

Single-engine aircrafts of normal, utility or acrobatic category and gliders can be maintained by authorised natural person, holder of a license for that type of aircraft, excluding reconstruction.

Maintenance and technical control of state-owned aircrafts is carried out according to the procedures prescribed by the responsible Ministers.

In a case when an aircraft, entered into the aircraft register, is used in another country, the Republic of Macedonia, as a country where the aircraft is registered, can transfer to that country by means of international agreement all or part of the supervisory functions and responsibilities of the Civil Aviation Authority. In that case, the Republic of Macedonia, as a country where the aircraft is registered, is relieved from the liability concerning the transferred responsibilities.

In a case when an aircraft, entered into the aircraft register of another country, is used in the Republic of Macedonia, the country where the aircraft is registered can, by means of international agreement, transfer to the Republic of Macedonia all or part of the supervisory functions and responsibilities of the aviation authorities of the concerned country. In that case, the country where the aircraft is registered is relieved from the liability concerning the transferred responsibilities.

The aircrafts airworthiness inspection is carried out by the Civil Aviation Authority pursuant to the provisions of Articles 92 to 103 of the Civil Aviation Law and the Rulebook on procedures and aircraft airworthiness certification ("Official Gazette of the SFRY" No 35/80).

The flight crewmembers and other expert personnel must be holders of relevant expert certificates, medical qualification and must comply with many other conditions as regards performing specified operations (Civil Aviation Law, Article 136). The flight crewmembers and other expert personnel are issued licenses, more precisely authorisations, the validity of which can be extended by the Civil Aviation Authority. The requirements and methods for acquiring, issuing, renewing and extending of licenses and authorisations are prescribed with the following regulations: Rulebook on expert training, exams and licenses for operation of the aircraft crewmembers ("Official Gazette of the SFRY" No 02/80); Rulebook on expert training, exams and licenses for operation of the flight controllers (Official Gazette of RM No 79/03); Rulebook on expert training, exams, licenses and authorisations for the aviation-technical personnel and the aviation-technical personnel responsible for technical preparation ("Official Gazette of the SFRY" No 35/87 and 08/89).

The working hours of aircraft crewmembers are prescribed with the Civil Aviation Law, Article 151, and durations of flights, durations of long-distance flights, durations of night flights, number of take-offs and landings during working time and daily rest times of the crewmembers are regulated with the Rulebook on duration of flights, duration of long-distance flights, duration of night flights, number of take-offs and landings during working time and daily rest times of the crewmembers ("Official Gazette of the SFRY" No 42/88 and 09/89).

Aircraft crewmembers are trained in centres, which have to comply with the conditions prescribed with a Rulebook on conditions that must be fulfilled by the school or training centre for aircraft crewmembers ("Official Gazette of the SFRY" No 72/91).

The air-carrier, i.e. the legal entity operating on commercial flights in the air-transport, must possess the Operations Manual. This Manual is approved by the Civil Aviation Authority, and it must contain all conditions prescribed in ICAO Annex 6 and JAR-OPS1.

The Civil Aviation Authority is responsible for control as regards the air-transport safety conditions implementation.

**9. Is there legislation on accident investigation and mandatory incident reporting? Are statistical data available on air misses (almost collisions) which have occurred during the last ten years? Is there a specialised administration that coordinates investigation procedures and monitors reports, data and statistics?**

Aircraft accidents investigations are carried out according to Section III of the Civil Aviation Law, ("Official Gazette of the SFRY" No 45/86; 24/88; 80/89 and 29/90), Articles 224 – 238, as well as the provisions from the Rulebook on Methods for Aircraft Accidents Investigations ("Official Gazette of the SFRY" No 66/87) determining the organisation of the Committee on Aircraft Accidents Investigations and methods for investigation of occurrence of air Accidents and incidents of Macedonian and foreign aircrafts in the airspace of the Republic of Macedonia.

Section I of the Civil Aviation Law, ("Official Gazette of the SFRY" No 45/86; 24/88; 80/89 and 29/90), Articles 213 – 217, determines the issues concerning endangering aircraft safety – incidents (potential collision of aircrafts during flights, near collision (air misses) – encompassing specific situations where one aircraft and another aircraft / the ground or otherwise are perceived to be too close to each other).

Article 2 of the Rulebook on Aircraft Safety Investigations (Official Gazette of RM No 41/03), whereas the provisions from EUROCONTROL ESARR 2 are implemented, regulates the aircraft safety investigations – incidents, involving national and foreign civil aircrafts, as well as cases in which the civil flight control provides services to civilian and state- owned aircrafts in the airspace of the Republic of Macedonia.

Pursuant to Article 8 of the Civil Aviation Law, ("Official Gazette of the SFRY" No 45/86; 24/88; 80/89 and 29/90) bodies or organisations that produce, use, maintain, train and repair aircrafts or modify aircrafts, engine, propeller, aircraft equipment, parachute, provide fuels and oil for powering aircrafts, perform public air traffic operations, provide aircraft services, airport services, use the airport and runways, are obliged to report each occurrence that could endanger the air transport safety. In addition, the Civil Aviation Authority submits reports concerning accidents and serious incidents to the concerned countries (manufacturing country, country of design etc.) and to the International Civil Aviation Organisation (ICAO).

2. The Authority has available statistical data on air misses (almost collisions) which have occurred during the last ten years. Each person interested in obtaining certain data shall submit a request to the Civil Aviation Authority, which shall decide whether or not the person shall be granted access to the requested data (Article 24 of the Rulebook on Aircraft Safety Investigations (Official Gazette of RM No 41/03)).

