



PROJECT PROPOSAL FORM

Lead partner:	Centre for Development of the Vardar Planning Region
Partner municipality/ies :	Municipalities of Veles, Kavadarci, Negotino, Demir Kapija, Gradsko, Caska, Lozovo, Rosoman.

Ref. No.	
(for UNDP use only)	

ADMINISTRATIVE PART

A. PRESENTATION OF THE PARTNER MUNICIPALITIES

(1) Lead partner

Name and contact details of the Lead partner.

Name of the Municipality	Centre for Development of the Vardar Planning Region
Name of Mayor	Aleksandar Buzalkov
Address	"Panko Brasnar" 1
Contact person	Marko Kolev
Project leader /Coordinator name	Aleksandar Buzalkov
Phone	043 211 484
Fax	043 211 484
E-mail (contact person)	m.kolev@vardarregion.gov.mk

(2) Partner municipalities

Name and contact details of partner-municipalities in the project.

<u>PARTNER 1:</u> Name of Municipality	Municipality of Veles
Name of Mayor	Goran Petrov
Address	"Panko Brasnar" 1
Contact person	Sasko Ristovski
Phone	043 232 406
Fax	043 232 406
E-mail	opve@veles.gov.mk

<u>PARTNER 2:</u> Name of Municipality	Municipality of Kavadarci
Name of Mayor	Aleksandar Panov

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Address	"Marsal Tito" bb
Contact person	Todor Efremov
Phone	043 416 107
Fax	043 416 107
E-mail	opstinakavadarci@gmail.com

Name of the Municipality	Municipality of Negotino
Name of Mayor	Pane Trajkov
Address	"Aco Adzilov" 2
Contact person	Lolita Ristova
Phone	043/ 361-045
Fax	043/ 361-045
E-mail (contact person)	o_negotino@yahoo.com

Name of the Municipality	Municipality of Demir Kapija
Name of Mayor	Trajce Dimitriev
Address	"11 Oktomvri" bb
Contact person	Suzana Krstova
Phone	043/ 366-212
Fax	043/366-212
E-mail (contact person)	els.demirkapija@yahoo.com

Name of the Municipality	Municipality of Gradsko
Name of Mayor	Gligor Kocev
Address	"Marsal Tito" 70 a
Contact person	Elizabeta Kostova Bocvarova
Phone	043/ 251-522
Fax	043/251-522
E-mail (contact person)	gradsko1@t-home.mk

Name of the Municipality	Municipality of Caska
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Name of Mayor	Goran Panovski
Address	"Ilindenska" 8
Contact person	Dimce Angelov
Phone	043/ 241-400
Fax	043/241-400
E-mail (contact person)	opstina@caska.gov.mk

Name of the Municipality	Municipality of Lozovo
Name of Mayor	Orce Cvetkovski
Address	"Marsal Tito" bb
Contact person	Ankica Anakieva
Phone	032/ 458-458
Fax	032/458-458
E-mail (contact person)	opstinalozovo@opstinalozovo.gov.mk

Name of the Municipality	Municipality of Rosoman
Name of Mayor	Stojance Lazov
Address	"Proleterska" 1 a
Contact person	Blazo Kostovski
Phone	043/ 441-331
Fax	043/441-331
E-mail (contact person)	opstrosoman@yahoo.com

A1. Capacity to manage and implement projects

LEAD PARTNER : Centre for Development of the Vardar Planning Region

Title of project	Funded by	Amount in MKD	Duration of the project	Main activities of the project	Role of the lead partner in the project (co-ordination, management, direct implementation, etc.)
Increased energy efficiency by saving electricity in public institutions with an emphasis on the schools of the municipalities in the region Stage 1: Preparation of technical documentation	Ministry of Local Government (Regional Development Bureau)	443.680,00	2011	Preparation of technical documentation for the primary schools in rural areas of the Vardar Planning Region	Immediate implementer
Preparation of a feasibility study for determination of the potential of the renewable energy resources in Vardar region	Ministry of Local Government (Regional Development Bureau)	2.358.526,00	2011-2012	Preparation of a feasibility study for determination of the potential of renewable energy resources in Vardar region	Immediate implementer
Implementation of a modern system of waste management in the Vardar Planning Region according to European standards	OeKB Bank Austria Municipality of Veles CDVPR	7.553.750,00	01/05/2010 to 31/12/2010	.Preparation of Pre-feasibility Study for implementation of a modern waste management system according to environmental standards of the EU for the Vardar planning region	Partner implementer

A2 Available financial resources (separately for every partner)

Table: Review of the Annual Budget, Revenues and Expenditures

Name of the Applicant (Lead) Partner		Centre for Development of the Vardar Planning Region	
Year	Annual Budget	Revenues from the adopted annual report	Expenditures from the adopted annual report
2010	31.730.375,00	15.852.127,00	15.852.127,00
2011	44.781.447,00	4.427.945,00	4.427.945,00
2012	43.155.904,00		

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A2.1 Available organisational and human resources (separately for every partner)

Table: Review of the organization forms (sectors/departments) and occupied job positions by type and degree of education and years of work experience in the respective job position.

Name of lead Partner: Center for Development of VPR	Total number of civil servants employed	3	
	Total number of technical staff employed	0	
Review of organization forms:			
Sector	Department		
	1. Department for regional development and professional-technical affairs		
	2. Department for Normative-Legal and Financial affairs		
Review of occupied job positions by organization forms:			
Organization form	Profession and job position	Degree and type of education	Years of work experience in respective job position in the CDVPR
Department for regional development and professional-technical affairs	Coordinator-advisor for regional development	VII/1 Faculty	3
	Coordinator-advisor for regional development	VII/1 Faculty	3

Partners – Municipalities human resources

Municipality	Civil servants	Technical staff	Total
Veles	38	10	48
Kavadarci	65	4	69
Negotino	30	2	32
Demir Kapija	18	2	20
Lozovo	9	2	11
Gradsko	11	8	19
Chaska	13	6	19
Rosoman	5	2	7

During the realization of the project all employees at the Centre for Development of Vardar Planning Region will be actively involved: the head of the center and two advisors-regional development coordinators.

In addition, three properly equipped rooms with modern IT equipment and car will be available during the project activities.

Each of the partner municipalities will participate with involvement of one civil servant responsible for energy efficiency. Beside human resources, the municipalities will provide space and IT equipment necessary for proper implementation of the project activities.

