

Republic of Macedonia Municipality of Berovo

Project Appraisal Document

"Construction and reconstruction or rehabilitation of various streets in the Municipality of Berovo" World Bank

Municipal Services Improvement Project

Berovo, August 2012

EXECUTIVE SUMMARY

The project assumes construction and reconstruction/ rehabilitation of various streets in the local communities of Berovo and Mitrashinci in the Municipality of Berovo. The total length of the streets that are subject to this Appraisal is 2,149.47m, varying in length from 230.2m to 417m, while the width of the street varies from 3.5m to 6m. According to the conditions on the terrain, the width of the sidewalks varies from less than 1m to 1.5m.

The relevance of the Project results from the fact that 9% of the total population is directly influenced by negative implications of the inadequate surface of streets and sidewalks. The main purpose of the proposed technical solution is to provide a long range improvement of the streets by maximizing the technical life of the surface, thus meeting the needs of the community in the Municipality of Berovo.

The Project is in-line with the Strategy for Local Economic Development (2012-2017) where the highest strategic priority defined in the area of municipal infrastructure is improvement of the existing network of local roads and streets and construction of a new ones where it is deemed as necessary. The Mayor and the municipal administration strive to achieve full coverage of a transport, communal and electricity infrastructure throughout the municipal territory. It can be inferred that the implementation of the Project will undoubtedly contribute towards improvement of the quality of life and well – being of the citizens of the Municipality of Berovo. Municipality of Berovo has implemented various similar projects in the past, some of which in collaboration with international institutions, which implies that the Municipality is able to implement large construction projects such as this one.

The proposed technical solution is in-line with the existing standards and positive regulation for this kind of Projects, which implies that the implementation of the Project is technically feasible. No adverse social or environmental impacts were identified for this Project.

The Project is relevant to the development objective of the MSIP because it is considered both as cost - efficient and cost - effective over a long run. The cost-benefit analysis showed the Project is acceptable and desirable for implementation according to the methods used. In addition, the Project will cause significant unquantifiable benefits such as increasing the traffic safety and comfort, increasing the traffic capacity and communications, ensuring a feeling of security by pedestrians, enhancing the commercial activities, as well as extending the outdoor social and recreational activities for the residents living on the streets. Additionally, the implementation of the project is expected to lead towards reduction of the municipal costs for constant repairs of the streets. The implementation of the project is also expected to increase the property value for houses and other residential or commercial objects on the streets, thus increasing the growth of revenues from property taxes. It is worth mentioning that most of the streets that are subject to this Appraisal lead to wellknown tourist attractions. Taking this into account, the Project would definitely ensure better access to what the Municipality offers, thus contributing towards increasing the number of tourists and ultimately towards higher economic development in the Municipality of Berovo. Furthermore, it is very difficult to relate the benefits of Projects of this kind with the economic development and poverty levels in a certain Municipality in a short-term. However, taking into consideration that increasing the quality of the transport infrastructure is linked with decreasing poverty, the Project will definitely have a wide positive impact on the economic growth and the poverty level, not only in a short term but also in the longer term perspective.

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¹ Strategy for Local Economic Development (2012 – 2017), Municipality of Berovo.

1 PROJECT DESCRIPTION

1.1 General Information on the Municipality of Berovo

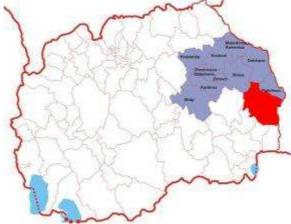
The Municipality of Berovo is one of eleven constituent municipalities of the East planning region of the Republic of Macedonia. The Municipality is situated on the far eastern part of the Republic of Macedonia, between 41°06" latitude and 23°12" and 22°37" longitude (picture 1), spreading on an area of 595km² on an altitude of around 800m.

Picture 1. Municipality of Berovo



*Note: the municipal territory is marked in dark green Source: State Statistical Office

Picture 2. East planning region with its eleven constituent municipalities



*Note: 1. Berovo (marked in red), 2. Vinica, 3.Delchevo, 4.Zrnovci, 5.Karbinci, 6.Kochani, 7.Makedonska Kamenica, 8.Pehchevo, 9.Probishtip, 10. Cheshinovo-Obleshevo and 11. Shtip Source: Centre for development of the East-Planning Region

The border line with the Republic of Bulgaria is on the eastern part of the Municipality of Berovo, the borderline with the Municipalities of Novo Selo, Bosilovo and Vasilevo is on the southern part, the borderline with the Municipalities of Pehcevo and Delcevo is on the northern part, while the borderline with the Municipalities of Radovis and Vinica is on the western part. The Municipality has 13,941 inhabitants (revised Census data from 2005) and 9 local communities of which, the local community of Berovo (the city of Berovo) is considered as an urban area, while the other 8 local communities - Rusinovo, Smojmirovo, Ratevo, Dvoriste, Macevo, Mitrasinci, Budinarci and Vladimirovo are local villages located in the rural area of the municipality. This Project that is subject of this Appraisal is intended to be implemented in the local communities of Berovo and Mitrashinci.

Picture 3. Hydro-geological map of the Republic of Macedonia 1:200.000

Source: Civil Engineering Institute - "Macedonia", Geotechnical department, Skopje 2010

The average annual minimum temperature is 2.8°C, while the annual maximum temperature is 15.3°C, which classifies the area as relatively mild to cold. The area of the Municipality of Berovo is considered as hilly-mountainous with lowland terrain only along the river bed of the Bregalnica river. Thus, the area is characterised by long and snowy winters and short and relatively fresh summers. The number of rainy days per year is 118 on average. In addition, the average quantity of rainfalls is 672 mm/m³, which are unevenly distributed throughout the year. The months that are classified as the rainiest are May, June and November with an average of 64% of the average annual amount, while August and September are considered as the least rainy months with an average of around 10% of the average annual amount of rainfalls. The annual amount of snowfalls is about 15% and it happens from October to May. Annually, there are 42 days on average under snow.