3. The Civil Aviation Authority coordinates the investigation procedures and monitors reports, data and statistics.

**10. Are there measures to monitor and limit noise levels around airports (i.e. noise zoning, land-use rules) and measures to contain or reduce air pollution resulting from air transport activities? Is there a progressive phase-out programme for Chapter 2 aircraft?**

Positive legal regulations in the Republic of Macedonia do not regulate the issue of measuring and limiting noise near airports.

The Civil Aviation Authority issues a Noise Certificate for airports directly applying the ICAO standards, Annex 16 Vol. 1.

Regarding the protection of the environment from noise and fuel, smoke and gas emissions from the aircrafts, the Civil Aviation Authority acts in accordance with regulations, rules and practices of the ICAO and ECAC. The Republic of Macedonia is in full compliance with the ECAC recommendations for non-entry in the national registry of Chapter 2 and re-certified Chapter 2 aircrafts according to the Chapter 3 standards, as well as regarding limitation of the operation of such aircrafts and their

progressive withdrawal from use. There was no need for a programme for withdrawal of aircrafts in the Republic of Macedonia because such aircrafts have not been employed in the Republic of Macedonia for a long period.

In Article 143 of the Draft-Civil Aviation Law it has been established that an aircraft flying in the Macedonian air space must be a holder of a Noise Certificate for the level of noise created during take-offs, flights and landings, as well as a Gas Emission Certificate for incineration created during take-offs, flights and landings.

The Civil Aviation Authority, upon obtaining a proposal and opinion from the Ministry of Environment and Physical Planning, issues a Noise Certificate and a Gas Emission Certificate to a Macedonian aircraft. Flight shall not be granted to a foreign aircraft in the Macedonian air-space, unless it is a holder of Certificates both for the noise level and the gas emission.

Maximum allowed noise levels and maximum allowed quantity of gases emitted during take-offs, flights and landings will be regulated by the Minister of Environment and Physical Planning.

**11. What are the name, legislative and regulatory status and ownership of the organisation responsible for provision of Air Traffic Management infrastructures? What is the number of employees? What are the rules regarding safety oversight, standards setting, investment planning, provision of services, service planning and revenue collection? How does the level of fees for over-flight compare with the level of fees charged for flights to or from domestic airports?**

The Civil Aviation Authority is the legal entity responsible for provision of Air Traffic Management (ATM) infrastructures. Pursuant to the Law on Civil Aviation Authority, the Authority is a legal entity within the Ministry of Transport and Communications (Official Gazette of RM No 20/95 and 70/01).

The Authority is a state body, financed by own sources, as follows:

- fee for using flight control devices and services for over-flight;
- landing and ATC fee;
- fee for safety oversight and air traffic efficiency;
- aircraft inspection fee;
- fee for inspecting the professional capacity of crewmembers; and
- Fees for other air traffic related services.

The number of employees is 274.

Pursuant to the Civil Aviation Law ("Official Gazette of the SFRY" 45/86; 24/88; 80/89; 29/90) and the Law on Civil Aviation Authority (Official Gazette of RM No 20/96 and 70/01), the Civil Aviation Authority regulates and supervises the safety oversight through the competent aviation inspectors.

The Civil Aviation Authority Budget determines the investment planning, service planning and revenue planning, and List of Expenditures for the following year is prepared on an annual basis and submitted to EUROCONTROL.

The air carrier is charged for using flight control devices and services for over-flight. The charged fee depends on the aircraft weight and flight duration. The fee is established with the Order on Fee Amount for Using Flight Control Devices and Services for Over-flight (Official Gazette of RM No 22/97 and 02/04), which is conformant to Document No 02.60.02 of EUROCONTROL on conditions of application of the route charges system and conditions of payment. For 2004, the fee is 67,78 EUR.

The fee is not charged for state-owned aircrafts, aircrafts transporting humanitarian aid, first aid aircrafts, aircrafts used for search and rescue flights and sport aircrafts for flights designed for training, vocational training and educational purposes.

According to the Decision on determining the fee amount charged for landing and ATC services, a charge shall be levied for landing services – services for using the runways for take-offs and landing, and for using the light signalisation, as follows: bellow 30 tonnes – 7, 1581 and over 30 tonnes – 7, 6994 EUR; 25% of the basic (landing) service are charged for the signalisation. The fee amount for landing and ATC services is reduced depending on the type of flight, as follows:

1. aircrafts performing training, vocational training and educational flights foreseen for regular and special public air transport – 75%
2. cargo aircrafts – 50%
3. positioning flights between the airports in Skopje and Ohrid and vice versa (without commercial objectives) – 50%
4. organised tourist flights (flights of national and foreign air carriers), declared as tourist IT, transporting tourists to the Republic of Macedonia which have reservation in the hotels of the Republic of Macedonia – 50%
5. national air transport – 75%
6. air carriers (national and foreign) which have about 50 landings per month at the airports of the Republic of Macedonia – 25%

Furthermore, the following are exempted from payment of this charge:

1. foreign military aircrafts performing flights concerning the requirements of the Republic of Macedonia;
2. state owned aircrafts;
3. aircrafts transporting humanitarian aid
4. first aid aircrafts;
5. aircrafts performing search and rescue flights; and
6. Sport aircrafts for flights designed for training, vocational training and educational purposes.

