At the 15th anniversary of ADKOM, which is an association in which more than 80 public utilities companies are members, many of the problems were discussed openly. Also, a plead was sent to the Central and Local Government to review all aspects and harmful consequences from the enforcement of the Law on trading on green markets, on the debts of the PUCs to the public and private institutions, the problems caused by the current status of the employees in the PUCs, the lack of vehicles and mechanization in the PUCs, human resources and the low wages in the PUCs.

“The public utility companies are very important to the everyday lives of the citizens, so that they may live in a clean, healthy and dignified environment. United in one association, where they can exchange experiences and set priorities, the members of ADKOM contribute as responsible companies”, said the Prime Minister, Mr. Zoran Zaev in his address.

The Prime Minister, Mr. Zoran Zaev, found the role of the PUCs to be very important in their municipalities and that it is crucial for ADKOM to take initiative and articulate joint directions and recommendations and achieve a higher degree of functionality of the PUCs for the development and quality of the services delivered to the citizens and the communities.

“The ideas and motives born 15 years ago, to establish ADKOM as a non-profit organization for the public utterly providers demonstrated to be justified, rational and sustainable. ADKOM is active in all areas within the scope of the activities of the PUCs”, said the Chairman of ADKOM’s Management Board, Mr. Zoran Georgiev and he added that “today ADKOM is a necessary and important mechanism of coordination, networking, lobbying and representing of the PUCs”.

During the ceremony, it was announced that ADKOM established a Training center in order to support the capacity building of its members, and that they can acquire knowledge and exchange experiences in such Training Center; it was also pointed out that ADKOM is part of the regional initiatives for capacity building of associations, utility companies and local governments, such as the Danube Learning Partnership of IAWD and the regional project “Regional Capacities Development Network (RCDN)”, implemented by GIZ and financed by the Swiss and German Governments. One part of the international collaboration of ADKOM is the participation on the regional and international conferences and fairs and the bilateral collaboration with similar associations from the region. Also, it was announced that ADKOM collaborates closely with the Ministries within the Government of the Republic of North Macedonia and in the last two years has been working intensively with the Energy and Water Services Regulatory Commission of the Republic of North Macedonia.

“ADKOM collaborates with citizens associations with the local and central government, and we are always ready to initiate and motivate growth, as we are convinced that the utility company has a great potential to be an active stakeholder in joint long-term development strategy of the country”, said the chairman of ADKOM.

During his speech, the chairman of ADKOM pointed out that ADKOM is working actively on stimulating the dialogue among the stakeholders in the utilities sector by organizing various events. In that context the signed Memorandum of Understanding among ADKOM, the Association of Local Self Governments, Energy and Water Services Regulatory Commission of the Republic of North Macedonia, and the regional project “Regional Capacities Development Network (RCDN)”, is a platform for initiating, maintaining and forwarding of such a dialogue in the water supply sector, and at the same time it gives a framework for a dialogue with the stakeholders in all other utilities services.
15th anniversary of ADKOM
Regional meetings with the PUC directors

Harmonizing joint standings on improvement of working conditions for the providers of utility services

One of the key activities of AKDOM, undertaken in 2018 was the implementation of the Project “Support in establishing a platform for dialogue concerning water services in Republic of Macedonia”, where several round tables were organized on the main challenges and possible solutions in the water sector.

The stakeholders in the water sector demonstrated huge interest and took active participation in the round tables, thereby contributing to the dialogue. In order for this good practice to continue in the future, and the collaboration within the water sector stakeholders to continue, there was an initiative for a Memorandum of Understanding among ADKOM, the Association of Local Self Governments, Energy and Water Services Regulatory Commission of the Republic of North Macedonia, and the regional project “Regional Capacities Development Network (RCDN)”, implemented by the Swiss and German Governments.

