

## **FACTSHEET: WASTE MANAGEMENT IN NORTH MACEDONIA**

## Area and Population

North Macedonia is a landlocked country in the Western Balkans with a population of 2.08 m and a surface area of 25,713 km<sup>2</sup>. The capital and largest city Skopje has 600,000 inhabitants.



## Government

Zoran Zaev is Prime Minister of a coalition government formed by his Social Democrats (SDSM) and the Democratic Union for Integration (DUI) in 2020. The government's top priorities include acceleration of EU and NATO membership, good neighbourly relations in the region, inter-ethnic reconciliation, and strengthening the rule of law and economic governance.

## Key Economic Data

Currency: Macedonian denar (MKD), average exchange rate 2020 MKD 61.68 = 1 EUR

GDP per capita: \$ 6,022 in 2019

GDP growth: 3.6% in 2019, - 5% estimated 2020, 3% forecast 2021

Unemployment: 17.3% in 2019, 20.2% estimated 2020

Inflation: 0.8% in 2019; 0.9% estimated 2020

National debt as % of GDP: 40.2% in 2019; 50.3% estimated 2020

Average wage: MKD 39,932 in 2019

Foreign direct investment: \$ 365 m in 2019

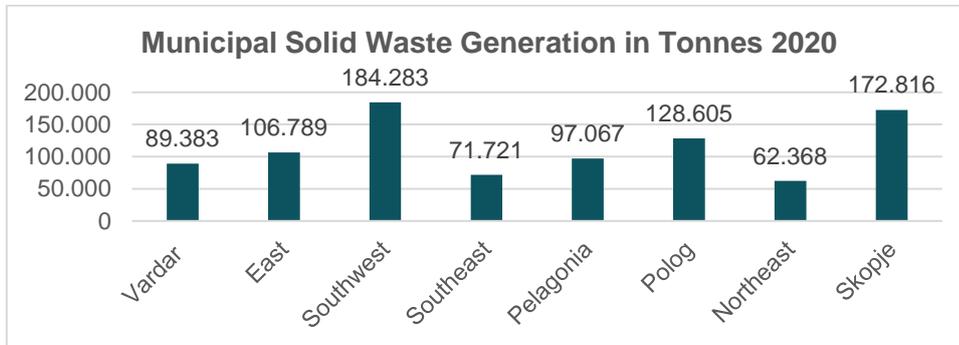
World Bank Ease of Doing Business Index: North Macedonia is ranked 17th overall out of 190 countries in 2020 and in 6th position in Europe

Main industries: Agriculture and food processing, chemical products, steel, machinery, and textiles. The ICT and automotive components sectors are growing strongly.

## Waste Volumes

Municipal solid waste (MSW) generation has increased consistently over the last 10 years – from 351 kg per inhabitant in 2010 to 452 kg in 2020. The total arising in 2020 amounted to 913,033 tonnes. Of this amount 630,086 tonnes (70%) were collected by municipalities, the rest disposed

or recycled locally. 83% of MSW was collected from households and 17% from commercial premises. The following diagram shows waste generation by region:



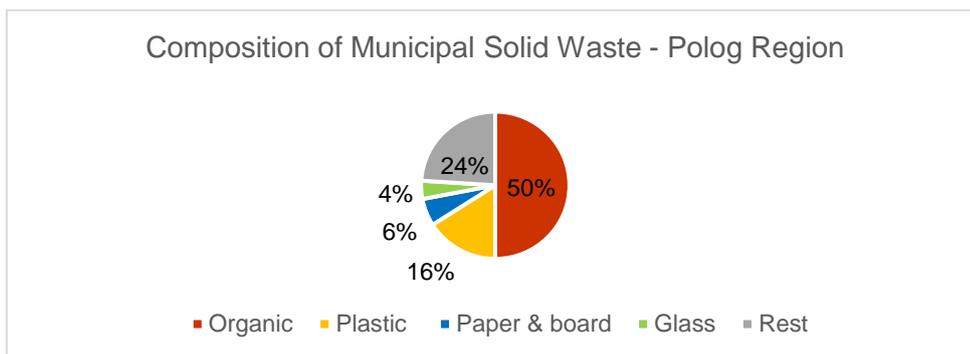
Source: State Statistical Office of North Macedonia

The relatively high municipal waste generation rates reported by the State Statistical Office are partly based on estimates by municipalities that may have inadequate weighing and registration procedures.

Industrial waste totalled 531,762 t in 2018 and mining waste 161,619 t. Hazardous waste generation amounted to 20,484 t.

### Waste Composition

Current national data on the composition of MSW is not available, but recent analyses for the Polog region shows the potential for recycling and composting or anaerobic digestion.



Source: Regional Waste Management Plan of Polog Region, 2020

### Disposal and Recycling Routes

Less than 1% of collected MSW is recycled, the rest is landfilled.

Extended producer responsibility (EPR) schemes for packaging, waste electrical and electronic equipment (WEEE) and batteries do achieve considerably better recycling rates, for example in the packaging scheme, 68% for paper and cardboard, 39% for plastics and 23% for glass.