According to the Order on the fee amount charged for landing, ATC services and Handling services provided to NATO aircrafts by the Public Enterprise for Airport Services Macedonia and the Civil Aviation Authority, the NATO military aircrafts pay 75% of the basic landing and ATC tariff as determined by the Decision on determining the fee amount charged for landing and ATC services.

## **International organisations and conventions**

**12. Which international organisations in the field of aviation is your country member of (ICAO, ECAC, JAA, Eurocontrol). On what date did your country adhere to these organisations? Can you indicate the date or intended date of joining the organisations your country is not member of?**

The Republic of Macedonia is a member of the ICAO – International Civil Aviation Organisation following the acceptance of the Chicago Convention on 09.01.1993.

The Republic of Macedonia has been a member of the ECAC - European Civil Aviation Conference since 03.07.1997.

The Republic of Macedonia has been a member of the EUROCONTROL - European organisation for the safety of air navigation since 11.02.1998.

The Republic of Macedonia has been a candidate member of JAA – Joint Aviation Authorities since 14.12.1999.

**13. Has your country signed the document ECAC n°30? How are the standards and norms set by this document applied legally and in practice?**

The Republic of Macedonia holds membership in the European Civil Aviation Conference (ECAC) and has accepted the Document No. 30.

The Government of the Republic of Macedonia adopted the National Programme on Security on 30.04.2004, thereby implementing the standards and norms of Part 2 (Security) of ECAC Document No. 30. The practical implementation of measures foreseen with the Programme is realised through daily activities of the entities (Civil Aviation Authority, Ministry of the Interior, Public Enterprise for Airport Services Macedonia, Ministry of Defence, Customs Administration of the Republic of Macedonia and airline companies) which are obligated to protect the civil aviation against terrorist and other forms of illegal activities.

Part 1 (Facilitation) of ECAC Document No. 30 is still not implemented in the national legislation. The new Civil Aviation Law is expected to be enacted in 2005, which will provide the legal basis for its implementation.

## ***F. Pipeline transportation***

### **14. Please provide a description of the national network, length and type of pipelines, quantities transported, capacities of existing installations, development policy, regional connections.**

#### *Gas pipeline in the Republic of Macedonia*

Construction of the gas pipeline commenced on 20.01.1993; phase one of the construction was completed in the second half of 1996, and the test period for the pipeline began on 16.09.1997.

The following has been constructed: national gas pipeline with a length of 98 km (Deve Bair – Skopje), distribution gas network with a length of 26 km (for Kriva Palanka, Kratovo, Kumanovo and Skopje), and city network with a length of 31,5 km (in Kriva Palanka, Kratovo, Kumanovo and Skopje).

Industrial consumers have been connected to the previously mentioned networks with an annual consumption of about 100 million m<sup>3</sup>, meaning that only 10% of its capacity has been used since becoming operational (800 million m<sup>3</sup> per year). Construction of the gas system was financed by the Government of the Republic of Macedonia and JSC Makpetrol.

Construction of TE-TO Skopje, distribution network in Skopje, Kriva Palanka and Kumanovo and national sections “Klecovce – Negotino” and “Skopje – General Jankovic” (Serbia and Montenegro)” are important future projects within the frame of the gas system in the country.

#### *Thessaloniki – Skopje Oil Pipeline*

In order to provide continuous crude oil supply to the refinery, the Hellenic Petroleum Group, immediately after the refinery acquisition, initiated its first investment – connecting Oil Refinery JSC OKTA Skopje to the port in Thessalonica through the Thessaloniki – Skopje oil pipeline, with a length of 212,6 km and capacity of crude oil flow of 360m<sup>3</sup>/h. After the Thessaloniki – Skopje oil pipeline was constructed, Oil Refinery JSC OKTA Skopje had all the necessary prerequisites for maximum exploitation of its capacity of 2.500.000 tonnes of processed crude oil.

Approximately 750.000 tonnes of crude oil is being transported through the oil pipeline on an annual basis.

## **PROJECTS IN NEGOTIATION PHASE**

### **TRANS-ADRIATIC GAS PIPELINE (TAP)**

Based on gas demand projections of approximately three billion m<sup>3</sup> per year, the European electricity and gas trading company (EGL), located in Switzerland with branches throughout Europe, decided to start business operations with natural gas in order to provide gas reserves for its own gas demands



directly from the producer countries, as well as gas reserves for industry and households of the Italian and neighbouring markets. EGL is financing the TAP Project, with an intention of opening new lines and thereby increasing the diversity of infrastructure gas projects.

The Trans-Adriatic gas pipeline (TAP) is foreseen to pass along the route from Delcevo via Prilep to Struga. The route will have a length of about 200 km on the territory of the Republic of Macedonia.

The gas pipeline capacity will be 8-12 billons m<sup>3</sup> per year, out of which 1 billion m<sup>3</sup> per year refers to the countries through which the gas pipeline transits.

The overall investment will amount to 1,2 billion EUR. Gas from Russia and the Caucasian countries will be consumed through the gas pipeline.

A pre-feasibility study has been prepared. The feasibility study will be prepared within a period of nine months, and will cost approximately two million CHF. The financial construction will be closed within a period of 6 months, and it is expected the gas pipeline to be constructed within a period of 2,5 years. According to the plan, the construction should commence in November 2005, and is foreseen to be completed by the end of 2008.

The Memorandum of Understanding was signed by the governments of Italy, Albania and Macedonia, while the Bulgarian Government is expected to sign it.