ADKOM organized four regional meetings in September and October:

I. 26.09.2019 – Mavrovo
II. 27.09.2019 – Radovish
III. 01.10.2019 – Rankovci
IV. 02.10.2019 – Kavadarci

As main identified issues that bother most of the PUCs were:

1. Huge debts of the PUCs;
2. Lack of funds for payment of debts to EVN;
3. Lack of funds for payment of debts to the Public Revenue Office (PRO) and the contributions for health and pension;
4. Problems with paying of VAT;
5. Problems with collecting payments for raw drinking water by the UCs;
6. Problems in collecting payments from the service beneficiaries;
7. Defining of a social category and collection of bills;
8. High prices and debt to “Vodostopanstvo” SA;
9. PUCs pay a very high price for the raw drinking water;
10. Huge maintenance (fixed) costs;
11. Legal regulations concerning the status of the employees in the PUCs (administrative servants / public services providers);
12. Overburdening with legal obligations and procedures;
13. Amendments to the law concerning penalizing and cutting off beneficiaries from the network due to inability to pay debts;
14. Lack of vehicles and machinery for executing the main activities of the PUCs;
15. Inadequate preparation of bidding documents by the municipalities for part of the vehicles and machinery. After receiving the vehicles and the machinery, PUCs are not able to maintain them;
16. Law on Cemeteries, especially the part concerning their maintenance;
17. Outmoded water supply and sewage network;
18. Lack of adequate training of employees concerning waste water treatment plants.
19. Providing funds for the waste water treatment plants and putting them into use;
20. Problems in taking over rural water systems;
21. Problems with illegal plugs into the network from the beneficiaries (legal and natural persons);
22. Problems with calibration of meters;
23. Fountains maintenance and increase funds in the budget for this purpose;
24. Increased waste of waters (50-60%);
25. Misuse of drinking water by the beneficiaries (used for watering plants etc.)
26. Utilities inspectors are not present on-site, therefore the laws cannot be enforced;
27. Waste and waste dumps management, procurement of containers and waste bins;
28. Management of hospitality premises, which encumbers the operations of the PUCs;
29. Problems with the implementation of the Law on trading on green markets;
30. Management with livestock market and inability to obey all legal provision and criteria;
31. Lack of support and cooperation with the municipality;
32. Lack of information for procurement of equipment, grants and donations.

Proposals for overcoming the problems and challenges:

1. Funds to be allocated from the State Budget for the payment of debts of PUCs.
2. Organize a conference for all directors of the PUCs on 28.10.2019, before the 15th anniversary of ADKOM. Share identified topics on the conference and organize media coverage of the conference in order to lobby before the Central Government.
3. Strengthen inspections.
4. Relieve PUCs from payment of contributions.
5. Decrease VAT on waste.
6. From the water fund, towards which PUCs pay on monthly basis, provide projects on which PUCs could apply independently and/or get grants.
7. Organize a meeting with the Ministry of Environment and Physical Planning (MOEPP) concerning licenses for wells as well as waters discharged into sewages.
On October 31, 2019, ADKOM's Training Center, in collaboration with the project “Regional Capacities Development Network (RCDN)”, organized the Round Table “First Regulated Period – Acquired Experiences”, in light of the well established practice for dialogue. Many representatives of the public utilities companies took participation on the Round Table and they discussed the problems they faced in the past period. After an elaborate discussion the following conclusions were made:

- The first regulated period is just a beginning of the reform. It offers the possibility to learn from it, and implement the learned lessons in the second regulated period.
- Lack of unified internal accounting systems and book-keeping of expenses in a different manner in every PUC, is a huge problem. Also, it was pointed out that this problem may be observed when giving different and often contradictory data from the technical and financial sector.
- The huge differences between planned and implemented investments have been detected as some of the major problems in the first regulated period. The investments planned by the local self-government will not be taken into consideration i.e. only the investments planned by the PUCs shall be taken into consideration when setting the regulatory tariffs for the second regulated period.
- In the meantime, it will not be possible to upgrade the platform of the Energy and Water Services Regulatory Commission of the Republic of North Macedonia and a tariff model in Excel will be used for entry and calculation of data. The shared difficulties concerning the feeding and using the tariff model have been taken into consideration and possible solutions for them will be requested from ADKOM and from the Energy and Water Services Regulatory Commission of the Republic of North Macedonia.
- ADKOM will continue to look for funds for supporting the following processes: 1) preparation and submission of reports from the PUCs in municipalities under 10,000 inhabitants; 2) review, preparation and submission of necessary documentation for the second regulated period by PUCs in municipalities with over 10,000 inhabitants.
- ADKOM will plan and implement trainings that will strengthen the capacities of the PUCs, in order to have a successful implementation of the second regulated period and submission of reports from the smaller companies.
- The deadline for submission of new request with BP and PPT must be respected, which currently is March 2020.
On December 10, 2019, ADKOM organized a Round Table on the subject of “Debts of PUCs to public institutions”, within the process of ADKOM’s dialogue with the central and local government for increased effectiveness and efficiency in providing citizens with utility services.

The main goal of the Round Table was to present identified conditions through analysis conducted by ADKOM and to discuss possible solutions to overcome the identified problems.

Ms. Marija Valakova from PUC “Plavaja” from Radovish and one of the consultants presented the position paper “PUCs debts”.

In her presentation, Ms. Marija Valakova gave a short overview of the PUCs which are established to provide utility services and their financial standing, and then the main accent was put on the debts of the PUCs. As major creditors of the PUCs were individuated public institutions and authorities, such as PRO, PDIF (HIF), Local Self-Government Units, ELEM and others. And as major debtors to the PUCs were mentioned Local Self-Government Units, higher education institutions and primary and secondary schools.

In order to overcome the debt problems, Ms. Valakova offered several solutions for the PUCs in her presentation:

- Writing off total debts and interest
- Compensate debts of PUC with the public institutions
- Writing off total debts to Heath Insurance Fund
- Pass a Law on Write off of interest to overdue obligations
- Signing agreements for payment of debts of PUC to public institutions on 120 installments

After the discussion the moderator shared the conclusions:

- PUCs and the institutions are open to resolving the debt problems
- All settlements done with PUCs for payment of debts should be carefully planned and all segments should be aligned so that the PUCs can keep working but also not generate new debts.
- Coordination and cooperation with the central and local government is essential in order to have a clear picture of their policies and goals and in order to put the focus on the utility services providers.
- The debts, partisanship and need for increased efficiency and effectiveness are too complex subjects and they need to be worked upon actively. The constant dialogue among the stakeholders is essential, in order to actively discuss about the problems and use it as a vehicle to find measures and overcome the problems.
- It is necessary to work on a detailed study in the forthcoming period which will offer research and analysis of the sources of debt of the public companies, to discover the main reasons which cause these sectors to generate debts perpetually.
On December 17, 2019 ADKOM organized the Round Table “Legal status of the employees in PUCs”, within the process of ADKOM’s dialogue with the central and local government for increased effectiveness and efficiency in providing utility services to the citizens.

The main objective of the Round Table was to support the dialogue between the PUCs, represented by ADKOM, and the stakeholders of the local and central government.

The Round Table was opened by the moderators, Mr. Jane Vrteski. It was pointed out that ADKOM, as an association of all PUCs in R. Macedonia, undertakes several activities to support reforms and develop the sector or public utilities in accordance with the priorities of the local self-governments and the Program of the Government. Therefore ADKOM established a standardized process of dialogue i.e. a dialogue platform with the stakeholders from the local and central government. The dialogue was initiated last year and it will continue in the next year through several activities, and eventually result in a signing of a Memorandum of Understanding among various stakeholders. The subject of legal status of the PUC employees has been part of the dialogue among ADKOM’s members and analyzed in a position paper. It has also been identified by ADKOM’s committees, the regional meetings with the PUC directors and the plans and meetings of the Management Board of ADKOM.

