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## Foreword of the Minister of Transport & Communications



By the preparation of a National Transport Strategy of the Republic of Macedonia the Ministry of Transport and Communications is committed for the period from 2007 to 2017 to implement the necessary reforms in the transport sector in accordance with the obligations of the "National Program for adoption of the European Union".

We have started to practice a new working environment in the public sector, which includes full transparency and accountability for performance results.

Reforms are long and complex process of changing the situation.

The reform program includes activities and tasks that we set before us in this period in accordance with the aspirations of Republic of Macedonia to become part of the European family.

It is with great pleasure that I confirm that the National Transport Strategy was adopted by all institutions that were involved in its preparation.

The main objectives of the national transport strategy will be to:

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

*Minister  
Mile Janakieski*

## **0. Introduction**

### ***0.1. What is a Strategy?***

A strategy is an institution's overall plan of development, in this case the Ministry's of Transport and Communications plan for development.

The strategy can be more formally defined as a comprehensive plan or action orientation that identifies the critical direction and guides the allocation of resources of an entire organization.

The strategy is typically a statement about what should be done to ensure prosperity based on the institution's vision, values and mission.

Besides a strategy, each Department of the MoTC may have its own strategic plan.

### ***0.2 What is new for the Ministry of Transport and Communications in Republic of Macedonia?***

Since November 2006, the Ministry has been working with a project team funded by the European Agency for Reconstruction on its first National Road Transport Strategy for Macedonia.

With an "ad hoc" working group put in place, the MoTC has gathered not only its own staff to work on this strategy, but also representatives from the Ministry of Finance, Ministry of Foreign Affairs, Secretariat for the European Affairs, Ministry of Interior, Ministry of Environment, Public Enterprise "Macedonian Railways", the National Road Fund and "Makedonia Pat" participated in the development of the Strategy.

The Project Team on Aviation has also been involved to develop the Air Transportation Strategy.

During the course of the project, a vision, mission and value have been developed, under which the MoTC will operate for the future.

The vision defines where the MoTC wants to be in the future. It reflects the optimistic view of the institution's future.

The mission statement defines where we are going now, basically describing the purpose, why this institution exists.

The main values defined will be protected by the MoTC during the progression, reflecting the organization's culture and priorities.

The proposed strategy is taking into consideration applied international best practices adapted to specific country situation.

## 1. Transport Sector Background<sup>1</sup>

Republic of Macedonia is a landlocked country located in the south-central part of the Balkan Peninsula. Country area is 25.713 sq km bordering with two EU member states: in the south - Greece with a border 246 km long and in the east - Bulgaria with a border 148 km long. The neighbor in the north is Serbia (including Kosovo) with a border 221 km long and Albania in the west with a border 151 km long. The highest point is the top of the mountain Korab, with a height of 2.764 m. Republic of Macedonia has three large natural lakes, in the south of the country: Ohrid, Prespa and Dojran. Ohrid is the deepest lake in the Balkans (285m). The largest river Vardar traces the country roughly in the middle in a North-South direction. Macedonia's cultural sites and treasures have a distinct position in the world heritage. The city of Ohrid is the most important tourist place, popular for its natural and cultural uniqueness, for which it has been awarded a status of UNESCO city. Macedonia possesses a variety of natural resources, including zinc, lead, manganese, nickel, chromium, copper, iron ore, and tungsten. Mineral and thermal springs are also common.

### 1.1 Importance of transport sector activities in the economy

The transport sector has an important role in the national economy.

In 2005 Macedonia had 175,557 registered companies. According to the classification of sectoral activities, the number of registered companies in the field of transport, storage and communications was 16,781 or 9.6% of all registered business entities.

In the last five-year period from 2004 to 2008 the traffic, storage and communications participated in GDP with 7.8% to 8.6%. This reflects the importance of transport to the Republic of Macedonia.<sup>2</sup>

Furthermore, in the same five-year period, investment in fixed assets for the part of traffic, storage and communications is in range from 14.3% to 12.4% of total investments in the country.<sup>3</sup>

In 2008 the transport, storage and communications participated in GDP with 8.4%.

In 2008 investments in fixed assets total to 86403 million MKD Denars in which traffic, storage and communications contribute with 12.4%. Investments in fixed assets - machinery and equipment amounted to 37,805 million; in motor vehicles, engines and other transport equipment amounted to 9953 million, or 11.5% of total investment in fixed assets for 2008.

Statistics concerning the number of employees by sectors for 2008 shows that 37,726 people worked in the field of transport, storage and communications or 6.2% of the total number of employees. In the private sector 27 503 persons are employed, whereby in the other forms of ownership the number of employees is 10.223.

Ministry of Transport and Communications has registered 2020 economic entities in the Republic of Macedonia in the field of international road transport. The number of issued annual ECMT permits in 2009 is the 886

### 1.2 General Transport Infrastructure Background

The Ministry of Transport and Communications is the institution in charge of transport policy, but several other independent bodies and public institutions are in charge of various areas of the transport sector. Agency for State Roads (ASR) is the body responsible for planning, construction, maintenance and financing. Their budget for investment over the past years has been significantly increased. Much of the budget consists of loans, while part of the budget for road maintenance remains constant and is "transferred" to the public enterprise "Makedonija Pat", a company responsible for maintaining the

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<sup>1</sup> The more detailed general country background is presented on the [Annex 01 General country information's](#)

<sup>2</sup> Source: State Statistical Office

<sup>3</sup> Source: State Statistical Office

primary road network which functions as a direct contractor of the work of the Agency for State Roads (ADP). The process of restructuring the road sector is ongoing. The Law on Public Roads was enacted on 11.07.2008, Official Gazette no. 84/08.

Restructuring of the Public Enterprise "Makedonija Pat" is also ongoing. The Consulting Company (BCEOM) has prepared the action plan for restructuring of PE Makedonija Pat. A Law on the transformation of PE Makedonija Pat was adopted "(Official Gazette of RM 53/09).

Law on Concessions and other forms of public-private partnership is adopted that allows concession of public roads in the country. During this period, a consulting company (Louis Berger) is evaluating the attractiveness of certain roads for private concessionaires. New automated method of collecting tolls on existing roads is planned to be introduced in the forthcoming period.

The railway network as part of the railway infrastructure and the organization and execution of rail traffic are under the jurisdiction of the PE Macedonian Railways Infrastructure - Skopje. The company is indebted and significant reforms will take place regarding its structure and management. The operational losses are currently born and covered by the National Budget at the expense of capital expenditures.

### **1.2.1 Road Transport Infrastructure**

The Road Transport Infrastructure of the Republic of Macedonia is characterized by a relatively high density, with exception of the national highway network.

Currently, the total length of road network in the country is 14,159 km of which 236,5 km is highways, 911 km are roads, 3771,5 km are regional, and 9,240 km are local roads most of which are in unsatisfactory condition.

As in other countries, Road Transport in Republic of Macedonia has the largest share in the modal split regarding the transport of goods and passengers. Within the structure of all goods transported on the roads, national transport dominates over the share in international and transit flows. In the same line, passenger transport by road dominates largely over the railways passenger traffic.

The backbone of the country's road network are the two Pan-European Corridors No X and VIII (fig m 02).

According to the legislation, provision of resources for construction and maintenance of the road infrastructure in Republic of Macedonia is under the responsibility of the Agency for State Roads. The investment funds have been financed primarily through the National Budget; their composition is for a large part international loans and grants, a small part coming from car registration taxes, excises on fuels, toll road charges. New projects and network maintenance are carried out according to the Public Investment Programme (PIP).

While construction for new investments is being tendered, the maintenance of national and regional roads is allowed to the public enterprise "MakedoniaPat". The maintenance of the local communal roads is made often by local municipalities. The winter maintenance accounts for about 35 %; periodic maintenance (including bridges) attains 28%, while the routine maintenance represents only close to 20% of the total of the maintenance budget. Administration, toll collection and other works are amounting to 17 % of the budget for roads.

### **1.2.2 Railways**

The Railway Infrastructure in the Republic of Macedonia was constructed in 1873 with the first Railway Track from Skopje to Thessaloniki in Greece. Today the railways network is about 925 km in single track lines and normal gauge of 1435mm.

The Government of Republic of Macedonia pursuant to the transformation of the PE Macedonian Railways C.O. Skopje performed transformation and formed two new companies: public enterprise Macedonian Railways Infrastructure - Skopje and Macedonian Railways Transport AD - Skopje. Currently they are the only companies that provide rail services in the public interest: JP MZ

Infrastructure - Skopje performs management, construction, reconstruction, repair, maintenance, protection of railway infrastructure, organization and regulation of rail transport and management with systems for regulation and safety while the company Macedonian Railways Transport AD - Skopje is in charge of transportation of passengers and goods for public or personal needs in domestic and international traffic.

### 1.2.3 The existing aviation infrastructure

#### 1.2.3.1 Means for Aviation navigation

The means of Aviation navigation in the Republic of Macedonia are mainly focused on aid for landing and taking off of aircraft. Most of the current navigation tools are in the vicinity of the airports in Skopje and Ohrid or in the surroundings (fig m 01). However, this does not mean that these means cannot be used as navigational tools for cruise.

Navigation system in Republic of Macedonia consists of the following navigation tools: NDB (3), VOR-DME (3) and NDB-DME (1).

#### 1.2.3.2 Airport Infrastructure

##### Airports

Macedonian airport system is composed of two international airports "Alexander the Great" - Skopje and "St.. Paul the Apostle" - Ohrid, five sport airports and at least 15 runways for commercial aviation.

### 1.2.4 Inland waterways

Macedonia is a Land Locked Country (LLC). The access to the neighboring ports is established through the roads and railway links. Passenger transport exists only on Ohrid Lake with smaller ships from 25 to 150 seats. At the moment there are no special stations for gas supply of the vessels.

There are registered motor boats with a capacity of 8-10 seats (taxi shipping) and fishing boats. Republic of Macedonia is not a member of the international bodies covering maritime issues. At this moment, a regular line between Ohrid and Podgradec (R.of Albania) on the Ohrid Lake is going to be opened.

Inlandwaterway traffic on the lake Ohrid has great potential and there are good preconditions for its development. The development would help in building a sustainable transport system in the region, of course if the process of attracting a greater number of passengers is successful. The the following are imperatives for the development of waterway transport: Preparation of feasibility study for sustainable development of water transport (on lakes) with the required analysis of the type of engines of vessels used in water transport infrastructure. The current state of waterway transport in the Republic of Macedonia is such that it is well established and analyzed for the most part to refer to water traffic on the lake. This is because the waterway transport on this lake is most frequent as compared with the rest of it.