B. PROJECT DATA

(1) Project Summary

Project title	Energy Efficiency through Inter-municipal Cooperation
Project duration	December 2012 – December 2013
Amount provided by UNDP	20.000,00 USD
Contribution provided by project partners	10.000,00 USD – Partner Municipalities (Cashka, Veles, Kavadarci, Negotino, Demir Kapija, Gradsko, Rosoman, Lozovo) The Project will be implemented in parallel and in a complementary manner with the Project on energy efficiency of the VPR funded by the Bureau for Regional Development through a grant for CVPR in amount of 30.000,00 USD <i>The activities of both projects do not overlap and their complementarity is explained in the following chapters.</i>
Total Project cost (including own contribution)(MKD)	30.000,00 USD
Area of IMC to be established	Energy Efficiency
Form of IMC to be established	Joint Administrative Body (Joint administration for energy efficiency)
Involved municipalities	Veles, Kavadarci Negotino, Chaska, Gradsko, Rosoman, Lozovo, Demir Kapija
Target Group –Direct beneficiaries	<ul style="list-style-type: none"> - Elected representatives – mayors and municipal council members - Civil and public servants of partner municipalities - Senior management of municipal public enterprises - Users of public buildings such as civil and public administration, children and students - Wider community (because of improved public lighting) - Center for Development of Vardar Planning Region
Project Objective	Improved energy management including energy efficiency of the public buildings in the municipalities of the Vardar Planning Region through inter-municipal cooperation
Project Activities	<p>A. <u>ESTABLISHMENT OF INTER-MUNICIPAL COOPERATION</u></p> <ul style="list-style-type: none"> - Reaching agreement on the form of IMC between the municipalities of Veles, Kavadarci, Negotino, Gradsko, Caska, Rosoman, Lozovo, Demir Kapija in the area of energy management including energy efficiency - Formal establishment of Inter-municipal Cooperation. - Staffing of the Joint EE Unit <p>B. <u>PREPARATION OF PROGRAM FOR ENERGY EFFICIENCY AND ACTION PLAN FOR THE PARTNER MUNICIPALITIES</u></p> <ul style="list-style-type: none"> - Delivery of Basic Training on EM/EE and IMC - Delivery of training on using EXCITE software. - Procurement of equipment for Energy Efficiency control and measurement of energy consumption <p><i>Financed from the Bureau for Regional Development :</i></p> <ul style="list-style-type: none"> - <i>Engagement of consultancy for Energy Management that will perform:</i> <ul style="list-style-type: none"> o <i>Walk - Through Audit for determination of energy consumption and characteristics of public buildings in the municipalities involved in IMC.</i> o <i>Defining of measures for EE and criteria for prioritization</i> o <i>Development of Programme for EE and Annual Plans for its implementation</i> o <i>Preparation of technical documentation for improving EE of the public buildings</i> o <i>Upgrading of the Programme for Development of the Vardar</i>

Planning Region with activities related to EE

- o Training on utilization of international funds for Energy Efficiency.

C. **AWARENESS RISING RELATED TO ENERGY MANAGEMENT and ENERGY EFFICIENCY**

- Public campaign for awareness raising on EE (engagement of external consultant)
- Establishment of EE Info Centre and EE Info Points

Project Results

- a. The joint EE unit is capable for independent identification of energy consumption in public buildings by applying the approach of Walk Through Audit
- b. Appropriate equipment for EE measurements purchased
- c. Initiative for establishment of the joint EE unit formalized through official procedure in accordance to the Law on IMC (endorsed by local authorities - mayors and municipal councils).
- d. Measures for energy efficiency prioritised by using of appropriate software for modelling of measures.
- e. Legal requirements regarding energy efficiency (Programme on EE and Annual Plan for implementation of Programme on EE) fulfilled by involved partner municipalities.
- f. Programme for Development of VPR promotes energy efficiency benefits.
- g. Citizens and wider community recognized the need for implementation and benefits of implemented energy efficiency measures.

C. DESCRIPTION OF THE PROJECT

1. Project Background

General Context

Improving energy efficiency is essential in order to protect limited resources and mitigate climate change. A particularly effective instrument to reach significant energy savings is the adoption of energy performance standards and labeling for new buildings and buildings under renovation/reconstruction. This recommendation is also contained in Macedonia's First and Second National Communications to the United Nations Framework Conventions on Climate Change (UNFCCC), prepared by the Ministry of Environment and Physical Planning.

Republic of Macedonia has limited sources of commercial energy reserves which make the country dependable on import of energy from abroad. Taking energy efficiency measures might mitigate such a situation, to extend the usage of domestic reserves and to contribute to the economy and public sector to reduce the expenses for energy imported which price on the World market has continuous trend of growth.

The energy costs make up a large share of the state and municipal budgets. Implementation of energy efficiency measures would significantly lower the energy consumption and expenses, while also improving the indoor conditions in public buildings. In order to develop successful measures for energy efficiency in buildings, it is important to have adequate and reliable data on the building sector and further link it with the specific climate conditions in the country. In addition, there is a need for a comprehensive public awareness programme to increase the knowledge of key decision makers on both national and local level.

The municipalities are important actors in the implementation of the energy efficiency measures. Their role is underlined in the implementation of the measures provided in both strategic documents, the Strategy for Energy Efficiency of the Republic of Macedonia and First National Energy Efficiency Action Plan (2010 – 2018).

The process of decentralization and specifically the Energy Law¹ has resulted in transfer of competencies for municipalities regarding the management of energy consumption in the local public facilities. More exactly, in accordance to the Article 134 the public sector entities² are obliged to apply measures aimed at energy efficiency improvement of buildings, building units, devices and plants. For the purpose of fulfilling the obligations, the public sector entities are obliged:

- 1) to adopt three-year programs on energy efficiency improvements and implement the measures set therein;
- 2) to develop annual energy consumption analyses and monitor energy consumption;
- 3) at least once every three years, to perform energy audits for buildings and building units where they perform their activity;
- 4) to secure building energy certificates for the buildings or building units owned by the public sector entities;
- 5) when constructing new or major renovation of buildings or building units in their ownership, to install solar collectors for hot water, when deemed cost-effective, pursuant to the Rulebook on Building Energy Performance referred to in Article 136 from the present law.

The program on energy efficiency contains an overview and assessment of energy status and demands, indicative targets on local energy savings, measures on energy efficiency improvement and promotion and the targets to be attained with the said measures, funding sources, activities and deadlines for measures implementation, holders of such activities and other necessary data.

In compliance with the Energy Efficiency Strategy of the Republic of Macedonia and the Energy Efficiency Action Plan, on the proposal from the Mayor and upon previously obtained opinion from the Energy Agency, the Municipal Council of the local self-government unit will adopt an Energy Efficiency Program. The local self-government units submit the Energy Efficiency Programs to the Energy Agency within 30 days from their adoption the latest. The Energy Agency verifies compliance of the Program prepared by the Local Self-government Units with the Energy Efficiency Strategy of the Republic of Macedonia and the Action Plan.

The program will be implemented by means of Annual Plans, adopted by the Municipal Council of the Local Self-government Unit, on the proposal from the Mayor. By the end of February in the calendar year the latest, the Local Self-government Unit will submit to the Energy Agency the Annual Plan for the current year, as well as information on the Program on Energy Efficiency implementation for the previous year. The Energy Efficiency Annual Plan determines the measures that public sector entities, depending of the activity they perform, are obliged to apply in their operation, for the purpose of attaining the energy saving and energy efficiency targets.

For public institutions and public enterprises established by the local self-government units, the obligations will be performed by the Local Self-government Units.