The moderator presented the agenda and informed the participants that Ms. Valakova from the PUC “Plavaja” Radovish will be the first to present the position paper on the subject of “Legal Status of the PUC employees”.

In her presentation, Ms. Valakova gave a short insight in the PUCs established for delivering utility services and stated that due to the vast array of activities executed by the PUCs it is necessary that they have different profiles of employees, also, that the PUCs need to rearrange their operations, in order for them to be able to meet utility needs in timely and quality manner.

Ms. Valakova demonstrated a list of laws connected to the operations of the PUCs and stated that the problems which preoccupy the PUCs are due to disharmonized legislation, which affect significantly the PUCs, and so she stated that it is crucial to establish a dialogue with the ministries in order to overcome the identified influences of the legislation.

In order to overcome the problem with the PUCs’ employees’ status, Ms. Valakova offered several solutions:

- Amendments to the Law on Employees in the Public Sector, according to the identified remarks (for the solution of this problem, the dialogue with Ministry of Information Society and Administration- MIOA is essential)
- New Collective Agreement for the PUCs with detailed regulation of the sector, the rights and obligations of the employees and employers, in accordance with the viable legislation and; simplification of procedures (for the solution of this problem it will be necessary to establish dialogue with the Unions);
- In the Law on Employees in the Public Sector to differentiate public companies financed from the State Budget and owned by the State from those established by the Councils of the municipalities and self-financed; (for the solution of this problem it is necessary to establish a dialogue with the Ministry of Economy)

After the discussion the moderator shared the following conclusions:

- The ministries are open to solving and overcoming the problems arisen from the legal status of the employees. In the Working Group for the amendments to the Law on Public Companies will be included the members of ADKOM, i.e. the employees of the PUCs.
- The dialogue with the authorized ministries and agencies will continue towards overcoming identified problems concerning the legislation.
- ADKOM will continue with the activities of monitoring problems related to this topic, it will establish additional cooperation with other stakeholders in order to get more detailed analyses and resolve problems more easily.
By 2025 Skopje will receive a water treatment plant as part of a 136 million Euros project

By 2025 Skopje will get a waste water treatment plant, it was announced after the signing of the agreement between the Ministry of Environment and the Ministry of Finance, and with the signing of this agreement the financial construction for this major project is completed.

This project is an investment of 136.73 million Euros, which are provided from the European Bank for Reconstruction and Development and it should complete resolve the waste water problem for the City of Skopje, which mostly affects the river Vardar.

“This is an urgent project for the capital, as with the growth of population, industrialization and urbanization the quantity of waste waters released in the river Vardar is constantly rising. The water treatment plant will serve over 500,000 citizens and the urban waters will be filtered according to the EU standards. This is one step further toward improving the living standards of the citizens, and all the citizens along the catchment of the river Vardar will also benefit from it. This is a very important day, let’s celebrate it, but form tomorrow we have a lot of work to do, as we are starting with the project”, said Ms. Nina Angelovska, Minister of Finance.

The Minister of Environment, Mr. Naser Nuredini, stated that Skopje is one of the last cities in Europe without water treatment plant, and so he announced that this is only one in the line of similar projects.

“So far we have built water treatment plants in Prilep, Radovish, strumica, Kichevo, Gevgelija and Kochani. We are determined to build more plants in Bitola and Tetovo, and we already have the technical documentation for Shtip and Veles”, said Nuredini.

The project will be implemented under the guidance of the PUC “Vodovod i kanalizacija” – Skopje.

“After 15 years this project is becoming reality. We, as a company, have invested lot f resources in its realization. This is the second largest investment of this administration and one of the most modern, which brings us closer to the European countries”, said the director Dushko Veskovski.