The assessment of the current situation shows that:

- In the Republic of Macedonia registered three vessels with 150 passenger seats, eight vessels with a capacity of more than 30 passenger seats, six vessels up to 30 passenger seats, motor boats in 2200 of which 200 are for carrying out economic activity, transport of passengers, goods and fishing.
- These vessels carried Navigation waters of the lake, while the number of boats in Dojran and Prespa, is insignificant.
- The lake is registered three vessels with 150 passenger seats, five vessels with 30 passenger seats or 8 craft category of ship. The total number of boats is 2157 of which 170 are for economic activity, 80 are used for fishing boats and the remaining 1907 are used to carry passengers for recreational purposes and have loads of 8 to 10 passengers.
- In addition to these vessels with high capacity and significant role in the transport of passengers and ships have a capacity of 30 to 80 seats. The lake has established five such ships.
- Ports that are used for performing public passenger transport in the lake are sailing in the lake, but their situation is extremely unsatisfactory.
- The lake ports, ports occupy a special place in Ohrid and St.. Naum. These ports are built in 1937, the central stone with wooden supports charging, the upper part is of stone. Exposed to the southern and northern waves that cause zatrupuvanje and subjecting the sediments.



further development should analyze the type of vessels, the ports, structure, materials used and need for vessels

- Feasibility study - which will show what is the capacity of the lake in terms of the number of vessels in order not to repeat past mistakes and from them to draw lessons.

## **Nautical tourism**

Nautical tourism has a relatively short period of development that characterizes the great expansion and dynamics. This type of tourism has become a tourist industry in a very short period of time.

Nautical tourism is part of the international tourist activity in the world has the largest and fastest progress using global trends, national economies, re-directing secondary in tertiary activities. For us, this form of nautical tourism is not valorized over other areas of tourist activity, although Macedonia in its natural potentials meets all prerequisites for its development. Nautical tourism is a branch of tourism that bases its activity of the lease of vessels and infrastructure to (nautical centers, Marin, ports, nautical clubs, etc.) And its main activity is the cruise and then other forms of recreation.

### **1.2.5 Border crossings**

The number of official border crossings in the Republic of Macedonia towards the neighboring countries is<sup>4</sup>:

- 15 (fifteen) road border crossings, of which:

3 (three) with the Republic of Bulgaria,  
2 (two) with the Republic of Serbia  
2 (two) with the Republic of Kosovo  
3 (three) with Greece and  
4 (four) with the Republic of Albania.

- Four (4 \*) rail border crossings, of which:

1 (one) with the Republic of Serbia  
1 (one) with the Republic of Kosovo  
2 (two \*) with Greece.

- 2 (two) *airport* border crossings in Skopje and Ohrid.

The border cross issue is depending mainly on the successful implementation of the modernization of customs regulations, improvement and operability of the cross border buildings, enhancement of the battle against smuggling, corruption and illegal human trade. The other issues are mostly related with the interaction between the public and private sector and strengthening of the regional cooperation.

The development of border crossings depends largely on successful implementation and modernization of customs legislation, improving the operation of border crossings and intensifying the fight against smuggling, corruption and trafficking of human beings, respecting the basic principles of "accessible but secure borders". Other issues in greater extent are related to the interaction between public and private sector and strengthening of regional cooperation.

According to the National Strategy for Integrated Border Management, categorization is carried out at border crossings in regards to their operational capacity (current and prospective). Improving the throughput of the crossings, with full respect to the previously mentioned concept of " accessible but secure borders and "Schengen best practice" in this country are implementing the concept of "Single Window" and "One-Stop-Shop". By applying these concepts, will greatly reduce the waiting time at the crossings as well as their transfer, which will produce major positive economic effects.

Some of the issues in the near future will be placed among others:

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<sup>4</sup> National strategy for integrated border crossings management

- The harmonization of customs procedures with neighboring countries
- The harmonization of categorization of the borders with neighbors.

### **1.2.6 Specific issues on passenger and freight transportation**

These cross border issues are seriously hampering the operations of trucking and railways. At the borders, the railway companies have to change locomotives and staff. Besides reducing the impact of border crossings, it will be necessary to promote harmonization of transport and transit documentation including, driver licenses, passenger and goods vehicle licenses as well as insurance certificates. The ideal situation would be issuing documents being valid throughout the SEE region.

Overloading of vehicles remains a serious issue causing substantial damage to the infrastructure; law enforcement is desperately needed. The same should apply to vehicle axle load restrictions and enforcement procedures.

Multi-modal transport is a logistics concept that places the legal liability for the movement of goods by several modes on a single operator. An overall regulatory framework that permits the licensing of multi-modal transport operators will be a challenge for the near future.

## **2. Vision, Mission & Values of the MoTC**

### **2.1. Vision**

Our vision is:

- To have a modern, well maintained and integrated transport network system in place adapted to the needs of the country and in support to the sustainable development and growth of the national economy as well as the regional and international trade exchange.
- To offer a modern, safe, reliable and affordable integrated transport system to the public and ensuring the mobility of the citizens, especially the young, older and special care needing ones.
- To care for the well-being of future generations regarding financial burdens, respect for the environment and cultural heritage of the country.

### **2.2. Mission**

Our mission is:

- to fulfill our mandate as a public administration with excellence in accordance with the regulations in place;
- to apply servant leadership towards the citizens;
- to establish the necessary institutions to provide effective transport for passengers and freight
- to provide and maintain the necessary transport infrastructure and operations by gearing private public partnerships
- to enable high quality transport service to the public including high level of safety.
- white paper of the European Commission

### **2.3. Core Values**

Our values are:

#### **- Respect for people**

- We value each person's intrinsic worth and uniqueness.
- We acknowledge everyone's contribution and honor his/her opinions.
- Our work environment is open, honest, supporting, and fulfilling. Our administration is built on trust.

#### **- Responsibility for actions and results**

- We keep promises. Each person is empowered to make the organization succeed and is fully accountable for his/her actions.
- We challenge the status quo, promote continuous improvement, and reward excellence.
- We lead by example and do not avoid difficult decisions.
- We invest in our people and operations for future growth and profit.
- We work safely, comply with laws, and are a good neighbor.
- We meet our commitments to stakeholders, customers, and employees today and tomorrow.

#### **- Relationships with each other**

- Our success is built on quality relationships.
- We communicate openly and truthfully in a timely manner.
- We encourage constructive feedback.
- We are committed to each other and have positive attitude together.
- We are helpful and compassionate.
- We treat others the way we want to be treated.

### 3. Objective 1: Strategy on Promoting the Economic Development <sup>5</sup>

U.S. President J.-F. Kennedy already stated in the beginning of the 1960's:

**“It is not our wealth which created our infrastructure, but it was the infrastructure which created our wealth.”**

- *An Integrated transportation system* has a key role to play in facilitating economic growth in remaining competitive by having access to fast, efficient and reliable transport services, as well as ensuring individual mobility through offered transport services.
- *Operating, managing, maintaining and executing new constructions* of the transportation network directly contributes to the economy, linking people to their works and other daily activities, promotes employment as a key element of social inclusion which enables economic growth. Transport can also contribute on releasing the economic and regeneration potentials of particular areas in the country.
- With developing the transport network, we promote the social inclusion by connecting remote and disadvantaged communities and increasing the accessibility of the transport network;
- The immediate expected impact of a transport investment is to reduce general transport costs, lead times for transportation in general and having a positive impact on the short term GDP development.

#### 3.1. Connectivity

##### 3.1.1. Core Regional Transportation Network

Republic of Macedonia is promoting the concept of EU Neighborhood Policy into the transport field for better connection the EU with the neighboring countries and regions. The major transnational axes are those which contribute most to promote the international exchanges and traffic as well as to enable regional cooperation and integration. The High Level Group document has determined the EU member states Major Trans - National axes, where the South Eastern axis links the EU through the Balkans and Turkey to the Caucasus and the Caspian Sea as well as to Egypt and the Red Sea. Access links to the Balkan countries as well connections towards Russia, Iran and Iraq and the Persian Gulf are also foreseen as well as a connection from Egypt to the South towards other African countries. SEE axis which are passing through Republic of Macedonia, fully are covering the existing defined Corridor X and VIII. ([fig.01](#)), ([fig m 02](#)). There is strong political commitment to the development of the regional transport networks is confirmed with the signing of the Memorandum for understanding of the development of the South East Europe Core Regional Transport Network in June 2004 (Annex I defines the Core Network).

More recent efforts for defining the Core Regional Transport Network are made with in the future Treaty for Establishing a Transport Community between the EU and South East Europe Partners which should be in force by 2011.

##### 3.1.1.2. SEE axes passing through Republic of Macedonia

On the existing Corridor X, with a total length of 172 km, passing the country in North - South direction; at about 71% has been already finalized to modern highway standards and the remaining sections accounting 29% of the total being ready for tender procedures.

On the existing Corridor VIII, with a total length of 304 km, crossing the country from East to West, is less advanced in comparison to Corridor X. Only 36.3 % of the total length is already built to modern highway standards. ([fig m 01](#)).

##### 3.1.1.3. Railway

The main line on Corridor X from Tabanovci to Gevgelija – via Skopje and Veles is a single-track line, electrified (25Kv, 50Hz) and relay signal system which allows a good exchange of communication by fiber-optic cable. The last renovation on most sections has taken place 30 years ago. The total length of the railway infrastructure in Corridor VIII is about 307 km on the territory of R. of Macedonia and 152 km (or 49%) are constructed and operational. About 89 km or 25% of the total length are remaining to be constructed on the link with Bulgaria and 66 km or 20% of the total length on the link with Albania subject to construction. ([fig. m 012](#)).

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<sup>5</sup> The more detailed description on objective 1 is located on [Annex02 - Promoting the Economic Development](#)

### 3.1.1.4. Air transport

Republic of Macedonia has two main airports. Airport St. Paul the Apostle " - Ohrid near the southwestern edge of Corridor East-West" (E-850 and E-871), near the border with Albania (fig.m 02): This airport would have good access to the Adriatic Sea through Albania to Montenegro and Croatia.

Airport "Alexander the Great" - Skopje is near the crossroad of the Corridor "North-South" (E-65 and E-75) Corridor and East-West "(E-850 and E-871) (fig.m 02) : Thus, it has very good location to become an important logistics and transport junction, not only for the country but for the entire Balkan region as well.

In addition, the airport has very good access to road E-65 through which Kosovo could become the best on the RM Adriatic tourist destinations, such as Dubrovnik and Montenegro.



fig.m 02: Map –Airport in Skopje and the connections between Skopje and Ohrid

The table below shows the distance from the Airport in Skopje to the main logistical and industrial destinations in the region

Destination	Distance (km)
Belgrade	420
Sofia	250
Tirana	230
Thessalonici	230
Athens	700
Zagreb	815
Prishtina	90
Saraevo	450

Source p: [http://www.airports.com.mk/cargo\\_CargoCentre.htm](http://www.airports.com.mk/cargo_CargoCentre.htm)

### 3.1.2. National Transportation Network

- Integration processes between the different country regions demand joint interactive and synchronized functioning of infrastructure, production and public services in time and space based on the principles of sustainable development encompassing environmental issues.
- The systematic development of the towns in the Republic of Macedonia aims to decrease the relative concentration of population and activities in the central part of the state, i.e. implementing qualitative changes in the sociological and economic structure by intensive use of construction funds, land and benefits arising from the location itself, expert, scientific, and development potentials that the towns possess. Part of the strategy is dedicated to implement the living quality enhancement programs in the settlements, as well as stimulating the development of smaller towns. ([fig m 04](#), [fig m 03](#), [fig m 05](#)).