Considering legal and strategic requirements, Local Self-governments face challenge to implement the obligatory Energy Efficiency measures and achieve effects such as reducing the energy need, maximizing the usage of renewable energy sources, making energy balance of municipal energy consumption etc.

¹ Energy Law – Official Gazette of RM, No. 16 from 10.02.2011

² "Public Sector Entity" shall be any state body, local self-government unit body, public institution or public utility established by the Republic of Macedonia or a local self-government unit, as well as any enterprise performing a public interest activity where the Republic of Macedonia or the local self-government unit is the owner thereof or holds majority shares

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Moreover, there is limited capacity for implementation and usage of modern technology and application of state of the art techniques for restoration of municipal public buildings and public lighting.

Extract of the Energy Law related to Local Self-government Units is given within the Annex of this Proposal.

Specific Context

Within the Vardar Planning Region the Municipality of Veles and Caska are recognized as leaders in terms of implemented activities and experiences in area of Energy Efficiency. Both municipalities have developed Energy Efficiency Programmes in accordance to the previous legal framework for the period of five years 2008-2013. Necessary measurements of energy consumption and energy audit in the public buildings have been conducted in Veles. Preparation of the reports for conducted audit and activities anticipated in the EE Programmes are regular practice of these two municipalities. The rest of the municipalities (Kavadarci, Negotino, Demir Kapija, Gradsko, Rosoman, Lozovo) face the challenge to conduct measurements for of energy consumption and energy audit within their public buildings since they haven't developed EE Programs and Action Plans as a legal obligation.

Each of the municipalities has numerous public buildings which should be taken in to consideration for the EE improvements. In that regard, the Municipality of Rosoman has to conduct energy audit in 11 public buildings such as municipal administrative building, seven primary schools, and house of culture, kindergarten and sport hall. Main Design for Construction for improvement of energy efficiency in one primary school is the only document developed.

Although the EE Programme hasn't been developed, the municipality of Demir Kapija has already prepared the set of Main EE improvements Designs for several public buildings. They have also recognized the Public Private Partnership as a solution for modernization of the public lighting.

The Municipality of Gradsko has only 3 public buildings – municipal administrative building, a primary school and house of culture. Modernization of school lighting is planned and Main Design for reconstruction is prepared.

The municipality of Lozovo has 6 public buildings including municipal administrative building, primary school buildings and house of culture. It is interesting that Lozovo has prepared Main Design for utilization of sun and wind potential for production of electricity.

By being aware on the need for improvement of the energy efficiency in the public buildings, the municipalities which do not have three year EE Programmes initiated preparation of project application through the Vardar Planning Region Council and Center for Regional Development. They have applied for funding to the Bureau for Regional Development (BRD). The funds were approved and the Energy Efficiency Programmes and Action Plans will be developed by external expert organization through participatory and learning by ding approach.

Although the municipalities will obtain legally required Programmes and Action Plans on EE, the aspect of sustainability in implementing of the EE as local competence should be improved. It is closely related to the need of civil servants competent for implementation of the EE, skilled to use appropriate equipment for conducting energy walk-through audit in the public buildings. Especially the small, rural municipalities which lack human and financial resources will face challenges for sustainable implementation of the energy efficiency measures. **Thus, Inter – municipal Cooperation (IMC) emerged as potential sustainable solution** and a tool for alternative service provision in EE on local level, based on optimization of human resources through ensuring economy of scale.

The IMC initiative in area of energy efficiency, implemented among municipalities of Gevgelija, Bogdanci and Valandovo is considered as replicable practice which could leverage already initiated project for energy efficiency in VPR. The IMC initiative in Geveglia micro – region is supported by the regional project Think Globally – Develop Locally, implemented in partnership between UNDP and NALAS in three beneficiary countries – Macedonia, Kosovo and Moldova. Within this IMC arrangement, , the municipalities went through process of EE programme development based on comprehensive assessment of energy consumption within all public buildings. An external expert organization was engaged to facilitate the process of programme development and to build the capacities of joint municipal administration for independent further implementation of EE activities.

Inter-municipal cooperation is already applied within several partnerships among municipalities of the VPR. It should be taken in to consideration and to scale it up within additional local competencies such as energy efficiency.

2. Main purpose/objectives of the project

The Main Purpose of the project is building of the municipal capacities, needed to successfully develop and implement measures for energy efficiency in public buildings through inter-municipal cooperation with intention to protect limited energy resources on local level and mitigate climate change on global level.

In order the main purpose to be achieved, the project will be focused on the following **project objectives**:

- Building of municipal capacities on expert and policy level as well as capacities of relevant stakeholders on Energy Efficiency in the public buildings through Inter-municipal Cooperation.
- Establishment of Joint Administrative Body (Joint administration for EE) as the most appropriate form of IMC in accordance to the Law on IMC.
- Development of the obligatory planning documents for EE in accordance to national legal framework and by using top-notch methodology and mechanisms and tools including required equipment for its implementation.
- Increasing awareness of wider community in partner municipalities regarding the need for and the benefits from implementation of the EE measures.

In order to provide sustainability, the project aims to create synergy between UNDP best practices for IMC in the domain of EE and the intervention of VPR related to preparation of planning documents for EE.

What type of municipal capacities for implementation of competencies in EE will be improved?

In order to ensure commitment for application of EE measures, level of awareness will be increased among elected representatives of municipalities – mayors and municipal council members, as well as, the senior management of public entities – public institutions and public enterprises. In addition, municipal civil servant's technical capacities (competencies – knowledge and skills) will be improved in order legal requirements on IMC and EE to be satisfied and the respective services delivered.

Necessary equipment for energy audit and software will be provided for appropriate implementation of the field work and for evidence-based development of the planning documents.

Who will be the target group as well as the main beneficiary/ies?

The following are the key target groups and main beneficiaries:

- Elected representatives – mayors and municipal council members
- Civil and public servants of partner municipalities
- Senior management of municipal public enterprises
- Users of public buildings such as civil and public administration, children and students
- Wider community (because of improved public lighting)

Besides being the key partner in the implementation of the project, the Centre for Development of Vardar Planning Region shall be considered also as a beneficiary of the project capacity building activities due to the fact that its internal capacities on applying IMC and EE will be developed.

Why the selected partner municipalities are the most appropriate ones?

The municipalities selected within the partnership are most appropriate due to following reasons:

- The manifested interest as well as political will and support by the partner municipalities to establish Joint Administrative Body as IMC form in the area of EE.
- IMC is well-known approach for the municipalities of this region for better service provision between different partners and within different areas of cooperation, such as:
 - Veles - Chaska – IMC for efficient delivery of services in area of local tax administration,
 - Veles – Lozovo – IMC for inspection, accounting and audit,
 - Kavadrci – Rosoman – IMC for financial affairs, and IMC for improving of water supply in municipality of Rosoman
 - Negotino – Demir Kapija – IMC for data base for managing with environment and monitoring and updating of LEAP for municipalities of Negotino and Demir Kapija

3. Project activities

In order the anticipated project objectives to be achieved, the project will be focused on three main groups of activities related to formal establishment of IMC, development of planning documents on EE and public awareness raising. Strong capacity building component as a cross cutting approach related to the main groups of activities will be provided. Therefore, various methods such as workshops, coaching and on the job training will be applied. Complementarity of the available capacities of UNDP, VPR and involved municipalities will lead toward the synergy in achieving the overall project goal. In that direction, UNDP experiences and best practices for implementation of EE through IMC will supplement the VPR's approach in development of EE planning documents which will ensure sustainability of the overall intervention.