In coordination with the City of Skopje, PUC “Komunalna higiena” Skopje and the Municipality of Karposh started the pilot Project for primary segregation of the communal waste from the households.

This pilot project will include 500 households from Vlae area, as they will segregate the waste on dry and wet fractions. PUC “Komunalna higiena” Skopje already gave these households additional garbage bin to dispose of the dry fraction – plastic, paper, metal, glass etc. while the garbage bin they have been using so far will be used now for the wet fraction – biodegradable waste, like food remains (fret, vegetables, meat, bones), leaves, flowers etc.

“Introducing primary segregation of waste is a long awaited activity for PUC “Komunalna higiena” Skopje. The primary waste segregation will result in increased efficiency in collecting and transportation i.e. increased efficiency in recycling and re-suing of waste, but most importantly it will contribute to less communal waste which ends up in waste depots. Besides the dry fraction of the waste, which is already processed, we plan to completely use and process the wet fraction, and we already have drafted a project for composting of the biodegradable waste. It should be operative next year in our Segregation Center in Vardarishte. The project was made by our consultant from the US, Mr. Jeff Gage.

So we call upon all citizens to segregate their waste and so join us in accomplish our vision for clean Skopje and healthier environment” – said the director of PUC “Komunalna higiena” Skopje, Abdusamed Shabani.
Bitola without waste depots – announcing a major cleanup action

On September 28, PUC “Komunalec”, organized a major action for cleaning of illegal depots in Bitola. The action was supported with the machinery of PUCs “Vodovod” and “Niskogradba” and representatives of the NGOs and citizens.

The activity was announced from the recently cleaned up ring road of Bitola, which for decades was hazardous for the those travelling the regional road Prilep-Resen, and also it was running the image of the town of Bitola.

“For the first time we have cleaned this part in February 2018, and we did the same this summer when we removed 2000 cubic meters of garbage. So we included PUCs, private companies, citizens and now we will maintain the terrain with the help of PUC “Komunalec”, which employed personnel to clean this part specifically. Before we cleaned up and now after we cleaned up, I said that we can’t clean as much as others can create garbage. In the meantime we have cleaned other locations in the town, waste depots, which were not touched for many years. I would like to thank the citizens, all initiatives, political subjects, who participated in all the activities and contributed to cleaning Bitola. We should keep going in this direction”, said the mayor of Bitola, Ms Natasha Petrovska. She also addressed the vandalism in the Primary School “Sv. Kliment Ohrdski”: “Everything that the kids created on the facades on the school was destroyed in just one night. But also, in just one day, with the help of the enthusiasts, and young people, with the paint provided from the Municipality, we managed to restore the looks of the school, and I hope it will stay that way, and it will be a beautiful image for all of us to look at.” – said Petrovska.

The Director of PUC “Komunalec” called upon the citizens, associations and all other organized groups to join the announced activities for cleaning Bitola on September 28.

“We will clean the location Tepsija na Bairot, areas of Borimechka and Bukovski livadi, the yard of the Highs School Dorm, the New Market to the Technical School. All the citizens are invited to join, and of course on all locations we will have representatives from our PUC, but together we can do a lot. We will have support from of PUCs “Vodovod” and “Niskogradba” which will help with their machinery to clean the illegal depot near the crossroad for the village of Rotino. We will continue to intervene in other depots, as requested from our citizens”, said director Bogoevski.

The cleanup action will start at 8 a.m. on all of the abovementioned locations.

Source: http://www.bitola.gov.mk/%d0%b1%d0%b8%d1%82%d0%be%d0%bb%d0%b0-%d0%b1%d0%b5%d0%b7-%d0%b4%d0%b5%d0%bf%d0%be%d0%bd%d0%b8%d0%b4%d0%b4%d0%b8%d0%b0%d0%b0%d0%b0%d0%b7%d0%b0-%d0%b3%d0%be%d0%b5%d0%bc%d0%b0-%d0%bb%d0%b2%d0%b0/