#### 3.1.2.1 Existing National Road Infrastructure

The national road network is of a high density with the exception of the highways. Today, the overall road network of the country has a total length of 13898 km. The network itself is a good starting basis for further development.

Type of roads	Total length (km)
Highways	236
Magistral roads	911
Regional roads	3772
Local roads	9240
<b>TOTAL</b>	<b>14159</b>

Table 02, National road network, Statistical office, 2008

The assessment of the general conditions of the road infrastructure is presented as following:

	Good	Medium	Poor
Highways (Magistral 2x2)	60%	30%	10%
Magistral (M 1x2)	60%	30%	10%
Regional 1 (R1)	45%	27%	28%
Regional 2 (R2)	20%	30%	50%
Gravel (R2)		50%	50%

Table 03, EBRD, Institutional and Road Planning Study, BCEOM, 2005

The overall condition of the road structure (main and important regional roads) is lower in comparison to European and some Neighboring Countries Standards. The existing constructions are in fact generally strong and of a good quality. The magistral roads, and in particular the highways, which have to carry the higher portion of traffic are in a better condition than those of second importance. The worst conditions can be assessed on low-traffic regional roads; most of them with dead ends. Many of them don't present neither geometric, structural, nor traffic characteristics and not justifying their classification into the regional road network. ([fig m 01](#))

#### 3.1.2.2 Existing National Railways Infrastructure

There is about 925 km of Railways in the Republic of Macedonia. Besides incomplete basic infrastructure network: the missing part of Corridor VIII and still no electricity on part of Corridor VIII, which is in function, and branch Xd of Corridor X, there are several factors that explain the relatively small role of railways in the transport system of the country. All major issues related to geographical features of the state, i.e. the short distance among urban centers in the country especially between Skopje - Veles, Skopje - Kumanovo and Skopje-Tetovo are currently limiting factor for the low level of technical and technological development. This lack of adequate investment in infrastructure especially in transport can become a great asset to the extremely large benefit for the country (in all European countries there is well-organized suburban rail passenger traffic)

### **3.1.3. Connectivity improvements**

#### **3.1.3.1 Central regional interstate network**

The prime strategic improvements have to be towards promotion of market-orientated transport services, implement measures to ensure that infrastructure is technically and financially sustainable, and harmonized with the EU transport policy.

- Ensure that the regional core network retains in its technical and legal coherence;
- Reduce the costs and time which incurred at border crossings, both for traffic within the region and beyond it with implementing the High Level Group Horizontal measures;
- Reducing the road bottlenecks;
- Determine maintenance standards;
- Provide a sound and continuous maintenance funding;
- Implement road safety standards in line with international best practices;
- Promote long-distance traffic to and from other countries.
- Introduce satellite radio navigational systems;
- Introduce transport management systems, ensuring the interoperability and standardized telemetric applications for freight services along the core transport axes.

#### **3.1.3.2 National and Local Road network**

Major attention on the national level will be given to proper road maintenance with focus on retaining the continuous traffic flow between the cities in the country:

- Maintain the roads which are still in acceptable condition.
- Emphasize the maintenance priorities on national roads and on the Regional reclassified roads - higher classification.
- Provide optimum road safety.
- Provide the proper connectivity to the remote places in the country.

#### **3.1.3.3 Railways**

- Restore the coordination and inter-operability between the various rail networks in SEE,
- Reduce operational and administrative delays at border crossings with customs and immigration procedures for passengers.
- Introduce a multi-modal concept in order to develop its potential and reducing the negative impact from incomplete Corridor VIII.

The intended outcomes will be to:

- Reduce transit times
- Increase connections especially related to exports of mass goods.
- Increase environmental bonus of railways transportation.
- Improve the frequency in line with customer needs, quality, accessibility and affordability of the system.

#### **3.1.3.4 Air transport**

- Increase the capacity in both airports (Skopje and Ohrid)
- Promote the airports to attract LCC
- Promote the connection with the main hubs in Europe
- Implementation of 3, 4 and 5 freedom;
- Public transport system (buses) to connect the major cities with airports that gravitate to them;
- Promote the use of helicopters from airports to hotels, resorts and hospitals;

### 3.2. Strategy on connectivity, action plan

<b>Area</b>	<b>Action Plan</b>	<b>Priority</b>	<b>Timeline</b>	<b>Status of realization in 2009</b>
<i>Road connectivity</i>	Complete corridor X	Short term	4 years	Ongoing
	Complete corridor VIII	Long Term	10 years	Ongoing
	Ensure that national road network is connected efficiently to the corridors and bottlenecks eliminated	Short term	4 years	Ongoing
	Implement traffic management system.	Mid term	7 years	Ongoing
<i>Railway connectivity</i>	Reconstruction of Corridor X	Short term	4 years	Ongoing
	Construction of Corridor 8	Long term	10 years	Ongoing
	Improvement of the system for traffic management	Mid term	7 years	Ongoing
	Reconstruction of Corridor 10d	Mid term	7 years	Planned
	Intensifying of the current and investment maintenance of Corridor 10, 10d and 8	Long term	10 years	Ongoing
<i>Air transport connectivity</i>	Increase of the capacity of the two airports	Short term	4 years	Planned
	Implementation of the 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> freedom	Short term	2 years	Ongoing
	Promoting of the airports for attracting low-cost air carriers	Short term	2 years	Planned
	Promoting connections with the main hubs in Europe	Short term	4 years	Planned
	Pubic transport system (buses) for connection of airports with the bigger cities that gravitate towards them	Short term	8 years	
	Promoting of the usage of helicopters from the airports to the hotel, resorts and hospitals	Longterm	8 years	Planned

<i>Inland waterways connectivity</i>	Ports reconstruction	Short term	2 years	Ongoing
	Implementation of public line transport with vessels	In place		In place
<i>Pipeline and gas connectivity</i>	Provision of oil and gas	In place		
<i>Multimodal connectivity</i>	Put strategic national nodes in place	Mid term	7 years	Under analyses
	Develop policy framework in place.	Short term	4 years	Under analyses
<i>Cross border connectivity</i>	Improve turnover of passenger and freight lead times, ease border documentation, and improve efficiency with border management.	Short term	4 years	Ongoing
	Standardize customs and immigration procedures, implement international conventions and standards	Short term	4 years	Ongoing
	Control security measures	Short term	4 years	Ongoing

Priorities:

Short term    0-4    years  
Mid term      5-7    years  
Long term     8-10   years

## 4. Objective 2: Safety in the Transportation System<sup>6</sup>

### 4.1. Road safety

- The government will continue to work on improving the safety situation across all transport modes. Safety standards will be orientated towards EU best practices.
- Safety and personal security concerns associated with transport will be addressed in order to improve quality of life.
- The government will welcome participation by any road users and from those that are affected by transport in the design of new safety regulations and monitoring.

Each accident – particularly where serious injuries or deaths result – is a personal tragedy and has a major impact on productivity and implication in the health sector. According to data from 2007, in Republic of Macedonia 51.5 accidents happened each day, of which 11.4 accidents with injuries. The average number of persons killed per day is 0.39, the number of seriously injured 3.0, and the number of people with light injuries 8.3. Data from 2008 show that the number of traffic accidents has significantly increased by 9.1% compared to 2007 or 4037 accidents in 2007, increased to 4,403 accidents in 2008 with about 11,084 participants. The number of injuries in 2008 was around 6724, 162 people were killed. (Table 05)

The official estimated cost of accidents to the economy was about 1.5 million euro in 2005, not taking into account the cost for recovery, permanent invalidity or death.

The full range of road safety measures are covering:

- Enforced Road worthiness of the vehicles and security equipment,
- Improve Driving skills & responsible behavior,
- Stricter Law Enforcement
- Improve Road infrastructure safety and
- Implement Road Safety Management.

The Government is politically and financially committed to ***reduce the death toll on the roads by 50% within a period of 10 years.***

The State Security Council on Road Traffic developed the National Strategy to improve road safety in 2009 - 2014 and it was adopted by the Assembly on 11.11.2008. It is in accordance with the National Transport Strategy and has an ambitious goal: to reduce by 50% the number of casualties in traffic and no child victim of traffic by the end of 2014.

In November 2009 the Government of the Republic of Macedonia established a coordinating body for the safety of traffic on roads in the Republic of Macedonia, chaired by the Deputy Prime Minister of the Republic of Macedonia. Coordinating authority is responsible for monitoring of the implementation of the National Strategy to improve road safety in 2009 - 2014.

#### 4.1.1 Road Vehicle Safety

- Every road vehicle needs to be registered and to meet the current legislation regarding technical conditions, equipment and accessories.
- In the case of special transport equipment, the vehicles also have to meet the requirements regarding dangerous good (ADR) and perishable goods (ATP).
- Motor Vehicles and trailers have to meet the countries' homologation regulations and / or being in line with the ratified international agreements.
- Enforce the compulsory use of active and passive vehicle security devices.
- Implementation of EU best practices guidelines on securing cargo and special transport.

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<sup>6</sup> The more detailed description on objective 2 is located on [Annex03 - Safety in the Transportation System](#)

#### **4.1.2. Behavior on the roads**

Every citizen is supposed to abide to the law, respect of speed limits and avoiding driving under the influence of alcohol, drugs or medicines that affect people's driving ability. The aim is to reduce the death toll & severe injuries. The policy towards defensive driving will include special educational programs and tougher restrictive measures.

To positively influence the attitudes and behavior of road participants, the following initiatives will be taken into consideration:

- Enforcing the existing traffic rules and criminalize road rage;
- Revise the current legislation on issuing Drivers Licenses;
- Cooperating, coordinating and co-funding with relevant partners specific Road Safety Campaigns
- Improve training and education of road participants
- Enforce and monitor efficiently driving and rest periods of professional drivers
- Reducing road rage and set speed limits in residential and school areas.

#### **4.3. Road Infrastructure Security Standards**

Secure Road infrastructures are contributing substantially to reducing accidents. The "self-explaining road"-concept is to influence and guide the driver's behavior. Road infrastructure has to provide safe and continuous traffic flow on all public roads in the country.