More specifically, the project activities will include:

A. ESTABLISHMENT OF INTER-MUNICIPAL COOPERATION

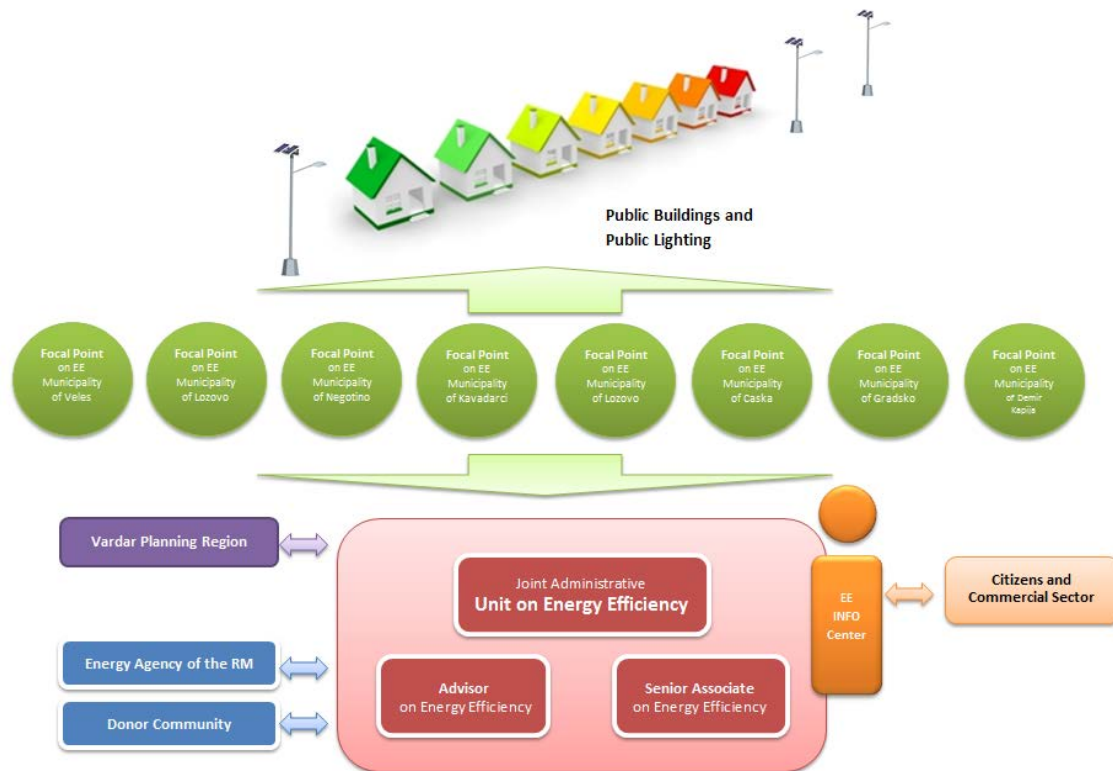
1. Agreement on most appropriate form of IMC among municipalities of Veles, Kavadarci, Negotino, Gradsko, Caska, Rosoman, Lozovo, Demir Kapija in the area of energy efficiency.

Agreement on political level will be reached for establishment of Joint Administrative Body (Joint administration for EE) as proposed form of IMC. The consultations within the Council of the VPR will be initiated and joint decision will be made.

When preparing the project proposal another form of IMC was analysed i.e the Provision of services from one to another or more municipalities, which is usually established by the municipalities that have different human capacities. More developed municipality provides services to the municipality with insufficient human capacities in particular area of cooperation. A fee specified in the agreement is charged for the provided services. Currently within partner municipalities the Energy Efficiency as local competence is performed by civil servants on a part time basis, meaning that the civil servants have shared responsibility for more competencies. This implies that none of the municipalities can provide additional services to other partners in the region.

Therefore, the second IMC form, Joint Administrative Body emerged as appropriate form of cooperation. Such a form means establishment of Joint Administrative Unit for Energy Efficiency (JAUEE) in which frame at least two civil servants with narrow specialisation in EE will perform the services for all involved municipalities. Based on the experiences from the project in Gevgelija and conducted functional analysis, the civil servants will have position of Advisor and Senior Associate. Employment process for the IMC EE staff will be implemented in accordance to the legal procedures in close consultations with UNDP team. Engagement of volunteers is considered as an approach for provision of additional workforce in implementation of the joint activities. The covering administrative and operational cost as well as management issues will be defined through discussion on policy level and integrated within the joint agreement. The office of the JAUEE will be located within the premises of the municipality of Negotino.

Alternative on this IMC form is establishment of Joint Project Unit which according to the legal framework does not request employment of civil servants and it is functional only within the duration of the project.



The Joint Administrative Unit on EE will also establish and facilitate a network of EE focal points within each of the partner

municipalities which will support the overall system and perform as a link with public entities' representatives. The municipal focal points are civil servants previously trained on EE by UNDP interventions. The focal points will support the JAUEE in collection of monthly bills for energy consumptions within public entities of their municipalities and implementation of the EE measures and public campaigns.

In the initial stage of the project implementation, due to the increased workload mostly related to identification of the current situation of public buildings and collection of data on energy consumption, beside the JAUEE staff, the involvement of focal points will be of great importance.

The JAUEE will have permanent communication and cooperation with VPR representatives in development and implementation of EE regional initiatives.

Established joint Unit will be responsible to monitor implementation of the EE measures in the partner municipalities of VPR. Regular control of the energy consumption in public buildings, updating the data base EXCITE on energy consumption, capacity building and informing the community through public campaigns will be the tasks of the joint EE Unit. Fundraising and development of applications for financial support of EE on municipal and regional level will be undertaken, as well.

2. Formal establishment of Inter-municipal Cooperation

Formal establishment according to the procedure regulated in the Law on IMC will be realized. The process will be facilitated and monitored by the UNDP IMC Team. Considering that establishment procedure takes time, the process will be implemented in parallel with other activities described below. Uniformed templates of documents needed for establishment of IMC, developed within UNDP interventions will be utilized.

B. PREPARATION OF PROGRAM FOR ENERGY EFFICIENCY AND ACTION PLAN FOR THE PARTNER MUNICIPALITIES.

The Programmes and Action Plans on EE for each of the six municipalities will be prepared by the engaged Consultancy Company within the project of CDVPR, funded by Bureau for Regional Development. However, UNDP experiences and technical assistance will be utilized in order to leverage the effect of the intervention and to provide sustainability.