1.2 Demographic profile of the Municipality of Berovo

According to the revised 2005 Census, the total number of inhabitants is 13,941 with a negative natural growth rate of 3.4% for the year of 2010. The total number of households is 4,715, while the average number of households' members is 2.96. Additionally, the total number of dwellings is 6,742. There are 65km of local roads, 3 post offices and 11 primary health protection centres. Additionally, there is one high school and 2 primary schools where 1,205 children at the age of 6-14 attend. As regards economy, there are 448 active enterprises according to the latest State Statistical Office data. The rate of unemployment is 30.4%, while the activity rate 49%. The women activity rate is 39.8%. The main macroeconomic indicators of the Municipality of Berovo are provided in Table 1.

Table 1. Main macroeconomic indicators of the Municipality of Berovo*

Demography	Municipality of	East planning	Republic of
Demography	Berovo	region	Macedonia
Total Population	13,941	181,857	2,022,547
Rate of natural increase (per mil)	-3.4%	-0.2%	2.5%
Total number of households	4,715	57,896	506,203
Average number of households members	2.96	3.11	3.58
Total number of dwellings	6,742	72,248	697,529
Percentage of dwellings that live in dwellings connected to the public water supply system	99.8	n.a	85.5
Percentage of dwellings that live in dwellings connected to the sewerage system	56.8	n.a	59.8
Percentage of dwellings that live in dwellings connected to the central heating	0.001	n.a	8
Infrastructure			
Local roads	65km	1,183km	9,252km
Number of locations in primary health protection	11	n.a	n.a
Number of Post offices	3	n.a	n.a
Education			
Regular primary schools in school year 2010/2011	2	n.a	1,046
Children at age 6-14 that attend school	1,205	15,485	204,439
Population literacy at age 10 and more	12,306	155,237	1,693,044
Economy			
Number of business subjects – active (as of 31.12.2010)	448	6,069	75,497
GDP per capita (US\$)**	n.a.	4,237	4,328
Fixed capital investment (Denar million)**	n.a.	7,953	82,966
Employment			
Employment rate (Percentage of employed in working-age population – age 15-64)	69.6	n.a	38.7
Activity rate	49.0	n.a	56.9
Activity rate of women	39.8	n.a	36.1
Unemployment rate (percentage of unemployed from the labour force)	30.4	n.a	32.0

Source: State Statistical Office, Revised Census Data 2005, Municipality of Berovo.

The following table represents the age distribution in the total population. The analysis of data shows that the age groups are mainly distributed in the age groups of 10 - 54.

^{*}Note: last available data

^{**} Note: the data is for the East planning region which constitute of the 11 municipalities of Berovo, Vinica, Delchevo, Zrnovci, Karbinci, Kochani, Makedonska Kamenica, Pehcevo, Probishtip, Cheshinovo-Obleshevo and Shtip.

Table 2. Age repartition

	Municipality		East planning	East planning region		f Macedonia
Repartition	Number	Percent	Number	Percent	Number	Percent
0 - 4	676	4.8	9,443	5.2	122,757	6.1
5 – 9	812	5.8	10,821	6.0	143,184	7.1
10 - 14	1,008	7.2	13,197	7.3	160,339	7.9
15 – 19	1,057	7.6	14,359	7.9	165,422	8.2
20 - 24	1,046	7.5	13,987	7.7	161,945	8.0
25 – 29	910	6.5	12,909	7.1	153,461	7.6
30 - 34	930	6.7	12,621	7.0	148,281	7.3
35 - 39	982	7.0	13,653	7.5	149,837	7.4
40 - 44	1,051	7.5	14,092	7.8	146,902	7.3
45 - 49	1,082	7.8	14,297	7.9	142,688	7.1
50 - 54	949	6.8	12,784	7.1	127,760	6.3
55 - 59	756	5.4	9,528	5.3	95,234	4.7
60 - 64	699	5.0	8,495	4.7	89,822	4.4
65 - 69	668	4.8	8,411	4.6	84,443	4.2
70 – 74	536	3.8	5,819	3.2	61,969	3.1
75 – 79	422	3.0	3,984	2.2	40,384	2.0
80 – 84	230	1.6	1,916	1.1	18,975	0.9
Above 85	122	0.9	874	0.5	7,941	0.4
Age unknown	5	0.0	48	0.0	1,203	0.1
Total:	13,941	100	181,228	100	2,022,547	100

Source: State Statistical Office, Revised Census Data 2005

The following table represents the gender repartition in the total population. As it can be seen, 50.3% of the total population in the Municipality are male, while 49.7% are female, which means that there is nearly equal representation of male and female in the total population.

Table 3. Gender repartition

	Municipality of Berovo		East planning region		Republic of Macedonia	
	Male	Female	Male	Female	Male	Female
Number	7,006	6,935	91,558	89,670	1,015,377	1,007,170
%	50.3	49.7	50.5	49.5	50.2	49.8

Source: State Statistical Office, Revised Census Data 2005

Table 4 represents the urban repartition in the total population. The data infer that there is nearly equal representation of the population living in urban and rural areas, which means that around 50.2% of the total population is settled in the urban area of the Municipality of Berovo (Table 4.)

Table 4. Urban repartition

	Municipali	ty of Berovo	Republic of Macedonia		
Repartition	Number	Percent	Number	Percent	
Urban	7,002	50.2	1,169,032	57.8	
Rural	6,939	49.8	853,515	42.2	
Total	13,941	100	2,022,547	100	

Source: State Statistical Office and Municipality of Berovo

In relation to the ethnic affiliation of the citizens, the prevailing population in the Municipality of Berovo are Macedonians, representing 95.7% of the total population (Table 5). It is important to note that each of the ethnicities speaks its own languages in the informal communication. The officially used language in this Municipality however, is the Macedonian with its Cyrillic alphabet.

Table 5. Population repartition

	Municipality of Berovo		East planning region		Republic of Macedonia	
Repartition	Number	Percent	Number	Percent	Number	Percent
Macedonians	13,335	95.7	167,417	92.4	1,297,981	64
Serbs	20	0.1	594	0.3	35,939	2
Roma	459	3.3	6,929	3.8	53,879	3
Vlachs	6	0.0	2,535	1.4	9,695	0
Turks	91	0.7	3,163	1.7	77,959	4
Bosniacs	3	0.0	25	0.0	17,018	1
Albanians	0	0.0	19	0.0	509,083	25
Others	27	0.2	546	0.3	20,993	1
Total	13,941	100	181,228	100	2,022,547	100

Source: State Statistical Office, Revised Census Data 2005

According to the data available, the number of live births in the Municipality of Berovo is fluctuating around 113 on average over the last 5 years (Table 6).