- Harmonization of signs and road markings in line with EU best practices.
- Improving the tunnel safety measures (exceeding 500 meters of length) aligned to the European proposed safety standard.
- Introduce binding Infrastructure Safety Management Measures for contractors and road authorities in all stages of planning and execution.
- Improving security standards on Road-Railways crossings
- Eliminate bottlenecks and black spots wherever possible
- Proper and efficient road maintenance
- Ensure visibility on the roads by eliminating physical and illegal obstacles

#### **4.4. Safety Management on Roads**

In order to increase safety on road infrastructures, the government will introduce a Road Infrastructure Safety Management system focusing on the following:

- Road safety impact assessments
- Road safety audits
- Network safety management
- Safety inspections by the competent authorities
- Traffic Information System
- Introduction of an integrated road management systems, which includes:  
Vehicle classification, surveillance and detection systems from tunnel management, vehicle classification systems and video surveillance to automatic incident detection, meteorology stations, road infrastructure protection, wide-area alert systems, disaster response and recovery systems, road winter maintenance system.
- The MoTC will take the lead in improving the coordination between emergency services, non governmental associations and private sector to organize efficient rescue operations.

#### **4.2. Railways**

Over the years " PE Macedonian Railways Infrastructure Skopje" staffs have used their expertise in the development of improved rail safety standards at both the local and international levels.

##### **4.2.1 Rolling stock safety**

Directive 2004/49/EC states that national safety authorities are responsible for the authorization of existing rolling stock. Rolling stock may be put into service only if it is designed and constructed in such a way as to meet the essential requirements concerning the sub-system.

The rolling stock safety is prescribed with RIV and RIC (international regulations) and the Law for safety in the railway traffic (the national legislative), which are mutually coordinated and regulate the way of the technical inspection of the rolling stock, their maintenance and use, the way of pulling the

brakes of the vehicles, equipment of the vehicles with automatic and manual devices for pulling brakes.

With by-laws which arise from the law the composition of the trains, the number and schedule of the vehicles in the trains, the way of executing the inspection of the correctness of the brakes, handling and maintenance of the vehicles separately and the vehicles included in the trains are elaborated in details.

#### **4.2.2 Behavior on the rail network**

The railway network is transparent for all users of the services which are given by the railway. The access to the railway network is transparent, equal for all users of services, movement of track and secure area within the railway network under the Law on Railways (national legislation).

The movement in the railway belt means moving on another property, it is illegal and can be life-threatening.

The recommendation and orders towards the citizen's safety could be summarized in the following:

- It is forbidden enter to the rail property without permission.
- It is forbidden to climb on railroad property such as signal bridges, cabinets or other structures.
- It is forbidden to climb on or crawl under railroad cars or equipment.
- It is compulsory to obey on all road-rail grade crossing signs and signals.
- It is recommended to cooperate fully with railroad police or other law enforcement officers when contacted.
- If suspicious activities are noted, it is recommended to report it to the railroad or local law enforcement officers.

#### **4.2.3 Rail infrastructure safety**

Ministry of Transport and Communications will set strategy for prediction of the main risks and develop a reasonable framework to guide these efforts. Ministry of Transport and Communications as competent authority for rail safety system ensures the development and improvement of the safety rail system, collects information on common security indicators through annual reports from the security authority, infrastructure manager and the carriers. The common security methods serve to estimate the level of safety and security of the goals achieved, and implementation of other security requirements. Common security objectives define the level of security needed to reach certain parts of the rail system and the system as a whole. System security management covering organization and preparation to ensure safe management in the performance of rail traffic. Manager of infrastructure and the carrier separately made, down and organize system security management in order to ensure that the rail system can achieve common security goals. The safety of railway infrastructure and car park is laid down in Law on the Safety of Railway Traffic, Law on Railways and by-laws which sets conditions, measures, records on protection in the railway infrastructure which provided legal, technical and physical protection, protection and supervision of real estate.

#### **4.2.4 Safety management of rails**

For the safety from unhallowed activities and other dangers which ones can lead to endangering the safety and neatness of the railway traffic and the means of the railway infrastructure, it is duty of the infrastructure manager, and the way for executing the works for the protection of the railway infrastructure is prescribed by the Minister for transport and communications.

In order to increase safety of rail infrastructures, the Minister of Transport and Communications will introduce a system of bylaws which will cover parts in the safety management.

### **4.3. Air transport**

#### **Full membership of the Republic of Macedonia in JAA - Joint Aviation Authorities**

Aviation officials of the European countries of ECAC (European Civil Aviation Conference) in 1970 formed the association body of ECAC under the name JAA - Joint Aviation Authorities in order to

develop high safety standards for aviation in Europe. Aviation Authority of the Republic of Macedonia was established in 1993 as the Directorate for Civil Aviation. Directorate and became a candidate member of the JAA in 1999, while it applied for full membership in 2002.

The adoption of the new Aviation Law in 2006 and the possibility of transposition of standards by reference without translation, provided by the bylaws adopted in 2007 to transpose more than 90% of JAR-s in national legislation.

Macedonia has received an invitation to acquire full membership in JAA at meeting of the Board of Directors of the air authorities of the Member States of the JAA, held on 12.03.2008 in Paris, France, with which the Civil Aviation Agency officially became a full member of JAA.

With this, Republic of Macedonia fulfilled one of the most important obligations under Protocol V of the multilateral agreement for establishing the European Common Aviation Area with the European Union.

#### 4.4. Transport system safety strategy, action plan

<i>Area</i>	<i>Action Plan</i>	<i>Priority</i>	<i>timeframe</i>	<i>Status of realization in 2009</i>
<i>Vehicles safety</i>				
Road	Vehicle registration and technical inspection	In place		Realized
	Law enforcement on the use of security equipment	In place		Realized
Railway	Law enforcement on the use of security equipment	Short term	2 years	Ongoing
	Law enforcement on transport the hazardous materials on railway.	Short term	1 year	Ongoing
Air	Harmonization with the ECAC Agreement	Short term	1 year	Ongoing
	Safety & Emergency Plans	Short term	1 year	Ongoing
	Aviation Security Training program	Short term	1 year	In final phase
	Certification of airports and ANSP accordingly with the EU regulations	Short term	2 years	Ongoing
	ICAO full compliance in airports, airfields and Air Navigation infrastructures and equipments	Short term	4 years	Ongoing
	Certification and licensing of operators and staff accordingly with EU regulations	Short term	4 years	Planned
<i>Behavior on the roads</i>				
Road	Provide media campaigns on security	Short term	2 years	Realized
	Provide law enforcement measures	Short term	1 year	Realized
<i>Infrastructure safety</i>				
Road	Harmonization of the road signs	Short term	3 years	Ongoing

	Infrastructure safety management in place	Short term	2 years	Ongoing
	Tunnel safety measures and audits	Short term	2 years	Under analyses
	Impact studies on road safety and economical cost of deaths, injured and invalidity resulting from road accidents.	Short term	2 years	Реализирано-изработена Национална стратегија за безбедност на патиштата
	Proper regular, winter and investment maintenance.	Short term	1 year	Realized
	Enforce the road inspection sector	Short term	1 year	Ongoing
	Issuing the <i>Rulebooks</i> on: - Roads designing in urban areas • Designing of city streets and roads • Designing of road junctions Service structures and facilitates on the roads.	Short term	2 years	Realized
Railway	Implement the improved signaling equipment on the collision spots.	Short term	4 years	Under analyses
	Implement the security measures on the cross sections with the roads	Short term	4 years	Under analyses
<i>Joint rescue and emergency services</i>				
Road	Implementation of the proper services and information's in relation with the other relevant institutions.	Short term	4 years	Realized

Priorities:

Short term    0-4    years  
Mid term      5-7    years  
Long term     8-10   years

### **5. Objective 3: Accessibility and Mobility<sup>7</sup>**

Transport systems have a key role to play in order to ensure accessibility in every location in the country.

Accessible Public transport will facilitate the social and economical integration of citizens.

#### **5.1. Efficient & Affordable Public Transportation System**

It is highly important that *public transport and services* are accessible to the full range of potential users. Strategically, the government needs to reduce disparities regarding accessibility to transport between the different social groups.

An improved public transport system is likely to reduce single car traveling.

Public Transport must be available especially for older, disabled and young people in order to ensure their mobility.

- The government will promote the use of Public Transport and support the Public transport System to offer efficient, affordable services and consider price regulation measures and subsidies in the case of public interest.
- Efforts will be undertaken to provide safe services, modern equipment, attractive schedules and appropriate stations.

#### **5.2. Accessible facilities and services**

The Strategy will be as following:

- New policies and regulations should be put in place to protect pedestrians and cyclists
- Enabling the access to the cultural and historic heritage of the country
- The free and fast access to health services, emergency and other security services on the core network has to be ensured and efficiently managed by the responsible institutions.

#### **5.3. Aged & disabled people**

The government will improve access to appropriate transport for all, including vulnerable persons, the transport impaired and their care takers in order to enhance participation, independence and to reduce a possible social exclusion.

- Policy towards preventing isolation of older and disabled people, providing them with access to medical services and other basic and specific needs will be a future challenge for Republic of Macedonia.
- Accessibility planning has to close the gaps in transport provision, identifying areas of poor integration and potential social exclusion.
- Support and increase the sensitivity of Municipalities to put in place facilities meeting the needs of older and disabled people.

#### **5.4. Reasonable individual transport**

Introducing “reasonable individual transport” should be part of a shift in attitude and behavior and therefore be considered in future policies managing traffic car flows.

An efficient and attractive Public Transport will contribute to reduce the individual car transport to and from the residential areas.

#### **5.5. Access to the Sea Ports in the Region**

For landlocked countries, access and participation in the sea trade is not only costly, but the seaport access is vital to the development of the national economy.

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<sup>7</sup> The more detailed description on objective 3 is located on [Annex 04- Accessibility and Mobility](#)

United Nations Convention on the Law of the Sea from 10 December 1982 is defining the rights of the landlocked countries, where they shall have the right of access to and from the sea for the purpose of exercising the rights provided for in this Convention including those relating to the freedom of the high seas and the common heritage of mankind. To this end, land-locked States shall enjoy freedom of transit through the territory of transit States by all means of transport. The terms and modalities for exercising freedom of transit shall be agreed between the land-locked States and transit States concerned through bilateral, sub regional or regional agreements.

- It is essential for Republic of Macedonia to have special bilateral agreements in place with the respective countries for the use of strategic and preferential ports in the region based on the economical needs and use of these in order to ensure the competitiveness of country in a global economy.