#### Ambo – Trans Balkan Oil Pipeline

Activities relating to the AMBO Project commenced in 1994, when a Protocol was signed in Skopje (07.11.1994), by which the three states (the Republic of Bulgaria, the Republic of Macedonia and the Republic of Albania) awarded exclusivity rights to the American Corporation – AMBO as regards the preparation of a Feasibility Study for the oil pipeline.

In 1996, the American company for the AMBO Project prepared a Study which was presented in 1997 to the Government of the Republic of Macedonia, as well as to experts' services of the responsible ministries.

The Government of the Republic of Macedonia and the AMBO Corporation signed a Confidentiality Agreement in 1998, which provides for successful relations between the parties as regards the mutual exchange and disclosure of information, activities and strategies, necessary for the realisation of the Project.

The company White & Case prepared the following studies in the year 2000:

- a. Preliminary Review of the Legal Issues
- b. Preliminary Project on the Technical and Energetic Parameters
- c. Preliminary Environmental Impact Study

On 29.12.2004 in Sofia, presidents of the Governments of the Republic of Macedonia, Republic of Albania and Republic of Bulgaria has signed the Declaration on support of the realisation of Trans-Balkan Oil Pipeline AMBO. Furthermore, the ministers of these countries competent in respect to the energy related issues have signed the Memorandum of Understanding for the construction of the oil pipeline. The Memorandum includes the activities for co-operation between AMBO and each participant-country concerning the construction, exploitation and maintenance of the oil pipeline. The following activities are result of the signed Memorandum: establishment of interstate-commission Trans-Balkan Oil Pipeline, preparing a tripartite Convention and bilateral agreements between each participant country and AMBO Corporation.

#### Technical features of the oil pipeline

The oil pipeline will be with a total length of 894,506 km (about 273 km passing through the Republic of Macedonia), with a diameter of 914 mm (36 inches) and four pump stations (two in the Republic of Bulgaria, one in the Republic of Macedonia, and one in the Republic of Albania).

The oil pipeline will have a capacity of 750.000 barrels per day, enabling an approximately thirty to forty millions tonnes of crude oil will to be transported per year. The oil pipeline route through Macedonia will traverse through Deve Bair – Kriva Palanka – Sveti Nikole – Veles – Bogomila – Krusevo – Sopotnica – Botun – Lakaica – border with the Republic of Albania.

### **15. Is there a specific legal framework for pipeline transportation?**

This issue is regulated with the Energy Law (Official Gazette of RM No 47/97, 40/99, 98/00, 94/02 and 38/03), see [14 Annex 01](#).

Pursuant to this Law, the activities in the field energy encompass the following: production, processing and transport of oil and oil derivatives; production, transport and distribution of natural gas; production, transport and distribution of thermal and geothermal energy; transit of energy and energy sources.

The definition of these energy field activities is contained in Article 8 of this Law, and it reads as follows:

Production of oil and natural gas, pursuant to this Law, means exploitation of oil and natural gas from the oil-gas wells.

Oil processing, pursuant to this Law, stands for crude oil processing in refineries for the purpose of production of oil derivatives and other types of chemical products.

Transport of oil derivatives, pursuant to this Law, involves loading, unloading, storing of oil and oil derivatives and their transport by pipelines, auto- or railway- storage tanks and other means of transport.

Transport of natural gas, pursuant to this Law, means transport of natural gas in gas phase from the oil-gas wells to the facilities and warehouses for distribution, and further to the consumers connected to the transmission gas network.

Distribution of natural gas, pursuant to this Law, means delivery of natural gas to the consumers connected to the distribution network.

### **16. What environmental rules are applied?**

Environmental impact assessments are obligatory for activities relating to pipeline transmission, i.e. for activities referring to construction of this type of projects.

In connection with the environmental impact assessment, the existing Law on Environment and Nature Protection and Promotion (Official Gazette of RM No 13/03, consolidated text) only partially regulates the environmental impact assessment procedure. Pursuant to the Law, the investors are required to prepare an Environmental Impact Assessment Study regarding projects which could endanger the environment and people's health. The Environmental Impact Assessment Study consists of a project impact assessment related to the environment and people's health. The Study is an integral part of the technical project documentation, and is to be prepared during the planned project preparation procedure, which means before the issuance of construction permit or issuance of another type of permit. In accordance with the Law on Construction of Investment Buildings (Official Gazette of RM No 15/90, 11/91, 11/94, 18/99 and 25/99), the investor is obliged to submit an Environmental Impact Assessment Study together with the request for construction of the building if such Study is necessary for particular projects pursuant to special conditions prescribed in certain laws (ex. Law on Environment and Nature Protection and Promotion) or acts. The Ministry of Environment and Physical Planning, upon a request from the responsible body, decides which projects require a preparation of such studies. In case it is assessed that the project might have a significant impact on the environment, the investor is obliged to prepare the Environmental Impact Assessment Study. After the Study is submitted, the Ministry of Environment and Physical Planning

approves or rejects the project implementation. In the existing Law on Environment and Nature Protection and Promotion the environmental impact assessment procedure is only partially implemented.

In order to harmonize the existing legislation with the EU legislation, the new Draft Law on Environment, currently in Parliamentary procedure and envisaged to be adopted in the first quarter 2005, completely transposes the Directive amending the Council Directive 337/85 on assessment of the effects of certain public and private projects on the environment (97/11) and the ESPO Convention on Environmental Impact Assessment in a Trans-boundary Context.