Table 6. Live births number in Berovo

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Total births						
		2006	2007	2008	2009	2010
N/	Male	57	57	51	68	69
Municipality of Berovo	Female	57	52	50	55	48
Berovo	Total	114	109	101	123	117
	Male	886	831	849	970	913
East planning region	Female	792	817	815	830	865
	Total	1,678	1,648	1,664	1,800	1,778
Republic of	Male	11,629	11,772	11,826	12,340	12,631
Macedonia	Female	10,956	10,916	11,119	11,344	11,665
Wacedonia	Total	22,585	22,688	22,945	23,684	24,296

Source: State Statistical Office

1.3 Economic profile of the Municipality of Berovo

The number of newly registered enterprises is fluctuating around 58 on average over the last 6 years (Table 7).

Table 7. Newly registered enterprises (2006 – Q1 2012)

Year	Newly registered enterprises in the Municipality of Berovo
2006	51
2007	70
2008	77
2009	83
2010	35
2011	33
end of Q1 of 2012	4

Source: Central Registry of the Republic of Macedonia

Additionally, according to the SSO data, private enterprises are operating mainly in wholesale and retail trade, repair of vehicles, motorcycles and personal and household goods (159), followed by manufacturing (65), transport storage and communication (40), accommodation and food service activities (38), other service activities (31), agriculture, forestry and fishing (30), human health and social work activities (20) and construction (17).

Table 8. Active business subjects by sectors (as of 31.12.2010)*

Active business subjects by sectors	number	in %
Agriculture, forestry and fishing	30	6.7
Mining and quarrying	1	0.2
Manufacturing	65	14.5
Water supply, sewerage, waste management and remediation activities	1	0.2
Construction	17	3.8
Wholesale and retail trade, repair of motor vehicles and motorcycles	159	35.5
Transportation and storage	40	8.9
Accommodation and food service activities	38	8.5
Information and communication	5	1.1
Professional, scientific and technical activities	15	3.3
Administrative and support service activities	10	2.2
Public administration and defence	3	0.7
Education	6	1.3
Human health and social work activities	20	4.5
Arts, entertainment and recreation	7	1.6
Other service activities	31	6.9
Total	448	100

Source: State Statistical Office *Note: last available data

When analyzing the labour market, the available data show that 5,589 of the municipal population is considered as economically active, of which 3,891 are employed (42.5% male, 57.5% female), while 1,698 are unemployed. From the total number of the unemployed persons 16.8% are male, while 83.2% are female.

Table 9. Activity rates

		Economically active			Economically	Total
		All	Employed	Unemployed	inactive	
Municipality of	Number	5,589	3,891	1,698	5,811	11,400
Berovo	Percent	49.0	69.6	30.4	51.0	100
East planning	Number	200,937	143,745	57,192	205,455	406,392
region	Percent	49.4	71.5	28.5	50.6	100
Republic of	Number	743,676	460,544	283,132	833,325	1,577,001
Macedonia	Percent	47	62	38	53	100

Source: State Statistical Office, Revised Census Data 2005

Finally, 5,811 persons are considered as economically inactive, where 40.9% are male, while 59.1% are female.

1.4 General description of the Project

In general, the project assumes construction and reconstruction/rehabilitation of various streets in the Municipality of Berovo.

The technical design (Chapter 4) assumes construction of the street of "Prohor Pcinski" and reconstruction or rehabilitation of the streets of "Goce Delcev", "Dimitar Vlahov", "23ti Avgust", "29ti Noemvri", "1vi Maj" in the local community of Berovo, as well as a street in the local community of Mitrashinci. The total length of the streets that are subject to this Appraisal is 2,149.47m, varying in length from 230.2m to 417m, while the width of the street varies from 3.5m to 6m. According to the conditions on the terrain, the width of the sidewalks varies from less than 1m to 1.5m.

The streets are located in the local communities of Berovo and Mitrashinci. According to the data from the Municipality, 120 inhabitants live on the street located in the local community of Mitrashinci. Taking into account that the street that is subject to this Appraisal is one of the main streets in this community, it can be inferred that all of the inhabitants will benefit of its reconstruction. This street is considered as an exit street of the local community of Mitrashinci that leads to the private properties (fields) of the local residents implying the frequency in traffic on this street. In addition, this street conjuncts with the local forest road that leads to the pine forest and other coniferous and deciduous type species of forests which is recognized as famous tourist attraction for mountaineering and hiking and thus, frequently visited by tourists. On the other hand, the streets of "Prohor Pcinski", "Goce Delcev", "Dimitar Vlahov", "23ti Avgust", "29ti Noemvri" and "1vi Maj" are considered as main streets in 6 settlements in the local community of Berovo and on which, according to data available, 1,140 inhabitants live. This means that 9% of the total population of the Municipality will have a direct benefit of the implementation of this Project. Furthermore, there are around 2,800 inhabitants that gravitate around these streets, implying that additional 20% of the total population will have a direct benefit from the implementation of this Project.

The streets are part of the Detailed Local Urban Plans (DLUPs hereinafter) for the local communities which are adopted by the municipal council. The DLUPs of the local communities were used as a base for elaboration of the technical documentation of the Project. Picture 4 below presents the municipal area concerned with the Project which was extracted from the relevant DLUPs.

According to the information provided by the Municipality, the street in the local community of Mitrashinci as well as the streets of "Goce Delcev", "Dimitar Vlahov", "23ti Avgust", "29ti Noemvri" and "1vi Maj" in the local community of Berovo have been constructed during the 1970s and they are in a very poor condition (Picture 5 below). The infrastructure on these streets has fallen into such disrepair that an extensive reconstruction is required, so as to extend their useful life. The main purpose of the proposed technical solution for these streets is to provide for their long range improvement by maximizing the technical life of the surface, thus meeting the needs of the local communities. On the other hand, the main purpose of the proposed technical solution for the street of "Prohor Pcinski", which involves construction of a new street section is to significantly improve the existing street section so it can correspond to valid road standards. It is worth mentioning that this street is considered a main street in a settlement which is mainly inhabited by Roma population (the second largest community in the Municipality of Berovo) implying the strive of the municipal administration to improve the living standard of the Roma population with the implementation of this project as well.