## 5.6 Action plan for Accessibility and mobility

<i>Area</i>	<i>Action Plan</i>	<i>Priority</i>	<i>Timeline</i>	<i>Status of realization for 2009</i>
<i>Efficient &amp; Affordable Public Transport System</i>				
Road	Reduce the disparities regarding accessibility to transport between different social groups in society.	Short term	4 years	Realized
	Improving the legislation on public transportation system.	Short term	4 years	Realized
	Promotion of different public transport modes.	Short term	4 years	Ongoing
	Promote financial support for certain social groups.	Short term	4 years	Realized
	Ensure access of remote areas to the road transport infrastructure	Mid term	7 years	Ongoing
Air	Public transportation system (buses) to and from the airports with the main cities served by them	Short term	4 years	
<i>Accessible facilities and services</i> Road				Realized
	Provide free access to the health, fire and security services on the road network	In place		Ongoing
Railway	Provide free access to the health, fire and security services on the station facilities	Mid term	5 years	Ongoing
	Provide the accessible services in relation with other modes of	Mid term	5 years	Ongoing

	transport.			
	Provision of socially necessary services and possible operating subsidies;	Short term	4 years	Ongoing
Air transport	Adapt ground handling procedures and equipment for PRM (passengers with reduced mobility)	Short term	2 years	Ongoing
	Adapt the airport to permit the seamless handling of PRM (passengers with reduced mobility)	Short term	4 years	Ongoing
<i>Aged and disabled peoples</i>				
Road	Provide proper access to the transport infrastructure system and services to this vulnerable group.	Short term	4 years	Realized
	Accessibility planning concerning the infrastructure and signs.	Short term	4 years	Under analyses
Railway	Provide proper access to the transport infrastructure system and services to the vulnerable group	Short term	4 years	Under analyses
Air	Provide free access to health services in the airports	Short term	2 years	
<i>Reasonable individual transport</i> Road				Ongoing
	Develop policy framework for the traffic management and support to Municipalities	Mid term	7 years	Under analyses
	Reducing the need for individual car travel by ensuring that the proper transport service is given to and from residential areas	Mid term	7 years	Planned
Air	Upgrading car parking facilities for passengers, groups and staff	Short term	4 years	Ongoing

Priorities:

Short term 0-4 years

Mid term 5-7 years

Long term 8-10 years

## **6. Objective 4: Environmental Sustainability<sup>8</sup>**

Transport policy plays an important role in strengthening the economic and social cohesion of our country and environmental issues are increasingly integrated in the development of our transport policies which will be integral part of the EU transport policy, thus reducing social costs to the society.

With a commitment to support sustainable travel the transport strategy provides further support to a more integrated land-use pattern which reduces the overall need to travel and where travel is necessary, encourages the use of more sustainable options. ([fig m 07](#))

The following topics will be the outstanding areas where the MoTC will focus its consideration:

### **6.1. Protection on water resources**

The main objective is to reduce the transportation impact on the quantity and quality of the water environment. The consideration are also applied on the physical aspect of water bodies, including for example potential morphological alterations arising from disturbances to existing hydrological patterns by engineering works, dredging etc.

- With the promotion of the legislative measures, the new development will avoid negative impact on the water environment with the environmental appraisal at the national and local level determining impact of major infrastructures, with applying the appropriate measures to protect and preserve this aspect of the environment.

### **6.2. Protection on biodiversity**

The main objective will be to conserve biodiversity at all levels and according to the protection of national environmental programs and strategies.

- The new transportation strategy will be towards reducing the need to travel which will be beneficial in terms of limiting biodiversity habitat fragmentation.
- New development will avoid designated areas and other sensitive sites. Sensitive planning, design and timing of any new construction and maintenance will be promoted.

### **6.3. Improving the air quality**

Transport is a major contributor to local air pollution, especially in terms of nitrogen dioxide (NO<sub>2</sub>) and particles. This includes effects on local air quality in terms of human health and biodiversity.

- The strategy will be focused on improving the air quality through reducing emissions and pollution from the transport system.
- The strategy will promote the reducing the overall traffic volumes which will positively assist in reducing the air pollution.
- The strategy will promote the way of establishment of equal conditions for the transport of all types of traffic (road and rail), which would solve the problems of congestion due to traffic density, environmental pollution and protection of road infrastructure;
- The Strategy will promote measures to reduce the impact of anthropological activities related to construction of new transport infrastructure, including excavation of materials and energy use. These measures will be assessed as part of the project;
- The strategy will encourage the introduction of demand management measures to reduce traffic flows, to prevent induced traffic from taking up the public transport road space, to promote use of alternatively fuelled vehicles and to include public transportation.

### **6.4. Improving the use of land**

The main objective will be to safeguard the quantity and quality of the soil resources. Within European frameworks, the Republic of Macedonia falls into the group of countries characterized by medium size of agrarian and arable land. One of the priorities of the National Spatial Plan is to protect agrarian land, especially with strict limitation on its transformations. Almost the same applies to the forests where the total land area is covered with forests, forest crops, and intensive plantations. The loss or severance of agricultural land and forestry by new transport infrastructure may affect the viability of agricultural land, on the existing production facilities and on the soil erosion. ([fig. m 08](#)), ([fig m 10](#))

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<sup>8</sup> The more detailed description on objective 4 is located on [Annex 05-Environmental Sustainability](#)

- The strategy will promote the measures of reducing the negative impact from the human activities on especially use of arable and agrarian land for the purpose of transport infrastructure.
- The measures will be in line with the particular institutional policy and the National Spatial Plan.

### **6.5. Reducing the negative climate impact**

Reducing the energy consumption and CO<sub>2</sub> emissions and the associated impacts of climate change will be an important issue of the future sector development.

- The Strategy will support measures in reducing climate change effects through the inclusion of policies to reduce the need to travel and promotion of sustainable travel.
- The measures on promoting use of alternatively fuelled vehicles, including alternative public transport and encouraging the demands on management measures to minimize the traffic levels, will significantly contribute on reducing the negative climate influences.

### **6.6. Reducing the negative impact on the population activities**

Transport has a significant role to play regarding access to opportunities and services.

- The strategy will promote the assessments at design level to ensure that the disadvantaged communities and sensitive sites will not experience negative impacts from the transportation (none) development.
- The strategy will promote active travel i.e. walking and cycling with improving the real and perceived safety levels of walking and cycling.
- Strategy for directing freight transport which is destined for transport by rail, which according to the European Transport Policy Institute of Transportation Studies of the EU emissions of harmful exhaust emissions per tonne / kilometer by rail is 6.4 times smaller compared to road transport. Limit of axis pressure to protect roads, bridges, in particular transit traffic.

### **6.7. Caring for the human health**

Transport has a direct impact on human health, both in terms of physical health and indirectly through impacts associated with air pollution arising from the transport network.

- The strategy will promote the health of the human population with improved air quality, improved access to the facilities and greater opportunity for the engagement in physical activity.
- This issue also covers access to key services such as healthcare facilities.
- Noise considerations should be fully addressed by environmental appraisal at the national and local level with appropriate mitigation measures adopted where necessary.
- The strategy will encourage the transport providers to invest in alternatively fuelled vehicle fleets with promoting the active travel which will contribute in overall human health.
- One of the elements to improve health care for people by building the policy of conversion to urban transportation especially light rail systems.

### **6.8. Protecting the existing material assets**

New development in infrastructure, are producing requirements on new resources and waste generation. It also covers the loss or relocation of other assets such as greenbelt sites and other urban infrastructure.

- The strategy will promote the management, maintenance and efficient use of the existing transport infrastructure and the efficient use of resources in the development of new infrastructure.
- The use of material assets will be an integral part of environmental appraisal at the national and/or local level. Use of recycled or secondary made aggregates should be encouraged where possible.

### **6.9. Protecting the cultural heritage**

The historical environment is fragile and vulnerable to damage, including that posed by transport infrastructure development. Transport schemes may also impact on the built environment of urban areas which may contain historic buildings or be designated as conservation area. ([fig m 09](#))

- The strategy will promote measures for reducing the negative impact on designated areas and other sensitive sites with the undertaking of, archaeological investigations where appropriate and identification of mitigation measures through design level assessments.

#### **6.10. Protecting the landscape**

Both the physical and visual appearance of transport infrastructure can pose a major impact on the existing landscape. Transportation activities could effect on the character and integrity of the landscape, in particular areas designated at the national or local level on the grounds of their natural beauty. New infrastructure projects can have a significant impact on the quality of panoramas, specific views and the visual environment of sensitive areas.

- The strategy will promote protection on the character, diversity and unique qualities of the landscape.
- Environmental appraisal at the national and local level will determine how the infrastructure will fit with the landscape and will propose measures that will retain, improve and protect characteristic features and landscape patterns.

#### **6.11. Strategy on environmental sustainability, action plan**

<b>Area</b>	<b>Action Plan</b>	<b>Priority</b>	<b>Timeline</b>	<b>Status of realization for 2009</b>
<i>Protection on natural resources</i>				
Road	Promote the environmental protection sustainability in cooperation with the relevant ministries in the country.	In place		realized
Railway	Reducing emissions, by using the <a href="#">Electric Multiple Unit</a> (EMU)	In place		realized
Air transport	Development of the Master Environmental Plan for the ATS			Planned
	Noise monitoring & limitation program			Ongoing
	Waste management program	Short term	2 years	Ongoing
	Water treatment program	Short term	2 years	Ongoing
		Short term	2 years	Ongoing
		Short term	4 years	Ongoing

## 7. Objective 5: - Urban Transport<sup>9</sup>

The transition period in Republic of Macedonia has generated differences between social and economic development of cities, particularly identified through a greater role in shaping land use. The transition economies combine rapidly increasing motorization with a rapidly declining fiscal capability to support public transport systems and improving transport infrastructure.

### **7.1. Basic principles to guide the development of Urban Transportation in line with international best practices**

Following World Bank suggestions<sup>10</sup>, three principles should be applied to guide the development of urban transport policies: economic viability, financial viability and efficiency.

Therefore, the major objective must be to:

- Develop a Sustainable Urban Transport Strategy for the largest cities in the country, including a framework for development and investments, including management and enforcement of commercial on-street and off-street parking on the basis of a PPP concept.
- Encourage the local governments to prepare the Sustainable Urban Transport Strategy to complement their efforts in making the town centers more attractive for both residents and tourists
- Promote private sector investment and management.

Help the Municipalities in the implementation of their transport strategies through developed guidelines.

### **7.2. Improve and encourage for preparation of a new traffic policy in the main urban areas on the country**

Traffic management should be focused on:

- Improving the movement of people rather than improving the movement of motorized vehicles.
- Ensure safe, affordable, quick, comfortable, reliable and sustainable access for the growing number of city residents to jobs, education, recreation and other needs in accordance with the National Transport Strategy.
- The focus will be placed on country main urban areas with a population more than 50.000 inhabitants.