1. Delivery of Basic Training on EM and IMC by UNDP staff

With purpose to build capacities of municipal focal points on EE and senior management of municipal public entities, a basic training on EE and IMC will be delivered.

In addition, working meetings for local authorities (mayors and municipal council members) of partner municipalities will be organized. The training will be developed and delivered by UNDP staff – IMC and EE teams.

- One day basic training on EE and IMC – two groups of municipal administration and senior management of municipal public establishments.
- One day working meeting for mayors and municipal council members.

2. Delivery of training on using EXCITE software by UNDP and ZELS staff

EXCITE is a web application that enables continuous energy monitoring in all public buildings under municipal jurisdiction. It is software developed within UNDP intervention and administered by ZELS. The users, municipal civil servants can access the interface through the Internet browser from any computer connected to the Internet and to see reports and trends in consumption of energy in public buildings that can be used for future development of programmes and action plans in this area. Therefore, the civil servants who perform as focal points and JAUEE staff will be involved in the training that will be delivered by UNDP EE staff and ZELS.

3. Staffing of the Joint Administrative Unit on EE facilitated by UNDP

In accordance to the procedure regulated in the Law of Civil Servants an employment procedure will be performed for the JAUEE staff. The generic and specific conditions for employment of the EE Advisor and EE Senior Associate will be defined within the developed job descriptions based on the conducted functional analysis and experiences from the IMC EE project in Gевгелija. Formally established IMC and changes in the acts for organization and systematization of job positions is prerequisite for this activity. UNDP IMC staff will support the municipal administration and will provide necessary technical assistance in this domain.

4. Engagement of consultancy for Energy Efficiency by Vardar Planning Region, funded by Bureau for Regional Development.

In parallel with basic training delivery on EE and IMC, a procurement process will start for engagement of Consultancy Company specialised in Energy Efficiency. The company will be responsible for capacity building and facilitation of the overall process for preparation of the Programmes and Annual Plans on EE.

In accordance to the Law on Public Procurement and the Grant Agreement with the Bureau for Regional Development, the Centre for Development of VPR will announce a Public Call for consultancy necessary for development of EE Programmes and Action Plan in partner municipalities.

The consultancy company will be engaged for certain number of days over the period of project duration in order to facilitate the implementation of the following activities:

- a. **Walk - through Audit for determination of energy consumption and characteristics of public buildings in the municipalities involved in IMC.**

The Consultancy Company Expert Team will provide training for the Questionnaire and Walk-through Audit for data collection on characteristics of the public buildings and energy consumption. The trainees - municipal focal points and JAUEE staff will have an opportunity to apply gained knowledge and skills throughout real field work. The Expert Team members will facilitate and monitor the field work and take measures for appropriate implementation of the Walk-through Audit.

Implementation of the Walk – through Audit in the public buildings is preconditioned with utilization of appropriate equipment. The Specification on the necessary equipment will be developed by the Expert Team, and equipment purchased .The supplier company will provide training to focal points and JAUEE staff for using of the equipment.

Initial stage of the IMC on EE is characterized with large scope of work related to conducting of energy Walk - through Audit and collection of necessary data for all public buildings of the partner municipalities. As it was previously explained, active involvement of municipal Focal Points in the process of Walk-through Audit is of great importance.

- b. **Defining of measures for EE and criteria for prioritisation**

Collected data from the field work about the consumption of energy and characteristics of in public buildings by the municipal focal points will be entered by responsible person of the JAUEE in EXCITE data base for each of the municipalities.

Based on these data, measures for EE will be defining analysed through appropriate software. In order to make a list of priority measures, criteria will be established.

In the course of identification of measures an accent will be given to identification and promoting innovative technological approaches for introducing of energy efficiency and renewable energy.

Prior to defining of measures, the Consultancy Company will deliver training on modelling of measures for EE in public buildings through using appropriate software. Also, continuous technical support – coaching, will be provided.

- c. **Development of Programme for EE and Annual Plans for its implementation**

Responsible civil servants employed in the Joint Administrative Unit on EE in close cooperation with municipal focal points, will prepare the Programme for EE in the public buildings. The role of focal points is of great importance in order the local context and priorities to be incorporated within Programmes on EE for each of the involved municipalities. In addition, Action Plans on EE will be developed for successful implementation of measures defined in the Programme.

The Expert Team of the Consultancy Company will deliver training on development of Programmes and Action Plans on EE as well as feedback on the draft versions.

In accordance to the Law on Energy, developed Programmes and Annual Plans for EE will be submitted to Energy Agency in order the opinion to be provided regarding the compliance of the Programme with Energy Efficiency Strategy of the Republic of Macedonia.

The Programmes for a period of three years and Annual Plans will be submitted for endorsement by the Councils of involved municipalities.

- d. **Preparation of main design for reconstruction of public buildings**

In accordance to the developed Annual Action Plans on EE, technical documentations on the level of Main Design for Reconstruction will be prepared for two public buildings. The Main Designs will be developed by the Expert Team with involvement of the JAUEE staff. Such an approach will ensure completion of the administrative level of EE (as a local competence) which is a precondition for implementation of the EE measures.

- e. **Upgrading of the Programme for Development of the VPR with activities related to EE**

Three year programmes on EE of the partner municipalities, are solid base for upgrading of the Programme for Development of the VPR. Important measures on regional level concerning EE issues will be integrated.

- f. **Training on funding opportunities on Energy Efficiency**

The Consultancy Company will deliver the training on identification of international sources as well as development and implementation of projects financially supported by international sources. At least two representatives of each of the partner municipalities will attend the training.

5. **Procurement of equipment for Energy audit**

Based on the Specification developed by the Expert Team, equipment necessary for Energy Walk-through Audit will be purchased. Representative of the CDVPR will participate within the selection process of the best applicant. The Equipment will be used by the JAUEE staff and focal points in the process of preparation of Programmes on EE. The supplier company will provide training to focal points and JAUEE staff for using of the equipment.

C. AWARENESS RISING RELATED TO ENERGY MANAGEMENT and ENERGY EFFICIENCY

1. Public campaign for awareness raising on EE

In order to increase the public awareness related to EE, a campaign containing public gatherings, preparation and dissemination of promotional materials and participation of local authorities on local media will be organized. The campaign will address possible measures for EE by targeting different groups such as schools, business and NGO sector within the region. An external expert will be engaged for coaching the Joint Administrative Unit on EE in development and implementation of the public campaign.

The campaign will be conducted by JAUEE, CDVPR and municipal focal points by involvement of relevant actors from civil society sector.

The expert will be engaged by the CDVPR. The expenses for the expert and campaigns will be provided by the municipal contribution. The ToR for this position will be jointly prepared by UNDP and CVPR and the selection of the best applicant will be endorsed by ad-hock evaluation committee consisted of representatives of CVPR and UNDP.