The objectives of the technical solution of the project are as follows:

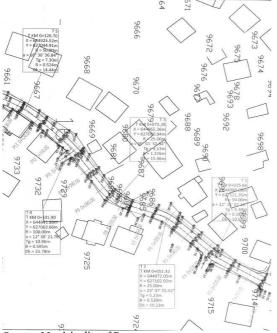
- to provide traffic comfort, convenience and safety for the pedestrians and traffic by improving the surface on the streets and sidewalks, as well as their carrying characteristics;
- to ensure that inundation on the "Prohor Pcinski" street occurs only on very rare occasions and that the velocity/depth conditions during these events are below prescribed limits;
- to satisfy various social, recreational and residential needs of the citizens in the local communities.

The benefits expected from the implementation of this Project are related to increasing the traffic safety and comfort, increasing the traffic capacity and communications, ensuring a feeling of security by pedestrians, enhancing the commercial activities, as well as extending the outdoor social and recreational activities for the residents living in the local communities where these streets are located. The present condition of the streets causes frequent interruption of public transport services and forces the citizens to search for alternative

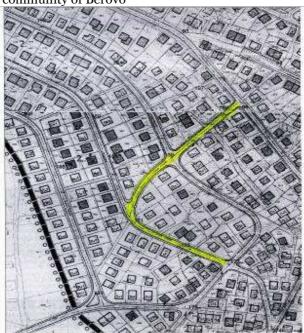
routes, which ultimately results in fall of productivity. Additionally, the implementation of the project is expected to lead towards reduction of the municipal costs for constant repairs of the streets. Once the project is implemented, the Municipality will spend less money for repairs and reallocate them to other municipal services. The implementation of the project is also expected to increase the property value for houses and other residential or commercial objects on the streets, thus increasing the growth of revenues from property taxes.

Picture 4. The municipal area concerned with the Project

a. The street in the local community of Mitrashinci



b. The street of "Prohor Pcinski" in the local community of Berovo



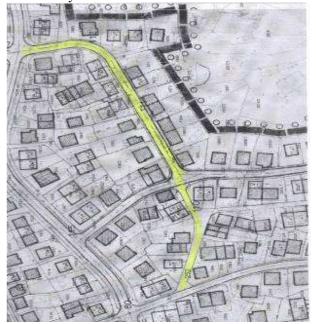
Source: Municipality of Berovo

c. The street of "1vi Maj" in the local community of Berovo



Source: Municipality of Berovo

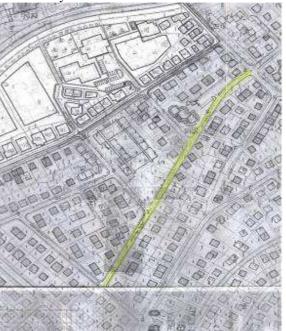
d. The street of "29ti Noemvri" in the local community of Berovo



e. The street of "23ti Avgust" in the local community of Berovo



f. The street of "Dimitar Vlahov" in the local community of Berovo



Source: Municipality of Berovo

g. The street of "Goce Delcev" in the local community of Berovo



Source: Municipality of Berovo

Picture 5. Present condition of the streets that are subject of this Appraisal

a. The street in the local community of Mitrashinci



Source: Field research, June 2012

c. The street of "1vi Maj" in the local community of Berovo



Source: Field research, June 2012

b. The street of "Prohor Pcinski" in the local community of Berovo



d. The street of "29ti Noemvri" in the local community of Berovo



e. The street of "23ti Avgust" in the local community of Berovo



Source: Field research, June 2012

f. The street of "Dimitar Vlahov" in the local community of Berovo



g. The street of "Goce Delcev" in the local community of $\underline{\text{Berovo}}$



Source: Field research, June 2012

1.5 Strategic Interest of the Municipality of Berovo to implement the Project

If implemented, the Project will contribute towards accomplishment of the strategic goals in the area of infrastructure of the Municipality of Berovo. As elaborated in the Strategy on Local Economic Development of the Municipality of Berovo (2012–2017), the highest strategic priority in the area of improvement of the municipal infrastructure is improvement of the existing network of local roads and streets and construction of a new one where it is deemed as necessary. ² The Mayor and the municipal administration strive to achieve full coverage of a transport, communal (utility) and electricity infrastructure throughout the municipal territory. It can be inferred that the achievement of the above elaborated goal will undoubtedly contribute towards improvement of the quality of life and well–being of all of the citizens of the Municipality of Berovo.

1.6 Knowledge and Experience of the Municipality of Berovo to implement the Project

The knowledge and experience needed for successful implementation of the Project are related to project management, technical knowledge and execution of procurement practices. The Municipality of Berovo, the competent authority in this Project, has participated in a wide variety of large construction or other type of projects with different investors, whereby the Municipality allocated the land and provided the investors with technical services, and gained in return new businesses on its territory or improved housing facilities, schooling facilities, wastewater networks and treatment. The Municipality has implemented several Projects for improving municipal services supported from the European Commission, European Investment Bank, UNDP, USAID, Swiss Agency for Development and Cooperation and others. It can be inferred that the Municipality is able to contribute with the necessary experience to large construction Projects such as the construction and reconstruction/rehabilitation of various streets in the urban districts of the Municipality of Berovo envisaged to be financed from the World Bank MSIP funds to the Government of the Republic of Macedonia.

1.7 Concluding remarks

The Project is in-line with the Strategy for Local Economic Development (2012 – 2017) and it will contribute towards achieving the vision of the municipal administration for providing full coverage of a transport, communal and electricity network throughout the municipal territory. The relevance of the Project results from the fact that 9% of the total population is directly influenced by negative implications of the inadequate surface of streets and sidewalks. The proposed technical solution is in-line with the existing standards and regulations for this kind of projects. The knowledge and experience needed for successful implementation of the Project are related to Project management, technical knowledge and execution of procurement practices. Municipality of Berovo has implemented various similar Projects in the past, some of which in collaboration with international institutions, which implies that the Municipality is able to construction implement large **Projects** such as the construction and reconstruction/rehabilitation of various streets in the urban districts of the Municipality of Berovo.