### **7.3. Strategy on urban transportation system**

<b>Area</b>	<b>Action Plan</b>	<b>Priority</b>	<b>Timeline</b>	<b>Status of realization for 2009</b>
<i>Guidelines for Urban Transportation in line with international best practices</i>				
	Provide the guidelines which will cover the development of the urban transportation system.	Short term	2 years	Ongoing

<sup>9</sup> The more detailed description on objective 4 is located on [Annex 06 - Urban Transport](#)

<sup>10</sup> Urban Transport, World Bank 1987

<i>Transport Policy &amp; Planning</i>				
	Liberalization the urban transport services and recourse to the private sector.	in place		Realized
	Promote the use of environmental friendly vehicles.	Short term	2 years	Ongoing
	Provide the law enforcement measures.	Short term	2 years	Ongoing
	Promote integrated ticketing in urban public transport for improvement of accessibility and attraction of this mode of transport.	Short term	2 years	Ongoing
	Measures to improve the parking policy in the cities.	Short term	2 years	Ongoing
	Develop a Sustainable Urban Transport Strategy for the largest cities in the country.	Short term	2 years	Under analyses
	Promote the new legislative concerning the rail urban transport.	Short term	2 years	Under analyses
	Promote the use of helicopters from the airports to hotels, resorts & hospitals	Long term	8 years	Planned

Priorities:

Short term    0-4    years  
Mid term      5-7    years  
Long term     8-10   years

## 8. Objective 6: Inter and Multi-Modality of Transportation Systems<sup>11</sup>

The concept of international multi-modal transport covers the door-to-door movement of goods under the responsibility of a single transport operator. According to the UNCTAD, the multimodal transport is defined as following:

**Multimodal transport means the carriage of goods or passengers by at least two different modes of transport.**

**Intermodal transport is defined by the involvement of more than one mode of transport in the movement of goods or passengers in an integrated chain of transport.**

### 8.1. Freight transportation, technology and management units

The transport sector using several modes has to consider the following concepts:

- A Multimodal Transport Network is a logistically linked system using two or more transport modes with a single rate.
- Data exchange, handling, processing and distribution systems have to be safe, reliable and cost effective in the movement of freight and passengers.

Multimodality requires the use of containers, swap bodies, pallets or semi-trailers.

Republic of Macedonia will promote the:

- Efficient Door-to-door service
- Latest EU developments regarding the standardization and harmonization of multi modal loading units.
- Education and training which will be focused towards the operational, marketing, financial, economic and competitive factors of modes of transport and multimodal execution.

Republic of Macedonia will furthermore:

- Adopt the UN Multimodal Convention and recommend the use of the ICC INCOTERMS to all parties involved in the transportation chain.
- Adhere to the regional multimodal development strategy for the SEE Region
- Provide land and resources whilst private sector would be encouraged to implement PPP in the use and supply of inter-/multimodal services

### 8.2. Passenger transportation

Intermodal transport concepts for passenger transportation are likely to be an attractive alternative to 'car-only' travel. In this respect inter modal travel chains may comprise all transport modes including public transport, walking, cycling and car use.

The strategy will include:

- Promotion of efficient intermodal concepts which will reduce the reliance on the private car and allow the use of more environmentally friendly modes for the benefit of the community.
- Promotion of integrated public transport services between the different modes of transport.
- Improve integration by making journey planning and ticketing easier, as well as ensuring smooth connections between the different forms of transport.

### 8.3. Multi modal nodes - Freight Interchange Terminals

In the Memorandum of Understanding with the SEE signed in June 2004, Republic of Macedonia is committed to promote and develop the regional and international transport of goods and passengers i.e. the multimodal transport network.

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<sup>11</sup> The more detailed description on objective 6 is located on [Annex 07 - Inter- & Multi-Modality of Transport Systems](#)

So the need to develop multimodal nodes for interconnectivity and transshipments are a condition for a functional and efficient supply-chain.

In the longer term inter-modal movement of air cargo will increase.

The lack of railway connections with Albania and Bulgaria is a big obstacle to increase our exports towards foreign markets and not only limited to the neighboring countries, but also to the region of Eastern Europe (Russia, Belarus, Ukraine...), Turkey and Caucasus.

The criteria defining the location of the nodes are:

- Development of the industrial, agricultural and tourist sector
- Must be in line with the main SEE transport axes especially on the crossroads of the Corridors,
- Reducing the negative impact from the incomplete Corridor VIII.
- Reducing the transport costs especially on the import -export activities;
- Strategic connection with the neighboring countries,

Republic of Macedonia will together with the private sector:

- Promote and facilitate the construction of multimodal nodes in Skopje, (there is already one existing multimodal junction in Skopje-Tovarna, that needs to be modernized), Strumica (Novo Selo), Bitola and Struga based on a thorough comparative and feasibility study ([fig. m 11](#))
- Study the possibility of linking Republic of Macedonia and Albania with railways between Struga and Pprenjas, taking into consideration the following benefits:
  - Lower cost of construction as compared to completing Railways Corridor VIII
  - Enabling the connection with the deep sea port of Durres
- Study the possibility of linking Republic of Macedonia and Bulgaria with railways between town Strumica (or Novo Selo) and Petrich taking into consideration the following benefits:
  - Lower cost of construction as the relief in both regions is flat
  - Link to the deep sea port of Burgas and Varna
  - Link to corridor IV in Bulgaria

#### **8.4. Policy of modal shift**

The Strategy of the Ministry of Transport and Communications for multimodality shall be defined with:

- Introduce policy that would redirect especially freight transport from road to rail transport that will contribute to the protection of the environment and will affect the quality of roads (military and emergency transport, seasonal aspects ...)
- Ministry of Transport and Communications will stimulate redistribution modal transportation from cars (especially when the coefficient of the vehicle is one person) to promote public transport, walking and cycling as safer and more sustainable alternatives.

### 8.5. Action plan for Strategy on multi modal transport

<b>Area</b>	<b>Goal/activity</b>	<b>Priority</b>	<b>Timeline</b>	<b>Status of realization in 2009</b>
<b>Freight transportation</b>				
<b>Road, Rail, Air</b>	Standardization and harmonization of multimodal loading units with promotion of the European Intermodal Loading Unit	Short term	4 years	Ongoing
	Construction of the multi modal nodes on the feasible locations in the country in accordance with the comparative feasibility study.	Mid term	7 years	Under analyses
<b>Passenger transportation</b>				
<b>Road, Rail, Air</b>	Promote the access to the multi modal nodes, the information's regarding the routes.	Mid term	7 years	Under analyses
	Integrate the ticketing and luggage services within the different modes of transport	Short term	4 years	Under analyses
<b>Multimodal service</b> <b>Road, Rail, Air</b>	Promote door-to-door services and rates to customers by integrating air, rail services and local truck pick up and delivery.	Mid term	7 years	Under analyses
<b>Modal Shift</b> <b>Road, Rail, Air</b>	Promote modal shift away from the car, towards walking, cycling and public transport.	Short term	2 years	Under analyses
	Introduce policy to shift the freight and passengers from the roads to the modes that are environmentally more efficient.	Short term	2 years	Under analyses

Priorities:

Short term    0-4    years  
 Mid term     5-7    years  
 Long term    8-10   years

## 9. Objective 7: Financing & Investments in the Transport Network<sup>12</sup>

### 9.1. Road sector

The road users and tax payers in general are expecting a clear cut policy regarding the planning, financing and management of the national road network.

Therefore transparent processes and auditing procedures must be put in place.

The four major strategic issues are to define a proper road management and financing system:

- Managing and financing the reformed road sector with clearly established institutional responsibilities.
- Get the buy in of the road users ensuring that resources are used efficiently, that monopolies are abolished, that clear processes and procedures for spending and management are in place and finally that measure for increased management accountability is common practice.
- Restructuring the road sector and its institutions in line with internationally best practices and good governance.

#### 9.1.1. Public Income

According to the Law on Public Roads (Official Gazette of RM "No.84/08, 52/09 and 114/09) funds for construction, maintenance and rehabilitation protect the public roads are provided by:

- Transfer from the Central budget (part of the excise duty on oil derivatives)
- Compensation for use on public roads for motor vehicles and trailers (road tax),
- Compensation for the use of public road or part thereof subject to the road (toll)
- Fees on other grounds
- The funds from the state Budget and budgets of municipalities and the City of Skopje
- Loans and credits
- other income.

The current revenue structure is showing that the biggest contribution is done by the part of the fuel excise tax, annual vehicle registration tax, highway tolls and from the foreign loans and grants.

The enforcement of the strategic income measures in the Agency for State Roads and PE "Makedonija Pat" will cover the following items:

1) Reducing the financial leakage from the toll collection by the:

- Implementation of the Integrated toll collection system;
- Revision of exempted vehicles policy
- Registration of the exempted vehicles at the toll stations;
- Better monitoring systems in place for traffic and auditing purposes
- Zero tolerance policy for corrupt employees

2) Enforcing the Agency's capacity in controlling the:

- Revenues from the annual vehicle registration tax;
- Additional fees for heavy freight vehicles
- Driver license fees;
- Technical Control Fees.

3) Increase of the transfer of the central budget pursue to the possibilities of the Budget of the Republic of Macedonia<sup>13</sup>

<sup>12</sup> The more detailed description on objective 7 is located on [Annex08 - Financing & Investments in the Transport](#)

<sup>13</sup> The strategy on final road sector financing, was adopted in the CARDS Project of Restructuring the Road Sector.

### 9.1.2. Allocation of Public Income

Currently the Agency for State Roads is dividing all cost positions as following:

- Road Investments related to the construction of new roads,
- Designs & studies,
- Supervision and pilot projects,
- Maintenance,
- Toll collection expenditures,
- Loan payments and
- Administrative running costs of the Agency.

Maintenance is defined as following:

- Winter maintenance,
- Routine maintenance,
- Periodic maintenance,
- Maintenance of bridges and
- Other work expenses aligned to road infrastructure safety issues.

As a matter of fact, PE "Makedonia Pat" has higher expenditures as actually allocated by the budget. The overall estimation is that the quality of the road network (the infrastructure) of the national and regional roads is ranging from 10% for the less maintained roads to 60% for the better maintained roads (Highways and part of the National roads).

Given this situation, the strategic financing priorities should be focused on the following:

- *Primary is the proper maintain of the existing re-categorized road network.* The priority of maintenance will be defined according to the road category and socioeconomic cost for the users in order to preserve the current asset value.
- *The second priority should focus on new infrastructure development aligned to regional and European commitments.*

As an overarching rule, the financing should be in line with a balanced national budget, repayment capacity and based upon realistic growth expectations of the country economy.

#### 9.1.2.1. Determination of new road investment principles

Key objective of the transport sector is to promote its competitiveness in the international market and to support sustainable development of the country's economy. The policy of development / investment in the road sector should improve all segments of country economic infrastructure and will bring it closer in the line with EU standards. The main principles in selecting the priorities for new investments in the country shall be as following:

- The Projects must be of a national and regional interest.
- The Projects must be viable economically, showing a positive cost/benefit analysis and stimulating the countries' sustainable economic development.
- The Projects should contribute to enhanced safety of road transportation, quality of life and respect the environment.
- Projects to be financially sustainable, and to include wherever possible, especially in investment in large infrastructure projects and private sector through Public Private Partnership
- All possibilities to obtain bilateral or multilateral grants, donations or favorable funding should be sounded before engaging budget expenditures.
- The Projects outcomes must contribute to an increased use of modern technologies in line with best international standards and practices.