2. Establishment of EE Info Centre and EE Info Points

In order information about the EE to be distributed to the public, an Info Centre with network of Info Points will be established. The EE Info Centre will perform as a regional hub of information where the local companies working in area of EE will have an opportunity to present their products and services to the interested business sector and citizens. Promotional material, brochures, technical specifications and samples of the products necessary for application of EE measures within industry and residential buildings will be exhibited in the facilities of the Info Centre. In addition, a comprehensive online library of companies and their products will allow customers to access to the necessary information. The e-library will be hosted on the current web site of the CDVPR. Experiences of UNDP Energy Efficiency Portal will be applied as well (www.eeportal.mk).

The EE Info Centre will be located within the premises of the municipality of Negotino. The premises are already equipped with furniture, internet connection, heating/cooling system, conference room etc. Additional IT equipment – lap top and desk computer, LCD projector and some furniture for the conference room will be purchased.

In the rest of the partner municipalities, the EE Info Points will be established. Throughout the network of info points, promotional material of the companies will be distributed to the interested parties. The info points will be accommodated within the front offices of the partner municipalities. More detailed information will be provided through direct communication with the EE Info Centre and the web portal.

Necessary equipment, furniture, promotional materials and development of the e-library will be purchased by CDVPR, funded by UNDP. The technical specifications and ToRs will be jointly prepared by UNDP and CVPR and the selection of the best applicant will be endorsed by ad-hock evaluation committee consisted of representatives of CVPR and UNDP

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Timetable (in months)

#	Activity Name	Responsible	Months											
			1	2	3	4	5	6	7	8	9	10	11	12
A. ESTABLISHMENT OF INTER-MUNICIPAL COOPERATION														
1.	Agreement on the form of IMC among municipalities of Veles, Kavadarci, Negotino, Gradsko, Caska, Rosoman, Lozovo, and Demir Kapija in the area of energy management incl. energy efficiency.	UNDP CDVPR	X											
2.	Formal establishment of Inter-municipal Cooperation.	UNDP Municipalities	X	X	X									
3.	Staffing of the Joint EE Unit	Municipality			X	X	X							
B. PREPARATION OF PROGRAM FOR ENERGY EFFICIENCY AND ACTION PLAN FOR THE PARTNER MUNICIPALITIES.														
1.	Delivery of Basic Training on EM and IMC	UNDP VPR	X					X	X					
2.	Delivery of training on using EXCITE software.	UNDP VPR	X					X	X					
3.	Engagement of consultancy for Energy Management	VPR UNDP	X											
3.1.	<i>Walk - Through Audit for determination of energy consumption and characteristics of public buildings in the municipalities involved in IMC.</i>			X	X	X	X							
3.2.	<i>Defining of measures for EE and criteria for prioritization</i>							X	X					
3.3.	<i>Development of Programme for EE and Annual Plans for its implementation</i>							X	X	X				
3.4.	<i>Preparation of technical documentation for public buildings</i>									X	X			
3.5.	<i>Upgrading of the Programme for Development of the VPR with activities related to EE</i>									X	X			
3.6.	<i>Training on utilization of international funds for Energy Efficiency</i>							X						
4.	Procurement of equipment for Energy Efficiency control and measurement of energy consumption	UNDP VPR Municipalities	X	X										
C. AWARENESS RISING RELATED TO ENERGY MANAGEMENT/EFFICIENCY														
1.	Public campaign for awareness raising on EE	UNDP VPR Municipalities								X	X	X	X	X
2.	Establishment of EE Info Centre and EE Info Points	UNDP VPR				X	X	X	X					

4. Project results

- (1) The joint EE unit is capable for independent identification of energy consumption in public buildings by applying the approach of Walk Through Audit
- (2) Appropriate equipment for EE measurements purchased
- (3) Initiative for establishment of the joint EE unit formalized through official procedure in accordance to the Law on IMC (endorsed by local authorities - mayors and municipal councils).
- (4) Measures for energy efficiency prioritised by using of appropriate software for modelling of measures.
- (5) Legal requirements regarding energy efficiency (Programme on EE and Annual Plan for implementation of Programme on EE) fulfilled by involved partner municipalities.
- (6) Programme for Development of VPR promotes energy efficiency benefits.

By achieving above-mentioned results, through IMC, the partner municipalities will overcome lack of human and financial resources for programming and implementation of EE measures. They will also achieve economy of scale and significantly reduce the administrative and technical costs. Through IMC, involved municipal administration focal points will become more knowledgeable and efficient. The approach of capacity building through coaching provides more independency and sustainability of municipal capacities for facing energy efficiency challenges. This approach will also ensure continuous monitoring of energy consumption within public buildings and periodical review and updating of necessary local documents in this domain.

Considering that effects of EE measures depends on appropriate behaviour of the citizens and wider community, public campaign will greatly contribute in that regard.

5. Involvement of external experts/consultancies/NGOs

Beside the municipal administration and the UNDP technical assistance in the area of energy management and inter-municipal cooperation, in the frame of this project, engagement of external experts is envisaged as well.

External experts will be engaged through engagement of the Consultancy Company for development of the Programmes and Action Plans on EE. The Company will be engaged by the CDVPR, funded by Bureau for Regional Development. The Company and its Expert Team as it was previously explained will provide capacity building and assisting of the municipal administration for implementation of relevant methodologies and usage of IT tools for development of the municipal Programme for Energy Efficiency, Annual Action Plans and reports as required by the law.

The project approach is to develop capacities of administrations of the partner municipalities (focal points) and Joint Administrative Unit on EE and to enable them to independently execute tasks for revision of the municipal Programme for Energy Efficiency as well as to develop annual work plans and annual energy consumption reports. Considering the fact that municipalities at the moment do not have expertise in this area, hired consultancy company will facilitate the process of development of abovementioned documents through trainings, coaching as well as validation of the draft documents. In this regard, *the summary of the activities that will be implemented by the Consultancy Company and its Expert Team engaged by the CDVPR, funded by RDB are as follows:*

1. *Provision of training for the Questionnaire and Walk-through Audit for data collection on characteristics of the public buildings and energy consumption. The Expert Team members will facilitate and monitor the field work and take measures for appropriate implementation of the Walk-through Audit.*
2. *Development of Specification on necessary equipment for conducting Walk-through Audit*
3. *Delivery of training on modelling of measures for EE in public buildings through using appropriate software. Continuous technical support – coaching during the modelling of the measures will be provided.*
4. *Delivery of training on development of Programmes and Action Plans on EE as well as provision of feedback on the draft versions prepared by JAUEE and focal points.*
5. *Development of two Main Designs for Reconstruction of public buildings with involvement of the JAUEE staff.*
6. *Upgrading of the Programme for Development of the VPR with activities related to EE*
7. *Delivery training on identification of international funding opportunities as well as development and implementation of projects financially supported by international sources.*

An external expert for design of the public campaign will be engaged as well. Considering that the public awareness related to the energy management and energy efficiency is crucial in the reduction of energy consumption, a public campaign is proposed to be implemented as separate activity of this project. Due to the lack of professional expertise in the area of design of public campaigns, Centre for development

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of VPR will engage an expert who will be responsible for design of promotional materials (brochures, leaflets and posters) as well as to recommend the format of public gatherings and public presentation of the actions that are to be implemented by the municipal representatives in local media.