² Strategy for Local Economic Development (2012 – 2017), Municipality of Berovo, 2011.

2 SOCIAL IMPACT

2.1 Methodology

The methodological approach was based upon the methodological concept of World Bank summarized as Five Entry Points, One Result. This concept requires exploration of five components - social diversity and gender, institutions, rules and behaviour, stakeholders, participation and social risk. The Assessment anticipated field research to get available information on interests and attitudes of stakeholders during the period of March-June 2012. Unfortunately, the time and resources constraint, did not admit application of all instruments for data collection such as survey, meetings with focus groups, thus the research is reduced to relevant secondary data from the Municipality of Berovo and face-to-face interviews with five officials (the Mayor, the President of the Council, the Head of the Department for Urban and Communal Utilities, the Head of Unit for local economic development issues and the Head of Department for financial issues in the Municipality of Berovo), who gave their opinions about the role and influence of various stakeholders in the process of decision making relevant to the Project, as well as the level of information, capacities and readiness of the citizens to support the Project.

Taking their delegation and duties into account, the above mentioned officials proved to be useful interpreters of the opinions of the citizens since being their representatives and having frequent meetings with them, they are very familiar with the needs, attitudes and opinions of the local population.

Nevertheless, the weakness of this approach lies in its indirectness. More precisely, the indirect way of getting information on this issue, plus possibility of subjective approach among some of the interviewees decreases the level of accuracy of the public opinion in this respect. However, the answers from the interviews are very indicative and give a very good insight in the local processes relevant to the Project.

2.2 Social diversity and gender

Like in the other Municipalities in the country, in the Municipality of Berovo, citizens are organized into various social groups based on their status prescribed at birth (ethnicity, gender, language, etc.). From the demographic data presented in Chapter 1, the following can be seen:

- The age groups are mainly distributed in the age of 10–54. The data show that this is the case both on the East Planning Region's level and on a country level as well;
- The live births number in the Municipality is growing on an annual basis. The data show that this is the case both on the East Planning Region's level and on a country level as well;
- There is nearly equal representation of male and female in the total population in the Municipality. The data show that this is the case both on the East Planning Region's level and on a country level as well;
- There is nearly equal representation of population living in urban and rural areas (50.2% of the total population in the Municipality is located in the urban area);
- The prevailing nationality in the Municipality of Berovo is the Macedonian, representing 95.7%, followed by the Roma population which constitute 3.3% of the total population;
- Each of the ethnicities in the Municipality speaks its own languages in the informal communication. The officially used language in the Municipality is Macedonian with its Cyrillic alphabet;

- 99.8% of the households are connected to the public water supply system, opposite to 85.5% on a country's level;
- 56.8% of the households live in dwellings connected to the public sewerage system, opposite to 59.8% on a country's level;
- 0.001% of the households live in dwellings connected to central heating, opposite to 8% on a country's level;
- There are 448 active business subjects in the Municipality, opposite to 75,497 in the country;
- The activity rate in the Municipality is 55%, opposite to 47% in the country;
- The activity rate of women in the Municipality is 39.8%, opposite to 36.1% in the country;
- The unemployment rate in the Municipality is 30.4%, opposite to 32% in the country.

Asked about the number of beneficiaries of the projects, the interviewees expressed their opinion that all of the citizens in the Municipality will be beneficiaries of the Project. However, the citizens who live on the street in the local community of Mitrashinci, as well as on the streets of "Prohor Pcinski", "Goce Delcev", "Dimitar Vlahov", "23ti Avgust", "29ti Noemvri" and "1vi Maj" located in the local community of Berovo, can be considered as direct beneficiaries of the Project. According to the data available, 1,260 inhabitants live on these streets, which is 9% of the total population in the Municipality of Berovo. In addition, there are around 2,800 inhabitants that gravitate around these streets, implying that additional 20% of the total population in the Municipality will benefit from the realization of this Project.

2.3 Institutions, rules and behaviour

According to the interviewees' opinions the selected contractor must provide guarantees for the realization of the Project. The Municipal Council might request information from the Mayor in reference to the Project's realization at any time. In addition, based on experience with other Projects and the overall existing local road and streets network in the Municipality of Berovo, the municipal administration has the capacity to maintain the streets after the implementation of the Project. In addition, the Municipality has an administration, which has experience to monitor the progress of the Project.

2.4 Stakeholders

There are several important stakeholders of the Project. The interviewees fully agree that the most influential participants in the process of decision making at the municipal level are the Mayor and the Municipal Council. In addition, potentially influential stakeholder in Berovo is the business sector. The nongovernmental organizations (NGOs hereinafter) are influential to some extent, but not as much as the former. Citizens, as an organized group of stakeholders, articulate their opinions directly to the Council and the Mayor, through the local communities present in every District and they are not very influential stakeholder in the municipal decision making, although their opinion is always taken into consideration.

The interviewees stated that the Project is supported by the Councillors representing different political parties in the Municipal Council, which means that a political consensus is achieved on this issue and that the Councillors are considering this Project as one of the top priorities of the Municipality of Berovo. In respect to the citizens, the opinion of most interviewees is that all of

the citizens support or will support the Project, because it is in the general interest of municipal community.

Influential stakeholders are the Mayor and the Councillors representing different political parties. As implied earlier, this Project has been supported by the Councillors adding additional weight to its relevance.

The NGOs have some influence, but since this Project will promote improvement of the quality of life in the Municipality of Berovo, the NGOs are expected to be in favour of the Project.

The citizens in the local community of Berovo and Mitrashinci have frequently submitted their complaints about the current situation in the streets that are subject to this Appraisal, which again implies that the citizens are fully in favour of the Project. As elaborated earlier, since this Project is expected to influence the overall living standard in the Municipality, it is expected that the citizens will support the Project.

2.5 Participation

It is decided that the loan will be repaid from the municipal Budget in the following years. The answers of the interviewees were unanimous that there is no need for any kind of voluntary participation or financial contribution of the citizens.