### 9.1.2.2. New Road Strategic investment priorities

In light of country commitments towards SEE Core Regional Transport Network and our aim to be fully connected to the Trans - European Transport axes, the finalization and completion of Corridors X and VIII are a national priority. ([fig.02](#))

Taking into account the previously defined strategic financial principles, the advanced design status, *the short term priorities* will be focused on the missing highway sections on Corridor X ([fig.m 13](#)):

- Highway section: Tabanovce - Kumanovo, with length of 7.3km., and
- Highway section: Demir Kapija - Smokvica, with length of 28 km.

The urgency of completing the Corridor X is also required in order to give Republic of Macedonia a competitive advantage on transit traffic in comparison to other parallel corridors (Corridor IV) within the region. Furthermore Republic of Macedonia needs to put additional services in place in order to be considered as an attractive and alternative route

The country's *long term priorities* on the Corridor VIII development will be focused on:

- Construction of the highway from the Albanian border – via Skopje – to the border with Bulgaria;

In terms of the remaining part of road infrastructure Republic of Macedonia shall focus on the branch Xd (as a branch of the Corridor X), road section Bitola-Resen-Ohrid and travel directions Stenkovec-Blace and Miladinovci-Stip.

As regards the local and regional roads, in the second part in 2008 by the World Bank implementation of the project to rehabilitate regional and local roads in the country began.

## 9.2. Railway

Market opening and fair competition are powerful tools to promote-business oriented modes and better performance. This requires number of important things:

- The allocation of infrastructure capacity and adjusts the cost of using infrastructure, must be done in a manner that will prevent conflict of interests between rail carriers and the railway infrastructure manager,
- Establishment of a regulatory body of the railway.

Development of "Macedonian railways" should take equal and significant place in the EU railway system. Therefore the transparent processes and auditing procedures must be put in place. Major strategically defined issues will be to define a proper:

- Real management and financing system.
- Managing and financing with clearly established institutional responsibilities.
- Obtaining the equal mutual relations of all participants on the transport market, by the national strategy.

### 9.2.1. Public Income

The current transport revenues are coming from the following:

- Passenger and freight transport
- Budget funds for maintenance, rehabilitation, repair and protection of railway infrastructure
- Fee paid by the rail carrier of the manager of the rail infrastructure for transport of passengers
- Other revenues (rents services, sales)
- Foreign loans and grants

The enforcement of the strategic income measures will be focused on:

1. Budget funds for maintenance, rehabilitation, repair and protection of railway infrastructure;
2. Funds for reimbursement of part of the cost of public interest services for the carriage of passengers in railway (PSO), on the basis of agreement with the Government or mayors or mayor of the City of

Skopje and the selected carrier, according to the Law on Public Procurement;  
3. Fee paid by the rail carrier of the railway infrastructure manager for access to railway infrastructure.

#### **9.2.1.1. Allocation of incomes**

- Maintenance of the infrastructure and the rolling stock capacity;
- Infrastructure and rolling stock investments;
- Covering the expenditures of passenger traffic (P.S.O);
- Other expenditures
- Loan repayment
- Administrative costs

#### **9.2.2. Determination of Priorities & Strategic Investments**

Priorities are determined by the MoTC and the PE "Macedonian Railways - Infrastructure".

- Strategically defined first priority is to raise the level of service to existing routes in the network, especially those on Corridor X and rehabilitation of the line Bitola – Kremenica
- The second investment priorities will be focused on:
  - Telecommunications and signalization and security level crossing improvement along the Corridor X alignment.
  - Lines upgrading and capital remount on the following sections:
    - Tabanovce-Kumanovo (13km)
    - Nogaevci-Negotino (31 km)
    - Miravci-Smokvica (12 km.)
    - Bitola – Kremenica (16 km.)
    - Kumanovo –Deljadrovci (2 km)
- Third investment priority shall be completion of the railway Corridor VIII

#### **9.2.3 Investment principles**

Key objective of the transport sector is to promote its competitiveness in the international market and to support sustainable development of the country's economy. The policy of development / investment in the rail

Sector should improve all segments of country economic infrastructure and will bring it closer in the line with EU standards. The main principles in selecting the priorities for new investments in the country shall be as following:

- The Projects must be of a national and regional interest.
- The Projects must be viable economically, showing a positive cost/benefit analysis and stimulating the countries' sustainable economic development.
- The Projects should contribute to enhanced safety of rail transportation, and respect the environment.
- Projects must be financially sustainable and involve wherever possible Public Private Partnership Investment Schemes.
- All possibilities to obtain bilateral or multilateral grants, donations or favorable funding should be sounded before engaging budget expenditures.
- The Projects outcomes must contribute to an increased use of modern technologies in line with best international standards and practices.

### **9.3. Air transport**

Development of Macedonian Air transport is a crucial part of the economic growth of Macedonia. Improving air transport will allow industry to grow, international trade to expand and people to more easily travel to and from the country. Moreover, a modern and reliable aviation system will help Macedonia reach its goal of European Union integration through both the utility of the system itself and positive growth effects that can be derived from increased transport. There are several projects that should be implemented in the short to medium term in order to meet the increased amount of traffic and the needs of passengers, these projects include:

- Increase in capacity,
- Full compliance with ICAO standards,

- Creation of accessible facilities and services,
- Adaptations for handling of passengers of restricted mobility,
- Upgrading Car Parking Facilities,
- The improvement of Access to and from Airports
- Providing additional land to deliver the future needs of airports and
- Upgraded road and urban transport in general, the connection of the main airports service areas.

**Concessions of airports "Alexander the Great" - Skopje Airport St. Paul the Apostol - Ohrid and construction of new cargo airport in Stip.**

On the basis of tender procedure for granting concession the Concession Agreement is signed for the development, financing, use and maintenance of airports "Alexander the Great" - Skopje, St. Paul the Apostle "- Ohrid and the new cargo airport in Stip on 24.9.2008 between the Government of Republic of Macedonia, represented by the Minister of Transport and Communications and TAV Havalimanları Holding A.Ş. / TAV Macedonia LTD Skopje.

The signed agreement is related to the concession period of 20 years.

**9.4. Action plan for Strategy on Financing & Investments in the Transport Network, action plan**

<b>Area</b>	<b>Action Plan</b>	<b>Priority</b>	<b>Timeline</b>	<b>Status of realization in 2009</b>
Public income				
Road	Restructuring the Financing of the Road Transport Sector.	CARDS Project on restructuring the road sector.		Completed
	Improve the collection system and introducing the new price methodology.	Short term	2 years	Ongoing
	Enforce the capacity of the State road Agency to control income and expenditures	Short term	1 year	Ongoing
	Signing of a Concession Agreement for certain sections of the network of Republic of Macedonia	Short term	2 years	Ongoing
	Project for regional and local roads World Bank 2008-2013	Mid term	5 years	Ongoing
Railway,	Law enforcement on budget allocations on railway			Completed
Air Transport	Enforce the revenue control from airport users	Short term	1 year	Ongoing
	Modernization of the car parks of passengers, groups and personnel	Short term	4 years	Planned
	Improvement of the access to airports	Short term	2 years	Ongoing
	Adaptation of the airport towards the people with disability	Short term	4 years	Ongoing
	Defining the stances of the RM in the negotiations for SEE-FABA or any other FAB	Short term	1 year	Planned

	Development of the Master Environmental Plan for air transport	Short term	2 years	Planned
<i>Allocation of Public Income</i>				
Road,	Promote the new investment principles and priorities in accordance with the strategy	Short term	1 year	Realized
	Enforce the collection and quality of the road transport data survey.	Short term	2 years	Realized
Railway	Public Service Obligation (PSO) allocation	Short term	1 year	Realized

Priorities:

Short term    0-4    years  
Mid term      5-7    years  
Long term     8-10   years

## **10. Objective 8: Specific goals for Republic of Macedonia<sup>14</sup>**

### **10.1. Road sector**

The ongoing structural reforms for the sector are in line with the country's efforts towards EU accession, and more specifically towards meeting the Copenhagen economic criteria. In order to meet these criteria it is necessary to promote the establishing of the functional market economy that will be able to withstand the competitive pressure of the EU common market.

The transport sector has therefore a key role to play in reaching these targets contribution with its expertise and services.

#### **10.1.1 Restructuring of existing Public Entities in line with international best practices**

The concept of the "Second generation of the road fund" is to develop a new autonomous Road Agency.

This agency will have the overall responsibility of all related road infrastructure issues and the proper, transparent allocation of funds to the different contractors.

A professional and efficient management in place for design, studies, planning and supervision is key to success.

The following four institutional strategic components have to be included in the restructuring process:

- The transformation process should have a strong legal basis.
- The new entity should have an independent executive body.
- The new entity should have an independent overseeing body in place.
- The new entity should have proper and transparent policies, procedures and processes in place, especially regarding their fiduciary accountability.

The main objective is to have a consistent and efficient structure with clearly assigned responsibilities and skills for the Agency, Makedonia Pat and the MoTC in place.

The basic assumption is that the MoTC is responsible for the State Public Road Network in Republic of Macedonia. The administrator and client for road management and contracts will be the Road Agency, whilst the Makedonia Pat will become the contractor.

#### **10.1.2 Road maintenance management**

The maintenance of the country's infrastructure network is critical to the competitiveness of R. of Macedonia.

The Strategy will therefore be:

- To maintain the magistral roads with high traffic volume
- To maintain the higher ranked re-categorized regional roads
- To privatize the road maintenance market for the following areas, wherever possible:
  - Highway operation and toll collection;
  - Periodic maintenance;
  - Routine and winter maintenance;
  - Multi-year contracts.

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<sup>14</sup> The more detailed description on objective 8 is located on [Annex09 - Specific goals for Macedonia](#)

### **10.1.3 Visa and Licensing Issues for Truckers**

Currently, our road transport companies have to face serious delays in having granted visas for their professional drivers, thus impacting on their participation in the transport market, their positioning in the regional and European market and affecting their ability to remain competitive.

Another issue is the limited attribution of CEMT-Licenses for country Transport Companies.

The strategy will be to negotiate with the EU an easier and smoother procedure for attribution of visas for the professional drivers and to have the number of CEMT-Licenses increased.

## **10.2. Railway**

The structural reforms are fully consistent with the country's efforts towards EU accession.