The Draft Law on Environment contains a special chapter on Environmental Impact Assessment, which describes the procedure for environmental impact assessment (further in this text EIA). The draft Decree to be verified by the Government of the Republic of Macedonia (currently in preparation) shall determine the projects for which the EIA procedure is obligatory, as well as the criteria for generally specified projects regarding which the EIA procedure requirement shall be on an individual basis. Concerning all other projects not covered by the above-stated Decree, an environmental impact assessment document will have to be prepared.

According to the Draft Law on Environment, the investor who plans a project is obliged to submit a Letter of Intent to the Ministry of Environment and Physical Planning concerning the purpose of the project as well as an opinion about the necessity of EIA. After receiving the Letter of Intent, the Ministry of Environment and Physical Planning notifies the investor with a Decree about the need of environmental impact assessment. According to the type of the project, the Ministry determines the volume of the study of environmental impact assessment. The Opinion should contain the alternatives which should be considered, a basic overview and the necessary examinations, methods and criteria used for prediction of impact assessment, measures for improvement which should be considered, a list of legal entities which should be consulted during preparation of the EIA study, the structure, contents and volume of environmental information. If projects require EIA, the investor is obliged to prepare a Study on EIA and submit it to the body competent for environmental issues. Upon reception of the study, the competent body prepares a report on relevance of the EIA study. The report may also be prepared by a person authorised by the competent body. The Ministry of Environment and Physical Planning on the basis of the EIA, the report, a public discussion and received public opinions brings a decision on approval or disapproval of the Project. The brought decision causes legal effect in a period of two years after its adoption and its validity period may be prolonged if there are no significant changes occurred during a modification of the project, as a result of the conditions in the affected area, new information in connection with the basic content of the study or development of new technology which might be used in the project.

The body responsible for Project Implementation may not issue a decision/permit for implementation of the project without decision on approval or disapproval of the Project issued by the Ministry of Environment and Physical Planning and submitted by the investor. In addition, the body which issues permits for implementation of the project is obliged to notify the Ministry of Environment and Physical Planning if an application for projects without EIA was submitted.

During the whole EIA procedure, the competent body consults the local self-government units on whose territory the project is implemented, as well as the public, the non-governmental organisations from the area of protection and promotion of the environment through providing necessary documentation, announcing and organizing a public debate and publishing on the web page of the Ministry. In the Decision, the Ministry should state the opinions which were considered during its adoption, as well as an explanation on the opinions which were not considered.

Pursuant to the Law the duration of EIA procedure is 120 days, not including the time necessary for preparation of the EIA study (the foreseen periods are reduced to a minimum). It is necessary to mention that the EIA procedure which will be conducted before issuing the approval for construction, as a separate procedure conducted by the Ministry of Environment and Physical Planning.

Annex 1 of the draft Decree for determining the projects eligible for environmental impact assessment determines the projects for which the environmental impact assessment is obligatory, which refer to projects for gas, oil or chemicals pipelines with diameter wider than 800 mm and with

length greater than 40 km. Annex 2 of the draft Decree determines the generally determined projects for which the EIA procedure shall be applied on an individual basis, such as: for industrial installations for gas supply, steam and hot water supply, as well as for electricity supply with landline cables.

### ***G. Maritime transport***

**17. Please indicate whether a maritime register has been set up or if it is envisaged to create it.**

The Republic of Macedonia does not have maritime transport, due to which there is no maritime registry, and its launching is currently not envisaged.

### III. INTEGRATED TRANSPORT SYSTEMS

#### *A. Transport infrastructure*

##### **Maps of the national network**

**1. Maps of the national long distance transport network (road, rail, combined transport and airports) should be provided. The long distance network will be identified on the basis of the criteria laid down in the draft Community Guidelines for the development of the Trans-European Transport Network (see Decision n° 1692/96 on Ten-T guidelines).**

Maps are given in Annex, see [09 Annex 04](#).

##### **Public expenditure and investments**

**2. Data on public expenditure and investments should be provided by completing the tables in Annex 2.**

Data on public expenditure and investments are given in the tables in Annex, see [09 Annex 02](#).

##### **Regional cooperation**

**3. What steps have you taken to implement the Memorandum of Understanding of the South East Europe Core Regional Transport Network?**

After the Memorandum of Understanding on Core Regional Transport Network of Southeast Europe was signed in Luxemburg, June 2004, a High Level Transport Group was established, in which the Republic of Macedonia has its own representative. The HLG (High Level Group) held its first and second plenary meeting in Brussels on 18-19.10.2004 and on 29.11.2004, respectively. The first regional meeting was held on 10-11.01.2005. Proposals, submitted to the European Commission by the Republic of Macedonia, will be analysed and decided upon on the following meetings. The High Level Transport Group will meet monthly, as per an agreed programme, on plenary and regional meetings. The Republic of Macedonia is a part of the group of Western Balkans countries, which due to their specific needs, have been appointed distinctive treatment by the European Commission. The final report of this High Level Transport Group is foreseen to be completed in October 2005.

The signatories to the Memorandum of Understanding, as well as the financial partners obliged for implementation of the MoU, met in Paris on 25-26.10.2004. The Republic of Macedonia complied with the obligation from this meeting and submitted the nominations for representatives of the Steering Committee to the relevant institutions. The MoU signatories will co-operate through the Steering Committee and the Secretariat. The establishment of SEETO will assist the Steering Committee in the implementation of the Memorandum of Understanding.

The SEETO Observatory is already established and the consultants have been organised in Belgrade. Their engagement commenced with the signing of the Agreement with the European Commission on 27.09.2004, and will be concluded on 31.12.2007, with a total budget of 1.820.000 EUR. The inception report of the SEETO Observatory is completed and the first meeting of the Steering Committee is expected to be held in February 2005.