As already mentioned above, UNDP will participate in implementation of the project activities with its expertise and experience. It is relevant to mention that the UNDP CO is recognised as centre of excellence in area of inter-municipal cooperation and energy efficiency. Within the framework of the project activities the basic training on energy management as well as the training on usage of the EXCITE software will be delivered by UNDP team engaged within the environment protection unit. The EXCITE software developed by UNDP intervention is administered by ZELS. As a web solution, each municipality has free accesses for entering and using of data related to energy consumption in their own public buildings.

Additionally, during the overall project period, UNDP IMC specialist will be providing support for:

- conduction of the job description development based on functional analyses within the organisational unit responsible for energy efficiency ;
- facilitation of the process of formal establishing of selected IMC form;
- delivery of training on management and monitoring of the project.

6. Impacts and benefits for partner municipalities

Inter-municipal cooperation in the field of energy efficiency will provide savings of precious financial resources for the municipalities, and for all citizens, respectively at local and regional level.

The existing deficit of municipal administration requires engaging civil servants in several sectors which are vital for the functioning of a municipality, which in turn and if separate EE unit will not be developed will contribute for neglecting their day to day tasks and responsibilities. In order to avoid it, the creation of joint administrative body - joint EE unit through the IMC concept will result in fulfilling all requirements related to implementation of the local competencies in the area of energy efficiency and achieving improved quality of the related local services. Joint EE unit will serve all municipalities of VPR that will participate in its creation.

Energy savings will be achieved that will reduce the cost of energy consumed in all public buildings, and the financial savings can be further used for other specific purposes or new investment projects in the area of energy efficiency.

Especially from the energy savings and the maintenance costs reduction through EE investments in public lighting the wider community in the municipalities will benefit. Indirectly, the project will make influence on the construction standards and improved working standards in the municipal buildings and facilities of the public entities including the premises of primary and secondary schools and kindergartens.

7. Sustainability and Future Plans

Financial support of UNDP is considered as initial intervention for covering the start-up cost of initiation of IMC in the area of energy management and energy efficiency. The functioning of the IMC after the end of the project will be financed by the partner municipalities on the basis of Cooperation Agreement. The municipalities will agree on further operation and management of the Administrative Joint Unit on EE. In the frame of this project, a formal IMC is envisaged to be established as per legal required procedure.

Institutional sustainability of the IMC will be secured beyond the timeframe of the project supported by the UNDP. The partner municipalities are strongly dedicated to support the IMC in area of energy management in a longer period of time. Already existing IMC experiences among the partner municipalities on other municipal competencies shows that benefits of IMC such as economy of scale, implementation of decentralised competencies, provision of coherent quality of public services beyond the municipal territorial boundaries might be reached.

8. Other type of financial assistance

The Center for Development of the Vardar Planning Region, in accordance to its mandate and programme, has applied to the Bureau for Regional Development with the project "Support of Local Self-government Units (LSGU) for improvement of the energy efficiency through preparation of Programmes and Action Plans for Energy Efficiency". The project is entirely in compliance with the priorities for balanced regional development in Republic of Macedonia 2010-2012, as well as, with the strategic goals of the Programme for Development of the Vardar Planning Region.

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The main aim of the project funded by the Program for Balanced Regional Development for 2012 is to improve energy efficiency of the LSGU in the VPR and public awareness increasing for the importance of EE. Two specific aims are set in order the main aim to be achieved:

- Strengthening of the capacities of six LSGU (Kavadarci, Negotino, Demir Kapija, Rosoman, Gradsko and Lozovo) from the VPR, through preparation of the three years Programmes for EE and annual Action Plans for EE.
- Strengthening of the VPR through upgrading of the Programme for Development of VPR with strategic aims and activities related to EE.

The project will be implemented by engagement of consultancy company through public tender. The selected company will form an Expert Team of 6 members which will be in close cooperation with the CDVPR team responsible for overall implementation of the project. From other side, each of the municipalities will nominate a civil servant who will perform as a link between the company's Expert Team and public entities' representatives.

Anticipated period necessary for preparation of six Programmes and Annual Action Plans on EE by the consultancy company is 6 months. The project budget is 1.402.200,00 MKD for preparation of the Programmes and Annual Action Plans for EE and 61.500,00 MKD for upgrading of the Programme for Development of VPR in terms of EE.

In addition, each of the partner municipalities will financially contribute to the project overall budget. The municipal contribution will be allocated for implementation of the activities related to the implementation of capacity building events and public campaign for EE.

The municipalities will contribute in the project activities implementation thorough in kind contribution by involvement of human resources, IT equipment and municipal premises needed. For proper functioning of the Joint Administrative Unit on EE and the Info Centre on EE, the municipality of Negotino will cover the office costs (power, heating, telephone, internet etc.) in amount of 1,800 USD per year. Also, the municipalities will provide financial contribution presented within section "9. Overall budget summary".

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9. Overall budget summary

Name of Partners	Contribution by partners		Financial Support by the UNDP		Financial Support by the VPR		Total Budget	
	USD	MKD	USD	MKD	USD	MKD	USD	MKD
1. Municipality of Veles	2.500							
2. Municipality of Kavadarci	2.500							
3. Municipality of Negotino	2.500							
4. Municipality of Demir Kapija	500							
6. Municipality of Rosoman	500							
7. Municipality of Caska	500							
8. Municipality of Lozovo	500							
9. Municipality of Gradsko	500							
Total	10.000	473.300	20.000	946.600	30.000	1.419.900		
OVERALL TOTAL							60.000	2.839.800

UN Exchange Rate as of October 2012 is 1\$ = 47.33 MKD

10. Detailed Budget Breakdown of the UNDP Grant, by Partner Municipality and VPR

Budget Item	UNDP		IMC Partner Municipalities		CDVPR funded by Bureau for Regional Development	
	USD	MKD	USD	MKD	USD	MKD
I. EXTERNAL CONSULTANTS COSTS						
Consultancy Company on EE					30.000	1.419.900
II. OPERATIONAL COSTS						
Public Campaign			7.500	354.975		
Costs of events (travel, training, workshops, promotion events etc.)			2.500	118.325		
III. INVESTMENT COSTS						
Equipment for monitoring of the public buildings	14.000	662.620				
Establishment of EE Info Center and Info Points	5.000	236.650				
IV. OTHER COSTS						
Overhead for the CVPR	1.000	47.330				
TOTAL ELIGIBLE COST	20.000	946.600	10.000	473.300	30.000	1.419.900

UN Exchange Rate as of October 2012 is 1\$ = 47.33 MKD

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10a. Please provide the bank details of the lead applicant

The bank must be located in the country where the lead applicant is registered.