Separate collection of packaging, glass and residual MSW in Skopje. Photo: AvS Consulting

## Waste Management Infrastructure

Much of the equipment required for the collection and transport of waste is outdated. There are no facilities to sort, clean or aggregate recyclable materials. There are no composting or anaerobic digestion plants for energy production from biowaste.

The only compliant municipal waste landfill is the 76 ha Drisla site serving the capital Skopje, which has a monitoring system for leachate and landfill gas, leachate collection, perimeter fencing and video surveillance. Drisla also operates a small hazardous and medical waste incinerator with a maximum capacity of 1 tonne/day. An EU study of the country's municipal landfill sites categorised 16 of the 54 sites as high risk in environmental terms and 17 as medium risk. Large high-risk sites include the landfills at Gostivar, K. Palanka and Ohrid. In addition to Drisla and these non-compliant landfills, it has been estimated that there are around 1,000 illegal dumpsites where smaller communities and villages in rural areas dispose their waste. There are also 16 older industrial waste landfills containing hazardous wastes.

## Key Players

Municipal solid waste (MSW) collection and disposal is undertaken by public communal enterprises (PCEs) or by PPPs. Frequently PCEs fulfil other municipal obligations, such as street cleaning or park maintenance. The largest is Communal Hygiene, Skopje. Private recycling companies include Grintech (plastics), Zero Waste (WEEE and batteries), Evrosurovina (scrap metals and rubber) and EkoCentar 97 (scrap metals, WEEE and end-of-life vehicles). Remondis Medison, a subsidiary of the international Remondis group, is engaged in medical waste management. EPR systems for packaging waste are operated by Pakomak, Euro Ekopak, Eco Packaging and Alpak Eko. Other collective EPR systems are in place for WEEE and batteries.

## Waste Management Strategy

The *Waste Management Strategy 2008 – 2020* emphasises the need to decrease the quantities and hazardous potential of waste generated, to recover the material and energy value of waste and to assure environmentally acceptable final disposal. Priorities include establishing systems for the separate collection of waste, setting up producer responsibility schemes and modernising the infrastructure on the regional level to achieve adequate economic thresholds for investments in waste management facilities. Facilities for hazardous waste need to be established and the remediation of contaminated non-compliant municipal and industrial landfills is required. A new draft *Law on Waste Management* (see Legal Framework below) contains more specific regulations and powers for the closure of landfills and the establishment of regional waste management systems. Overall, the aim of North Macedonian policy in waste management is to align domestic and EU policy and legislation.

## Legal Framework

The legal framework on waste management in North Macedonia includes:

- Law on Waste Management,
- Law on Management of Packaging and Packaging Waste,
- Law on Management of Batteries and Accumulators and Waste Batteries and Accumulators,
- Law on Management of Electrical and Electronic Equipment and Waste Electrical and Electronic Equipment,
- Law on Ratification of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, and
- List of types of waste etc.

Additionally, a new draft Law on Waste Management was published in 2019. The new law would enable the following measures:

- Closure of all non-compliant landfills,
- Regional collection, transport, selection and recycling of waste, as well as its treatment and utilization,
- Establishment of a functional system for regional waste management and construction of regional landfills. Such regional waste management systems are designed to:
  - Reduce landfilling and increase the processing and recycling of waste,
  - Reduce illegal dumping to enhance environmental protection and municipal revenue streams,
  - Increase employment,
  - Develop a circular economy leading to better resource use, and
  - Align domestic with European legislation in the field of waste management.

In addition, various legal acts regulating foreign investments may be relevant for investors in North Macedonian waste management projects:

- Law on Strategic Investments in Republic of North Macedonia,
- Law on Financial Support of Investments,
- Law on Innovative Activities, and

- Law on Industrial – Green Zones etc.

## Opportunities for Investors

As policy implementation improves and funding mechanisms are strengthened, there are opportunities for investors along the entire waste management value chain from collection to sorting and recycling to final disposal. Examples:

- Modernisation of the collection infrastructure (vehicles and containers) for the increased source segregation of recyclables.
- Extension of EPR schemes to additional waste streams, such as end-of-life vehicles.
- Implementation of regional waste management plans including the construction and operation of waste transfer stations, materials recovery facilities and modern EU compliant landfills.
- Closure and after-care of non-compliant municipal and industrial waste landfills.
- Construction and operation of facilities for the treatment and/or recycling of hazardous waste, WEEE, tyres and construction and demolition waste.

The development and execution of these projects will also provide business opportunities for consultants, engineers, equipment suppliers and waste management companies.

The Government of North Macedonia recently announced a public call to submit proposals for strategic investment projects. According to the Law on Strategic Investments in North Macedonia, a strategic investment project is defined as an investment of at least EUR 100m in two or more municipalities (of which at least EUR 50m is allocated to urban municipalities and at least EUR 30m to rural municipalities). Some of the sectors covered by this call are i) Energy with infrastructure, ii) Agriculture, forestry, and water management, and iii) Wastewater and waste management. In exceptional cases, the investment may exceed EUR 150m. All domestic and foreign legal entities that meet the requirements and provide the necessary documentation for obtaining the status of a strategic investment project may participate. The deadline for submission is 31.01.2022.

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