Transport infrastructure development in the Republic of Macedonia has achieved significant results in the previous period; however, a level of development that will meet modern society requirements and the economic requirements of passenger and goods transport has still not been achieved. Completion of Corridor X is of key importance for the Republic of Macedonia and the entire region.

The section "Border Crossing Tabanovce" – Kumanovo (7,3 km), as a bottleneck of the Corridor X, is planned to be financed with World Bank funds, in the frame of the future Trade and Transport Facilitation in Southeast Europe II Program. However, negotiations on the project have still not commenced. The section Demir Kapija – Smokvica is the last section of the Trans-European Corridor X, which passes through the territory of the Republic of Macedonia, and is considered to be a serious bottleneck. Projects and tender documentation for this section were prepared at the end of 2000 through the Phare Cross Border Co-operation Programme between Republic of Macedonia and Republic of Greece. This Project was proposed as a priority Project in Brussels by a representative of the High Level Transport Group, and efforts are currently being made so as to justify it and place it as a priority in the HLG report.

In order to speed up and facilitate trade, the Customs Administration of the Republic of Macedonia has signed Memoranda for Co-operation with the customs administrations of all neighbouring countries (Albania, Bulgaria, Greece, Serbia and Montenegro and Kosovo), which will provide for exchange of information concerning trade with high risk goods (excise goods and goods that are subject to high taxes). The information exchange contributes towards a higher level of co-operation between the customs administrations of the region.

## **Legal framework**

### **4. What are the procedures applicable to the development of a transport infrastructure project? Are there differences according to the mode of transport concerned?**

Public Investment Programmes, covering a three year period, are being prepared on a State level, and are updated on an annual basis. Special parts of these programmes are the road infrastructure investments. The basic rules for determining the investments in roads are the priority, feasibility (traffic) and existing reasonable financing opportunities. Taking into account that the actual needs are considerable, and the financing opportunities limited, these investments are either delayed or reprogrammed. In general terms, the Trans-European road Corridors VIII and X have the highest priority.

PE "Macedonian Railways", within the frame of their restructuring, have prepared a draft Midterm Plan for the period 2004 – 2008, separately for the infrastructure and operations development.

Within the air transport field (the part referring to aviation provision of services), the requirements for aviation development, provision of technical means, equipment, devices and facilities for aviation services provision (flight control), are being evaluated.

### **5. What is the project cycle? How are local and/or regional authorities associated with transport infrastructure projects?**

The Project cycle for important road infrastructure projects generally consists of the following phases: project identification, project potential and feasibility, financing suitability, preparation of all levels of the necessary project documentation, public debate, closing of the financial construction, public procurement (international/local) and implementation phase (construction). There is appropriate legislation, technical regulations and standards regarding the design and construction of road infrastructure. The following legal regulation refers to project implementation: Law on Physical and Urban Planning (Official Gazette of RM No 08/96, 28/97, 18/99, 53/01 and 45/02); Law on Construction of Investment Buildings ("Official Gazette RM" No 15/90, 11/91, 11/94; 18/99 and 25/99); Law on Public Roads ("Official Gazette of RM" No 18/99, 40/99; 96/00, 29/02 and 68/04). A

new text of the Draft Law on Construction – Phase II, is currently in preparation. The text has been prepared and has entered governmental procedure. The Law is expected to be adopted by the Assembly of the Republic of Macedonia in the first quarter of 2005. The implementation of road projects is a responsibility of the Investor, which is as follows:

- For national and regional roads the Investor is the Fund for National and Regional Roads,
- For local roads and streets, Investors are the Local self-government bodies, and
- For the vital road network in Skopje, the Investor is the City of Skopje.

Projects for the national and regional road network are implemented on the basis of Annual Programmes adopted by the Government of the Republic of Macedonia.

Railway projects have a project cycle stipulated in the internal regulations and procedures of PE “Macedonian Railways”. The local authority participates in railway infrastructure projects through discussions in the Assembly of the Republic of Macedonia during the enactment of strategic documents on a State level, as well as by direct participation in connection with planning and implementation of infrastructural requirements of the local rail, and by decision-making concerning the railway passages on the local roads.

The Project cycle (in the part referring to the aviation provision of services) depends on the project type, size and complexity.

The authorities (regional and/or local) are involved since the initial project cycle phase in the following activities: determining the project feasibility, provision of necessary permits and approvals and compliance with environmental standards.

#### **6. Is there legislation on:**

- a) environmental impact assessment,**
- b) rules of competition,**
- c) public procurement?**

##### **a)**

The procedure on “Environmental Impact Assessment” (EIA), according to the Law on Environment and Nature Protection and Promotion (Official Gazette of RM No 13/03, consolidated text), is only partially regulated.

Pursuant to the Law, the investors are required to prepare an Environmental Impact Assessment Study regarding projects which could endanger the environment and people’s health. The Environmental Impact Assessment Study consists of a project impact assessment related to the environment and people’s health. The Study is an integral part of the technical project documentation, and is to be prepared during the planned project preparation procedure, which means before the issuance of construction permit or issuance of another type of permit. In accordance with the Law on Construction of Investment Buildings (Official Gazette of RM No 15/90, 11/91, 11/94, 18/99 and 25/99), the investor is obliged to submit an Environmental Impact Assessment Study together with the request for construction of the building if such Study is necessary for particular projects pursuant to special conditions prescribed in certain laws (ex. Law on Environment and Nature Protection and Promotion) or acts. The Ministry of Environment and Physical Planning, upon a request from the responsible body, decides which projects require a preparation of such studies. In case it is assessed that the project might have a significant impact on the environment, the investor is obliged to prepare the Environmental Impact Assessment Study. After the Study is submitted, the Ministry of Environment and Physical Planning approves or rejects the project implementation. In the existing Law on Environment and Nature Protection and Promotion the environmental impact assessment procedure is only partially implemented.