Account name	Centre for Development of the Vardar Planning Region
Account number	
Swift code	
IBAN code (optional)	MK07 0100 0123 069
Bank name	National Bank of Republic of Macedonia
Address of bank	Bul. Kuzman Josifovski Pitu No.1, Skopje, MK1000
Name of signatory/ies	Aleksandar Buzalkov
Position of signatory/ies	Menager

Annex

Specific terms used within the Energy Law (Article 3)

“building unit” shall be a section, floor or apartment within a building which is designed or altered to be used separately;

“energy efficiency” shall be the ratio between the realized output of services, goods or energy and energy input;

“energy performance of buildings” shall be the quantity of energy spent or the estimated energy consumption, including, inter alia, space heating and hot water preparation, cooling and lighting, and necessary to address different purposes at buildings related to the standard use of buildings, expressed by one or more numerical indicators calculated by taking into account the building envelope, technical features and construction method, its position in regard to climate effects, including the own energy generation and the required climate conditions at the building that affect the energy consumption;

“energy audit” shall be the systematized procedure aimed to determine actual energy consumption, identify and quantify cost-effective energy saving possibilities at a building or group of buildings, industrial processes or plants, or at public or private services, and includes preparation of energy audit report;

“energy saving” shall be the measured and/or estimated energy consumption reduction prior and after the application of one or more energy efficiency improvement measures, where due consideration is made of the normalization of external conditions that affect energy consumption, i.e., the provision of required living and working conditions, as well as equal quality and quantity of industry output;

“public sector entity” shall be any state body, local self-government unit body, public institution or public utility established by the Republic of Macedonia or a local self-government unit, as well as any enterprise performing a public interest activity where the Republic of Macedonia or the local self-government unit is the owner thereof or holds majority shares;

“energy efficiency improvement measures” shall be any measure targeting a particular group of consumers whose application results in measurable and verifiable or estimated energy efficiency improvements, and by means of which energy consumption reduction is achieved while maintaining the degree of living and working comfort at the building and reducing energy intensity per output unit in the industry and maintaining the same quality and quantity of production;

“energy efficiency improvement” shall be the increase of energy end-use efficiency as a result of technology and cost-effective changes and/or behavioral changes;

“energy efficiency assessment” shall be the expert analysis based on scientific, expert and experimental methods and aimed to determine the energy consumption indicators for individual devices and the structure of energy consumed;

Article 132

- (1) In compliance with the Energy Efficiency Strategy of the Republic of Macedonia and the Energy Efficiency Action Plan, on the proposal from the Mayor and upon previously obtained opinion from the Energy Agency, the Municipal Council of the local self-government unit shall adopt an Energy Efficiency Program covering a period of three years.
- (2) The program referred to in paragraph (1) of this article shall contain an overview and assessment of energy status and demands, indicative targets on local energy savings, measures on energy efficiency improvement and promotion and the targets to be attained with the said measures, funding sources, activities and deadlines for measures implementation, holders of such activities and other necessary data.
- (3) The program referred to in paragraph (1) of this article shall be implemented by means of annual plans, adopted by the Municipal Council of the local self-government unit, on the proposal from the Mayor.
- (4) The local self-government units shall submit the Energy Efficiency Programs referred to in paragraph (1) of this article to the Energy Agency within 30 days from their adoption the latest. The Energy Agency, within a period of 30 day from the submission of the local government's Program the latest, shall be obliged to submit the Ministry a report on the compliance of the Program referred to in paragraph (1) of this article with the Energy Efficiency Strategy of the Republic of Macedonia and the Action Plan referred to in Article 131 from the present law.
- (5) By the end of February in the calendar year the latest, the local self-government unit shall submit the Energy Agency the annual plan referred to in paragraph (3) of this article for the current year, as well as information on the program implementation referred to in paragraph (1) of this article for the previous year. By 31st May in the calendar year the latest, the Energy Agency shall submit the Ministry the summary report based on annual plans submitted by the local self-government units and the information on program implementation.

Article 134

- (1) The public sector entities shall be obliged to apply measures aimed at energy efficiency improvement of buildings, building units, devices and plants.
- (2) For the purpose of fulfilling the obligations referred to in paragraph (1) of this article, the public sector entities shall be obliged:
 - 1) to adopt three-year programs on energy efficiency improvements and implement the measures set therein;
 - 2) to develop annual energy consumption analyses and monitor energy consumption;
 - 3) at least once every three years, to perform energy audits for buildings and building units where they perform their activity;
 - 4) to secure building energy certificates for the buildings or building units owned by the public sector entities;
 - 5) when constructing new or major renovation of buildings or building units in their ownership, to install solar collectors for hot water, when deemed cost-effective, pursuant to the Rulebook on Building Energy Performance referred to in Article 136 from the present law.
- (3) For public institutions and public enterprises established by the Republic of Macedonia or the local self-government units, the obligations referred to in paragraph (2) of this article shall be performed by the competent lines ministries, or the local self-government units.

- (4) The public sector entities i.e., competent line ministries or local self-government units referred to in paragraph (3) of this article, by the end of February in the current year the latest, shall be obliged to submit to the Energy Agency the summary reports from energy audits performed in the previous year. The Energy Agency, on the basis of the summary reports and by the end of June in the current year the latest, shall be obliged to develop and submit to the annual reports on energy audits performed in the previous years.
- (5) The Energy Efficiency Action Plan shall determine the measures that public sector entities, depending of the activity they perform, are obliged to apply in their operation, for the purpose of attaining the energy saving and energy efficiency targets.
- (6) When implementing public procurement procedures, the public sector entities shall be obliged to stipulate energy efficiency of the procured goods or services as one of the mandatory criteria for the selection of the most favorable bid.
- (7) In cases when the public sector entities lease commercial premises, buildings or building units, the owner of the building where the commercial premises are located should hold a building energy certificate.
- (8) The Energy Agency, upon previously obtained opinion from the Bureau of Public Procurements, shall adopt the guidelines on energy efficiency and energy saving measures application when determining the specifications of goods and services to be purchased by means of public procurements, as well as energy efficiency and energy savings criteria application in the selection of the most favorable bidder.
- (9) The guidelines referred to in paragraph (8) of this article shall be published on the websites of the Energy Agency and the Bureau of Public Procurements

XVI.5 Other Misdemeanor Provisions

Article 190

- (1) The legal entity shall be fined in the amount of 5,000 to 7,000 EUR in MKD counter value when the legal entity in question:
 - (5) is public sector entity and has not complied with the obligations referred to in Article 134, paragraph (2) from the present law;
 - (6) is public sector entity and has not submitted the energy audit report to the Energy Agency (Article 134, paragraph (3));
 - (7) is public sector entity and has not specified energy efficiency of the goods or services purchased as the mandatory criterion for the selection of the most favorable bid in the public procurement procedure implementation (Article 134, paragraph (5));
 - (8) is public sector entity that leases business premises at a building whose owner does not hold a certificate confirming the building's compliance with the building energy performance requirements (Article 134, paragraph (6));