2.6 Social risks

High social risks for carrying out the Project cannot be perceived. In the Municipality of Berovo, the Municipal Council consists of 15 Councillors from 6 political parties. Out of the total number of Councillors, 7 support the Mayor, 7 are in opposition while 1 is independent. In spite of their political orientation, the Councillors cannot endanger the realization of the Project because it is a part of the adopted DLUPs for the local communities of Berovo and Mitrashinci. The Project is also part of the Annual Program for Communal Utilities of the Municipality of Berovo, which has been also adopted by the Council. As elaborated earlier, the Councillors have already expressed their support for the Project and for raising a loan for its implementation.

Interviewees presented a wide range of priorities in many fields that are within the local government competencies. They identified: the construction or reconstruction of infrastructure (communal) facilities, increasing the employment rate, construction of water supply and sewage network, the local economic development, use of renewable energy sources, improvement of social aid and social protection to vulnerable groups, promotion of education and agriculture, etc. Without exception, all of the interviewees said that one of the highest priorities is improvement of the transportation (road and streets) network throughout the Municipality of Berovo, emphasizing the necessity of construction and reconstruction/rehabilitation of the streets that are subject of this Appraisal in particular.

Additionally, it was discussed in detail whether the citizens are fully informed of the intended construction and reconstruction/rehabilitation of the streets that are subject to this Appraisal and the ensuing financial repercussions on the Budget of the Municipality of Berovo. The interviewees believe that the citizens are informed in detail about the Project. Their arguments are based on the fact that this Project is part of the previously designed DLUPs for the local communities of Berovo and Mitrashibnci. The DLUPs have been prepared over a long period and they were a subject of a public debate. In addition, the interviews highlighted the frequent complaints by the citizens of the urban Districts about the current state of the streets that are a subject of this Appraisal, which implies that the citizens are fully informed about the implementation of this project.

One very important question that was discussed is related to potential feeling of inequality among the citizens and possibility they could endanger the realization of the Project in order to get some personal or group benefits?" The interviewees stated that it might happen that the realization of this Project causes a slight discontent among the population in other communities, simply because they will not be direct beneficiaries of the Project. However, taking into consideration that the citizens highlighted the improvement of the transportation network to contribute mostly to the improvement of the quality of life in the Municipality in general, they should be in favour of the Project. It is also important to state that the Municipality has the intention to improve the transportation network in all of the settlements. It solves the problems that were persistent for many years. Those, who will be not covered by this Project, can expect that will be provided with such public good subsequently. With the implementation of this strategically important project, the municipality is sending a strong signal that plans to solve this issue on the whole municipal area. The interviewees unanimously expressed their opinion that any special technical or economic obstacles and difficulties in the maintenance of the Project could not be expected. They referred to both the implementation phase and the operation's and maintenance phase.

Since the streets that are subject to this Appraisal are set on municipal (state) property, thus no expropriation issue is expected to be raised.

2.7 Other considerations

The construction and reconstruction/rehabilitation of the streets that are subject to this Appraisal, is expected to improve the overall community living in the Municipality of Berovo. The implementation of this Project is expected to create savings in the item of the municipal budget for the streets and road maintenance on the long-term basis. The implementation of the project is also expected to improve local public finances in a sense that once the streets are being reconstructed and/or rehabilitated, the Municipality will spend less money for repairs and reallocate them to other municipal services. Moreover, increased property value as a result of the improved infrastructure will result in growth of revenues from property taxes.

It is worth mentioning that the Municipality of Berovo is considered as one of the top tourist destinations in the Eastern part of the Republic of Macedonia with a high potential of rural and alternative (eco) tourism. The town of Berovo and its surroundings offer many historical monuments of an utmost historical, cultural and artistic value. Taking into account the significance of tourism for the economic development of the Municipality as well as the decline in the unemployment, the development of the rural tourism is considered as one of the pillars of the Strategy for local economic development of the Municipality of Berovo. In this regard, the Municipality frequently organizes fairs and exhibits for promotion of local traditional products, cultural and entertainment manifestations, outings and visits to tourist attractions, mountain climbing and hiking, etc. To that end, the Strategy for local economic development cites the improvement of the infrastructure for access to the Municipality and to what it can offer to the tourists as of an utmost priority for the municipal administration which would contribute towards increasing the number of tourists. In that respect, as it was elaborated earlier in the Appraisal, the streets that are subject to this Appraisal are considered as main streets in the settlements in the local communities of Berovo and Mitrashinci where most of them lead to some tourist attractions. Taking this into account, the Project would definitely ensure better access to what the Municipality offers, thus contributing towards increasing the number of tourists and ultimately towards higher economic development in the Municipality of Berovo.

2.8 Resettlement issues

This Project is not a subject to resettlement issues because the project involves construction and reconstruction/rehabilitation of already existing streets located on a municipal territory.

2.9 Concluding remarks

The Project is expected to be socially successful for the following reasons:

- the Project is relevant because it is considered both as cost-efficient and cost-effective over a long run and also useful for the improvement of the community living in the Municipality of Berovo;
- the Project is of a highest municipal priority for the public administration and for citizens;
- the stakeholders are very motivated by the realization of the Project;
- none of ethnicities is concentrated so to prevent the Project realization in case of their discontent;
- the Project does not bear very high financial burden in comparison to the Budget and the population is not placed into a position to contribute financially, so there is no cause for conflict on this point;
- the Project will ensure better access to the touristic attractions of the Municipality, thus contributing towards increasing the number of tourists and ultimately towards higher economic development in the Municipality of Berovo;
- the Project is not a subject to resettlement issues;
- no expropriation issue is expected to be raised during the implementation of the Project.

3 ENVIRONMENTAL IMPACT

The project includes several sub-projects which focus on the construction and reconstruction/rehabilitation of several local streets in the Municipality of Berovo, specifically in the local communities of Berovo and Mitrashinci. Six local streets are located in the local community of Berovo:

- a) Construction and reconstruction of the street "Prohor Pcinski",
- b) Reconstruction of the street "29ti Noemvri",
- c) Reconstruction of the street "1vi Maj",
- d) Reconstruction of the street "Dimitar Vlahov",
- e) Reconstruction of the street "Goce Delcev",
- f) Reconstruction of the street " 23ti Avgust",
- and one sub-project has been located in the village Mitrasinci:
- g) Reconstruction of the street in the local community of Mitrashinci.