In order to harmonize the existing legislation with the EU legislation, the new Draft Law on Environment, currently in Parliamentary procedure and envisaged to be adopted in the first quarter 2005, completely transposes the Directive amending the Council Directive 337/85 on assessment of the effects of certain public and private projects on the environment (97/11) and the ESPO Convention on Environmental Impact Assessment in a Trans-boundary Context.

The Draft Law on Environment contains a special chapter on Environmental Impact Assessment, which describes the procedure for environmental impact assessment (further in this text EIA). The draft Decree to be verified by the Government of the Republic of Macedonia (currently in preparation) shall determine the projects for which the EIA procedure is mandatory, as well as the criteria for generally specified projects regarding which the EIA procedure requirement shall be on an individual basis. Concerning all other projects not covered by the above-stated Decree, an environmental impact assessment document will have to be prepared.

According to the Draft Law on Environment, the investor who plans a project is obliged to submit a Letter of Intent to the Ministry of Environment and Physical Planning concerning the purpose of the project as well as an opinion about the necessity of EIA. After receiving the Letter of Intent, the Ministry of Environment and Physical Planning notifies the investor with a Decree about the need of environmental impact assessment. According to the type of the project, the Ministry determines the volume of the study of environmental impact assessment. The Opinion should contain the alternatives which should be considered, a basic overview and the necessary examinations, methods and criteria used for prediction of impact assessment, measures for improvement which should be considered, a list of legal entities which should be consulted during preparation of the EIA study, the structure, contents and volume of environmental information. If projects require EIA, the investor is obliged to prepare a Study on EIA and submit it to the body competent for environmental issues. Upon reception of the study, the competent body prepares a report on relevance of the EIA study. The report may also be prepared by a person authorised by the competent body. The Ministry of Environment and Physical Planning on the basis of the EIA, the report, a public discussion and received public opinions brings a decision on approval or disapproval of the Project. The brought decision causes legal effect in a period of two years after its adoption and its validity period may be prolonged if there are no significant changes occurred during a modification of the project, as a result of the conditions in the affected area, new information in connection with the basic content of the study or development of new technology which might be used in the project.

The body responsible for Project Implementation may not issue a decision/permit for implementation of the project without decision on approval or disapproval of the Project issued by the Ministry of Environment and Physical Planning and submitted by the investor. In addition, the body which issues permits for implementation of the project is obliged to notify the Ministry of Environment and Physical Planning if an application for projects without EIA was submitted.

During the whole EIA procedure, the competent body consults the local self-government units on whose territory the project is implemented, as well as the public, the non-governmental organisations from the area of protection and promotion of the environment through providing necessary documentation, announcing and organizing a public debate and publishing on the web page of the Ministry. In the Decision, the Ministry should state the opinions which were considered during its adoption, as well as an explanation on the opinions which were not considered.

Pursuant to the Law the duration of EIA procedure is 120 days, not including the time necessary for preparation of the EIA study (the foreseen periods are reduced to a minimum). It is necessary to mention that the EIA procedure which will be conducted before issuing the approval for construction, as a separate procedure conducted by the Ministry of Environment and Physical Planning.

**b)**

Taking into consideration that the Republic of Macedonia has been using credit funds for implementation of road projects from International Financial Institutions for more than thirty years, the basis for implementation of those projects was and remains to be competition, or more precisely, procurement under market competitive conditions. The competition is still not promoted in maintenance of national and regional roads, which according to the existing Law on Public Roads (Official Gazette of the Republic of Macedonia No. 18/99, 40/99, 96/00, 29/02 and 68/04) is a



responsibility of a Public Enterprise Makedonija pat. The preparation of the Study relating to the road sector in the Republic of Macedonia, with special emphasis on the introduction of competition in the field of road maintenance, shall commence in 2005. The funds for this Study preparation are provided by EBRD through a donation from the Republic of France.

**c)**

Depending on the financing sources, the procurements for road infrastructure projects are based on the following:

- international procurement, if credit funds for the projects are provided by International Financial Institutions such as the World Bank, the European Investment Bank, the European Bank for Reconstruction and Development, and grants (EU: PHARE, CARDS and other donors). The procurement procedures are prescribed by the creditors, i.e. the donors. Within the period from 1998 to date, more than 15 road projects were implemented, or are currently being implemented, with a total cost of approximately 250 million EUR.
- in case the funds are provided by local sources, the procurement is carried out pursuant to the new Law on Public Procurement, enacted in March 2004 (Official Gazette of RM No19/04). This Law promotes procurement procedures in line with European ones. The Law introduces compulsory international procurement for projects which cost more than 1.000.000 EUR.

## ***B. Transport research***

### **1. Are there any research programmes on national transport operations?**

There are several development studies on a regional level which deal with transport research. The TIRS, REBIS and SBDI studies were prepared in the previous period.