### **10.2.1 Restructuring of existing Public Entities in line with international best practices**

Government of Republic of Macedonia is firmly committed to reforms in the railway sector and the transformation of the former public enterprise Macedonian Railways C.O. in two new companies: Public Enterprise Macedonian Railways Infrastructure and Macedonian Railways Transport AD as two independent legal entities with separate accounts. On 09.08.2007, the Central Registry of the Republic of Macedonia has issued the necessary documents with which the two new companies have started with their activities.

#### **10.1.1.1 Rail operational and infrastructure management**

The Law on Railways (Official Gazette of the Republic of Macedonia No. 64/05, 24/07), regulates the organization of the railway system, in the manner of operating and managing the infrastructure.

## **10.3. Air transport**

### **10.3.1 Current status of aviation administration and restructuring activities**

#### **Ministry of Transport and Communication - Aviation Sector**

Ministry of Transport and Communications through the Aviation Department has the following responsibilities in the field of aviation:

- Drafting the national strategy for developing aviation;
- Implements the policy of the Government of Republic of Macedonia in the field of aviation;
- Implements the policies of the Government of Republic of Macedonia in the provision of concessions in the field of aviation;
- Proposes laws in the field of aviation and prepares and adopts the bylaws;
- Supervises the work of CAA (Civil Aviation Agency);
- Implements a procedure for temporarily concession under forced administration;
- Appoints an independent slot coordinator for the allocation of slots for take-off and landing and
- Establish a commission to investigate accidents and serious incidents.

#### **Transformation of the Civil Aviation Agency (completed)**

Pursuant to Article 7, paragraph 2 of the Aviation Act, the Civil Aviation Agency is an independent state body that functions as a legal entity. The responsibilities of the Agency for Civil Aviation are set out in paragraph 3 of Article 7.

The transformation of the Civil Aviation Agency is an obligation arising from Article 193 of the Law on Aviation. As a result, the sector in the civil aviation agency responsible for air traffic control has become a separate joint stock company in state ownership, with activity "provision of air navigation services". The Agency for Civil Aviation will retain regulatory functions of air regulation in aviation.

The new joint stock company in state ownership as service provider of air navigation M-NAV AD Skopje is registered in the Central Register of Republic of Macedonia on 04.06.2009.

#### **Air Navigation Service Provider (ANSP)**

The establishment of joint stock company in state ownership functioning as air navigation service provider M-NAV AD Skopje should enhance the efficiency and lead to improvements not only integrated in the organizational structure and technology of work, but also in terms of increasing traffic safety as the highest priority on raising the quality of ANS services and availability for end users. The new joint stock company shall be designated provider of air navigation services in the Macedonian air space, if it has a certificate under the Law on Aviation, and this is maintained as a permanent validity.

#### **Stock Company for Airport Services "Airports of Macedonia "- Skopje**

The new joint stock company for Airport Services Airports of Macedonia "- in state ownership is registered in the Central Register of Republic of Macedonia on 22.08. 2008.

In accordance with ICAO standards and regulations of the EU, the following commissions and committees exist:

#### **Commission to investigate serious accidents and incidents in aviation**

This committee investigates accidents and serious incidents in aircraft or parachutes the airspace of the Republic of Macedonia and is independent in its work. There is a permanent member appointed by the Government and temporary members that in case of accident or incident of serious aircraft or parachute are appointed by the Minister of Transport and Communications from the list of aviation specialists, depending on the type of aircraft in question .

#### **National Committee for Aviation Safety**

The work of the committee including representatives from the Ministry of Transport and Communications, Ministry of Defense, Ministry of Interior, Ministry of Finance (Customs), airport operators, airlines and air navigation service providers. The committee works as a permanent committee for coordination of all activities to ensure all actions for unlawful conduct in the aviation. The Committee is responsible for taking preventive measures, organized action and removal of consequences of actions directed against the security of civilian air traffic.

#### **National Committee to facilitate transport in air traffic**

The committee consists of representatives from the Ministry of Transport and Communications, Ministry of Defense, Ministry of Interior, Civil Aviation Agency, air navigation service provider, Customs, Air ports operators, providers of airport services and airlines. The Committee is responsible for taking measures to facilitate the acceptance, accommodation and sending aircraft, passengers, baggage, cargo, mail and more.

#### **National Slot Coordinator (NSC)**

Currently, each airport in MAcedonia performs allocation of slots and thus has a direct impact on airlines and flight schedules. The Law on Aviation provides appointment of independent national coordinator to RM to allocate slots for takeoff and landing. Independent national coordinator for the allocation of slots is appointed only if the flow of passengers at the airport, exceed one million per year and if there is continuous lack of facilities handling. In this case, the further allocation of slots is important at least half of all new or returned slots to allocate to new interested carriers, so as to stimulate competition.

#### 10.4 Strategy on specific goals in Republic of Macedonia, action plan

<b>Area</b>	<b>Action Plan</b>	<b>Priority</b>	<b>Timeline</b>	<b>Realization status for 2009</b>
<i>Restructuring the existing public entities</i>				
Road	Restructuring of the Fund for national and regional roads into an Agency for for state roads	In place		In place
	Transformation of PE Makedonija Pat	Short term	3 years	Ongoing
Rail	Separation of the infrastructure of the operator	In place	4 years	In place
Air Transport	Legal acts: - CAA, CBC (MTB), ANSP - By laws	Short term	1 year	Ongoing
	Establishment of ANSP	Short term	1 year	In place
	Restructuring of PEAS	In place	1 year	In place
	Establishment of a Committee for better air transport	Short term	1 year	In place
	Approval of the new organization of the national aviation sector	Short term	2 years	Ongoing
	National Slot Coordinator set up ( <i>if necessary</i> )	Long Term	8 year	Planned
<i>Management of maintenance</i>				
Road,	Re - categorization of the existing road network	Short term	2 year	Ongoing
	Defining the new road maintenance strategy	Short term	2 years	Ongoing
	Promote commercialization and liberalization of the road maintenance market.	Short term	2 years	Under analyses
Rail	Strengthening of the legal provisions for management of the railways maintenance	In place		In place

<i>Visa Issues for truckers</i>	Ease the visa procedures to and from the EU and neighboring countries.	Short term	2 years	In place
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Priorities:

- Short term    0-4    years
- Mid term     5-7    years
- Long term    8-10   years

## 11. Objective 8: Implementation, Management & Monitoring of the National Transport Strategy

### 11.1 Considerations for Implementation

The Ministry will supervise the implementation of the present strategy.

An implementation budget has to be put in place.

Key considerations will be are:

- To create relevant databases and gather relevant statistics in order to match quality and progress of implementation.
- To monitor the implementation and adapt to international best practises, needs and priorities of the country.
- To develop coherent policies
- To work closely together with other public administrations where overlaps exists and
- Wherever possible, get their buy-in and financial participation in the implementation of the strategy

According to the priorities and timelines set, studies have to take place in order:

- to check financial viability
- to prepare decision making of funding such as national budget, support from international donors in form of grants or loans bearing in mind the financing ability and avoiding indebting the country
- to check feasibility
- to determine the cost-benefit of the projects
- to check socio-economic impact of the project
- to check compatibility with environment strategies and sustainability of the project
- to have transparent tender processes in place
- to monitor the progress of the projects in line with international best practises
- to evaluate on a regular basis the achieved results
- to adapt and update on a regular basis the present strategy

### 11.2 Management and Monitoring

The purpose of the monitoring mechanism is to monitor and evaluate the implementation of the actions in the National Transport Strategy.

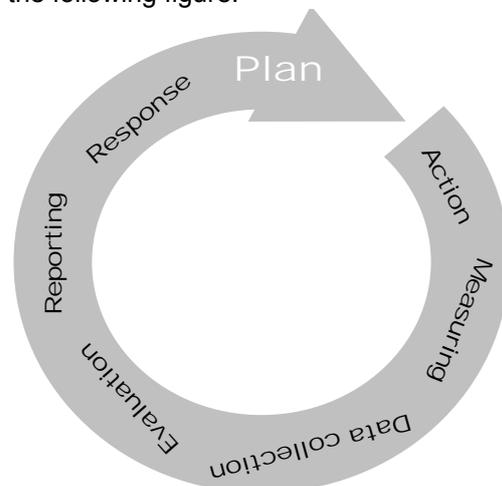
This delineation is important because it clearly defines what to monitor and to evaluate.

The monitoring and evaluation process is illustrated in the following figure.

Responses, plans and actions belong in the decision makers and politician's domain.

The lower part of the cycle contains the monitoring and evaluation components:

- Measuring
- Data collection and procession
- Evaluation
- Reporting



### **11.3. Risks & Assumptions:**

The following considerations are key success factors for the implementation of the Strategy:

- Political willingness to implement the strategy is a key success factor.
- Maintenance of political stability within the region
- Financial Component will decide on lifetime of the strategy and its priorities
- The Ministry's staff must be dedicated, capacitated and committed to adopt and implement the strategy
- Cooperation between other Ministries, Public Administrations, Universities, Experts, Users and professionals in the transport sector itself are influencing the successful implementation.

### **11.5. Regular Revision of the Strategy:**

- This strategy is based on a ten years period and covering the years from 2007 till 2017.
- The strategy was revised and updated 2 times a year during the first 2 years.
- The first revision of the National Transport Strategy refers to the period August 2007 to February 2008. The second review covers the period from March 2008 to December 2008. The third review covers the period from January 2009 to December 2009.
- The responsibility of updating lies within the Ministry of Transport and Communications.
- Progress and implementation of the strategy will be incorporated in the Ministry's regular reporting to the Government

## **12. Annexes**

- [Annex 01 General country information's](#)
- [Annex02 - Promoting the Economic Development](#)
- [Annex03 - Safety in the Transportation System](#)
- [Annex 04- Accessibility and Mobility](#)
- [Annex 05-Environmental Sustainability](#)
- [Annex 06 - Urban Transport](#)
- [Annex 07 - Inter- Multi-Modality of Transport Systems](#)
- [Annex08 - Financing and Investments in the Transport Network](#)
- [Annex09 - Specific goals for Macedonia](#)

## **13. Maps**

- **fig m 01: Road network in relation with the other modes of transport**
- **fig m 02: Road Corridors and proposed transport routes**
- **fig m 03: Road network and the relations between the municipalities**
- **fig m 04: Road network in relation with the Axes of the country development**
- **fig m 05: Roads in relations with the inhabitants concentration**
- **fig m 06: Road network in relation with the tourist areas in Macedonia**
- **fig m 07: Roads in relation with the environmentally protected areas.**
- **fig. m 08: Road network in relation with the land use.**
- **fig m 09: Roads in relation with the national cultural heritage**
- **fig m 10: Roads in relation with the country forestry resources.**
- **fig m 11: Proposed multimodal nodes in Macedonia**
- **fig m 12: Existing railway network in Macedonia**
- **fig m 13: Sections of road priorities**

## 14. References

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