The total length of the streets that are subject to this Appraisal is 2,149.47m, varying in length from 230.2m to 417m, while the width of the street varies from 3.5m to 6m, therefore the duration of the project activities will be in limited period of time, on limited location with very limited environmental impacts. The project scope consists of six main streets downtown in city of Berovo, so it is very important to ensure good and safety traffic in/out of Berovo while each of the streets is reconstructed. The good traffic management and announcement through local radio/TV about the construction work is essential as a preventive measure to avoid traffic jam.

The reconstruction activities were assessed in regard of possible negative impacts on each environmental element, the mitigation measures were proposed within the Environmental Mitigation Plan. The Monitoring plan was established to follow how the mitigation measures will be implemented. The EMPs are given below and they are reflecting the impacts of all seven sub-projects in both local communities (Berovo and Mitrasinci).

The Municipality of Berovo has prepared the EIA Reports for all seven sub-projects according the environmental legislation requirements and all Reports were adopted by the Mayor of Municipality of Berovo in July 2012. Some of the information and data presented within the EIA Reports are used here, particularly the quantity of inert waste (17.01.01) that will be generated during operational phase.

The most important is the operational phase where several main group of project activities will be implemented: a) setting of a new one-layer asphalt (bituminous asphalt bearing layer) with a different thickness, b) road base coarse layer with a different thickness; c) sidewalks on both sides of the streets with paver elements, thick fine sand layer, thick base coarse layer, d) asphalt concrete layer with different a thickness, etc.

The scope of the impact assessment will be focused on: a) OH&S measures for the workers and community safety, b) noise level during operational phase, c) air pollution and d) waste management.

The main responsibilities during the reconstruction activities will be delegated to the Sub-Contractor, the Supervisor and the municipality staff who need to monitor the overall implementation of all sub-projects.

A. MITIGATION PLAN

Project activity	Potential impact	Impact scale	Proposed mitigation measures	Responsibility
Marking out the construction/reconstruction area	Possible adverse social and health impacts to the population, drivers and workers due to: - Lack of ensured safety measures at the start of construction/reconstruction works - Injury passing near by the construction sites (the streets are down town in City of Berovo) - Not compliance with strict occupational health and safety standards and work procedure - Inappropriate public access as all streets are main streets	Local/within two settlements (local communities of Berovo and Mitrashinci) short term/minor	 Ensure the appropriate marking out the construction site Insuring of protective signalling Warning tapes and signage need to be provided Forbidden of entrance of unemployed persons within the warning tapes Public and Occupational health and safety measures should be applied (first aid, protective clothes for the workers, appropriate machines and tools) The streets should be kept clean and the inert waste should be transport or re use 	 Contractor -Bidder Supervisor Municipality (Communal Inspector)
Construction /Reconstruct ion of streets		mpacts could be expected	due to effects on several environmental elements:	
a) Existing asphalt will be scratched b)The wholes will be filled out c) The new asphalt layer will be lay down (the extension of existing will be done)	a) Landscape and visual environment	Local / short term /minor	 Minimization of the construction area as much as possible (carefully planning and design of the project activity with briefly Traffic Management Plan for a certain period of time) Defining, marking and fencing the location for the temporary parking of the equipment and mechanization Fully clean up of the construction site immediately after accomplishment of the last activity Collection of the generated waste on daily basis, selection of waste, transportation and final disposal on appropriate landfills (according the type of waste) 	 Contractor -Bidder Supervisor Municipality Communal Inspector/ Municipality Environmental Inspector

Project activity	Potential impact	Impact scale	Proposed mitigation measures	Responsibility
			Greening up the surrounding are across the streets	
	b) Air quality The construction activities will initiate gases emissions of dust-suspended particulates (PM10, PM 2,5), emissions from the vehicles and construction machinery (CO2, NOx, PAH, SO2), but their impact will be really very low. Traffic congestion will be caused which will caused changes in existing traffic circulation	Local/ short term/minor	 Construction site, transportation routes and materials handling sites should be water-sprayed on dry and windy days; Construction materials should be stored in appropriate places covered to minimize dust; Vehicle loads likely to emit dust need to be covered Conduction of regular maintenance of the vehicles and construction machinery in order to reduce the leakages of motor oils, emissions and dispersion of pollution Usage of protective masks for the workers if the dust seems to be appeared Restriction of the vehicle speed within the construction location Information to the public about the construction work should be announced through the local radio/TV station for carefully low speed driving near the construction location 	 Contractor -Bidder Supervisor Municipality Communal Inspector Municipality Environmental Officer
				Municipality administration (Communication Officer)
	c) Noise and vibration The construction activities and traffic will cause noise and vibration due to the machinery and vehicles used	Local/short term/minor	 The all local streets are near the residential part of the settlements, so, the level of noise should not exceed more than 55 dB during the day and evening The construction work should be not permitted during the nights, the operations on site shall be restricted to the hours 7.00 -19.00 particularly for pilling The vehicles that are excessively noisy due to poor engine adjustment, damage to noise amelioration equipment shall not be 	 Contractor -Bidder Supervisor Municipality Communal Inspector Municipality Environmental Inspector

Project activity	Potential impact	Impact scale	Proposed mitigation measures	Responsibility
			operated until corrective measures have been taken	
	d) Waste management Possible adverse environmental impact and health effects could be occurred as a result of generation of the different waste streams and inappropriate waste management with those different type of waste (inert waste) Approximately 100 m³ inert waste per sub-project will be generated according the design project	Local/ short term/major	 Identification of the different waste types that could be generated at the construction site (due to the materials used – soil, sand, asphalt, pieces of asphalt, road surfacing, bottles, food, etc. Classification of waste according the national List of Waste (Official Gazette no.100/05) The main waste would be classified under the Waste Chapter 17 "Construction and demolition wastes (including excavated soil from contaminated sites)" with the waste code 17 01 – Waste from concrete, 17 05 04 – Excavated soil, 17 09 04 – Mixed waste from construction site Small amount of solid municipal waste could be found (food, beverages), as well as packaging waste (paper, bottles, glass, etc Fulfilment of the Annual Report for nonhazardous waste management by the Mayor of Berovo and reporting to the Ministry of Environment and Physical Planning The construction waste should be promptly removed from the site; The construction waste should be re-used once again if it is possible The materials should be covered during the 	 Contractor –Bidder Supervisor • Municipality/Mayor