On the local level, transport research programmes are prepared only for the development of specific projects that are to be implemented. One of the legal obligations of the Fund for National and Regional Roads is to calculate the traffic on the national and regional roads, which represents the basis for preparation of diverse studies for development and financing. So far, traffic was tallied with obsolete automatic counters that did not have the capacity to perform classification of vehicles. In 2004, with credit funds from the World Bank, modern counters were procured, which will provide for the improvement of the transport database quality.

The research programmes (in the part referring to provision of services in aviation) are financed with donations from international institutions which the Republic of Macedonia is a member of (ICAO, EUROCONTROL), as well as the CARDS Programme I and II phase (Project for Aviation Safety and Air Traffic Control in the Western Balkans)

### **2. Does research in the field of transport benefit from public and/or private funding, and if yes, what level of funding is allocated to transport related research?**

A limited amount of funds, foreseen for specific infrastructure projects, are being used for research programmes on the state level.

Private funds have not been applied.

In the previous period, for the preparation of research programmes, funds were used from donations, out of which the following were within the framework of road infrastructure:

- Funds from the European Union for the TIRS and REBIS studies;
- Funds from the United States Trade Development Agency (US TDA) for preparation of the SBDI (South Balkan Development Initiative) Study, which covers the development of road and railway transport, as well as the oil pipeline of the European Corridor VIII, within the period

until 2020. This Study covers the Republic of Macedonia, the Republic of Albania and the Republic of Bulgaria.

- TDA funds for preparation of a Study for exploring the opportunities for road infrastructure investments by the private sector through concessions or PPP.

As regards the railways, a donation of EUR 400.000 from the World Bank contributed to preparation of the following studies:

- William Henessy Study, September 2001 - Internal Profit Centre for Freight and Passenger Transport
- Victor Alalouf Study, September 2001 - Development and Calibration of Traffic Costing Models
- Wilbur Smith Study September 2001 - Restructuring, Economic and Technical Rehabilitation of P.E "Macedonian Railways"
- TDA - Regional Railroad Interconnectivity Project, March 2003
- David Burns, April 2001 - Infrastructure Assessment and Development of Investment and Maintenance Plan for P.E "Macedonian Railways"
- Petrovski Study, March 2000 - Constitute a Program for Restructuring of P.E "Macedonian Railways" over a three year period.

Air transport:

Local implementation plan and development (LCIPD) – the purpose of this programme is implementation of plans and programmes which are prepared and supervised by EUROCONTROL and refer to Flight Control.

CARDS Programme – Project for Aviation Safety and Air Traffic Control in the Western Balkans. The priority of this programme is building capacity of/between state institutions and preparation of regional solutions for transport/infrastructure related problems, foreseen to be completed by 2006.

In European terms, the air traffic control systems' safety is of high priority. The reforms in Eastern Europe, as well as intensified air-way communications, have contributed towards raising the issue of adapting air traffic control systems in the region according to European standards. This programme is implemented by EUROCONTROL through our representative.

Proposal – Project concept for the Project for Separation of the Regulator and the Navigation Service Provider in the Republic of Macedonia, which is to be completed by the end of 2005.

- Four (4) Feasibility Studies have been prepared in the last ten years:
- Wilbur Smith – 1996, financed by the Public Enterprise for Airport Services Macedonia – Skopje, amounting to 200.000 USD, which served as a basis for the development planning by the Government of the Republic of Macedonia;
- Persons – 2000. Donation of the Government of the Republic of Macedonia;
- Development Study for the Skopje Airport, financed by Public Enterprise for Airport Services Macedonia – Skopje, and implemented by Studio Ajvar – Skopje;
- Scott-Wilson – 2004 European Commission EC (REBIS) – the consulting company was hired to prepare a Project for Modernization of the Skopje Airport within the framework of the Transport Project Preparation Facility, amounting to 230.000 EUR.

### **3. What are the national priorities for transport related research?**

The national transport research priorities follow the findings and recommendations included in the Transport Infrastructure Regional Study (TIRS) and the Regional Balkans Infrastructure Project (REBIS - Transport).

A Memorandum of Understanding on the development of the South East Europe Core Regional Transport Network, indicating the consent of the Stabilisation and Association Process countries to

co-operate in infrastructure development, was signed in Luxembourg, June 2004. As one of the signatories of the MoU, the Republic of Macedonia, has agreed to co-operate in the carrying out and financing of further infrastructure development and/or operation studies and also develop and implement an annual and multi-annual action plan in joint effort with the other signatories.

The new Transport High Level Group, initiated and established by the DG Energy and Transport, is expected to prepare its final report in October 2005.

The process of selection of projects that comply with the specified criteria according to the determined methodology will commence in February 2005.

The implementation progress of the SEETO (South-East Europe Transport Observatory) Project, introduced with the before mentioned MoU, which should support CARDS beneficiary countries in their establishment of Transport Observatories, as well as in the defining of their activities, was presented at the Fourth High Level Meeting was held on 25-26.10.2004 in Paris. This Project foresees monitoring of projects from the regional transport network defined in the REBIS Study (Core Network). The main task of the Transport Observatory is to support collection of data, preparation of multi-annual indicative plans and coordination with the existing task forces or transport observatories on specific transport corridors. In addition, a Steering Committee was established and its members consist of representatives from countries-beneficiaries of the European Commission and representatives from International Financial Institutions.

The first meeting of the Steering Committee is planned to be held in February 2005, when SEETO will officially commence with the activities.

The Transport Project Preparation Facility (TPPF), funded by the European Commission shall provide the necessary input that will allow launching effectively as many projects as possible among those that are mature for financing. The Facility will provide for the developing of feasibility and other studies in close cooperation with the countries and the international financial institutions.