Project activity	Potential impact	Impact scale	Proposed mitigation measures	Responsibility		
			transportation to avoid waste dispersion; The first selection should be performed by types of waste: PET bottles, paper, batteries and glass; Possible hazardous waste (motor oils, vehicle fuels) should be collected separately and authorized collector and transporter should be sub-contracted to transport and finally dispose the hazardous waste The contract with the authorized company should be signed for collection, transport and final disposal of waste on municipal landfill Uvin Valog (for soild communal waste) and landfill Suslevec (for inert waste disposal)	Contractor –Bidder Supervisor Municipal administration/Communal Inspector/Environmental Inspector		

Project activity	Potential impact	Impact scale	Proposed mitigation measures	Responsibility		
	e) Surface and ground waters	Local/ short term/minor	 providing portable toilets at the site of construction activities; all barrels, etc. should be placed in secure fenced areas in the location of construction activities; all barrels must have taps to control the flow and should be properly tagged (labelled); flushing and cleaning of construction machines should be done in places designated for that purpose in a way that will not cause leaking into the groundwater; places designated for storage of fuel, petroleum or oils should be kept on safe distance from the drainage facilities; 	 Contractor –Bidder Supervisor Municipal administration/Com munal Inspector/Environme ntal Inspector 		
• Operation al phase	No environmental risks are expect	ted				

B. MONITORING PLAN

What	Where	How	When	Why	Cost		Responsibility		
parameter is to be monitored?	is the parameter to be monitored?	is the parameter to be monitored?	is the parameter to be monitored (frequency of measurement)?	is the parameter to be monitored?	Constr uction	Opera tions	Reconstruction/reh abilitation works in Berovo and Mitrasinci	Operations of the streets in Berovo and Mitrasinci	
Project stage: Sta	Project stage: Start up of the construction and reconstruction work (marking out the location along the streets - construction site)								
The safety protection measures applied for the residents of the local communities of Berovo and Mitrashinci	On the construction site	Visual checks	At the beginning of the construction work (first day) Every working day during the project activities	To prevent health and safety risks – mechanical injuries			Contractor - Bidder /Supervisor Communal inspector at the Municipality of Berovo		
The occupational health and safety measures applied for the workers	On the construction site	Visual check	Before start of the project activities and each of working day	To avoid occupational and safety risks (injuries)			Contractor - Bidder /Supervisor Communal inspector at the Municipality of Berovo		
Separated hazardous and non-hazardous waste	On the construction site	Visual monitoring and reporting	During the project activities	To avoid disposal of hazardous waste on municipal landfill Uvin Valog or landfill for inert waste Suslevec			Contractor - Bidder / Municipal staff (Communal inspector and Environmental Inspector) Director of the JKP "Usluga" (PUE) from Berovo		
Fulfilled Annual Report for transportation and disposal of	Local self- government administration	Review of documentation – Identification	After the accomplishment the task of collection, transportation of	To improve the waste management and hazardous waste management on local			Mayor of Municipality of Berovo/JKP "Usluga" (PUE)/Ministry of		

What	Where	How	When	Why	Cost		Responsibility	
parameter is to be monitored?	is the parameter to be monitored?	is the parameter to be monitored?	is the parameter to be monitored (frequency of measurement)?	is the parameter to be monitored?	Constr uction	Opera tions	Reconstruction/reh abilitation works in Berovo and Mitrasinci	Operations of the streets in Berovo and Mitrasinci
waste		waste List	waste on daily/monthly basis	and national level To be in compliance with national legal requirements			Environment and Physical Planning	
Safety traffic flow through the reconstruction/c onstruction sites	At the spot	Visual monitoring	During the project implementation	To ensure the coordinated traffic flow through the two settlements			Contractor – Bidder/ / Communal Inspector at the Municipality of Berovo	
Announcement of the start of construction/rec onstruction activities	At the spot/in the Municipality	Discussing with responsible persons and review of the documentation – announcement for local TV/radio	Before the project activities start	To inform the public about the construction activities and other traffic options for safety and in time transport			Municipal administration	
Preparation of the Traffic Plan	At the spot/in the Municipality	Review of the Traffic Plan	Before the project activities start	To inform the public about traffic options for safety and in time transport			Municipal administration	

3.1 Local Environmental Action Plan

The Local Environmental Action Plan (LEAP) for Municipality of Berovo was prepared in 2003-2004 in partnership with the Ministry of Environment and Physical Planning according the environmental legislation. The Mayor of Municipality of Berovo provided the initiative for the process of development of LEAP and it was adopted by the Municipal Council of Municipality of Berovo.

The construction and reconstruction/rehabilitation of streets and local roads throughout the area of the Municipality was pointed out as a high priority in addition to other environmental issues (water supply system, construction of a sewage system throughout the municipal territory, waste management improvement, etc.)

The implementation of the Project is in line with the LEAP and thus, it will contribute towards achieving the Municipality's goal for improving the infrastructure in the Municipality of Berovo.

It is worth mentioning that the LEAP is in line with the National Environmental Action Plan, the National Environmental Approximation, the National Environmental Investment Strategy, the National Strategy for Sustainable Development, the National Strategy for Regional Development and other strategic documents adopted on local, regional and national level.

The Municipality of Berovo will do its utmost, in order to reduce the potential hazardous environmental impact and to ensure that they are kept at acceptable levels.

3.2 Concluding Remarks

An appropriate management and protection of the environment, results from the newly adopted laws for environmental protection which are in line with the EU directives and also from the new competences of the local government units, as prescribed by the Law on local self government. The implementation of this Project is in line with the goal of the Municipality of Berovo set in the LEAP, which strives to provide an adequate infrastructure in terms of construction and reconstruction/rehabilitation of streets and local roads throughout the area of the Municipality.

During the implementation of the Project, the Municipality of Berovo will implement all the measures foreseen as necessary, in order to keep up with its obligations prescribed in the existing positive regulation that deals with the environmental protection. In addition, EIA (approved by the Municipality of Berovo) elaborates that the implementation of the Project is justified and it does not impose any threat of serious or irreversible damage on the environment.

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