Supplementary Annex

Draft Version of SEA Report on Proposed Amendments to the Management Plan for the NPG 2011 – 2020.

In Section 7.7: Effects to Protected Area Status – IUCN II, WHS, Emerald Sites (including high-level Appropriate Assessment Table 7-4) – the following text will be added before sub-section 7.7.1:

The SEA recognises the risks of proposing to undertake developments within a Protected Area and assesses these risks. As part of the requirements of the SEA, and under applicable Macedonian legislation, detailed assessment of effects on species & habitats protected under the Berne Convention and other applicable international agreement, and the development of appropriate mitigation strategies, will be required for all Projects covered by the SEA. At a Project-level, biodiversity surveys of areas potentially affected by a proposed development will be required.

In Section 7.7.2: The Effects on the Status of the World Heritage Site – the following text will be added:

The Government of Macedonia was requested at the UNESCO meeting in Doha (June 2014) to report on activities within the Ohrid Region. Focal points responsible for communication with Unesco are the Ministry for Culture and MoEPP and an update report shall be submitted. For each Project proposed,an ESIA and Heritage Impact Assessment (HIA) will be submitted to UNESCO.

In Section 8.2. – the following text will be added after the bullet points and before sub-section 2 Mitigation of Effects on Cultural and Natural Heritage:

The Project ESIA should identify and assess design proposals and alternatives for the production of artificial snow. Further detailed investigation of this issue is required as there is currently no available information within the current Project information on the ski centre provided by MEPSO to the SEA team. In addition, detailed investigation of potential water sources and the impacts of water abstraction are required for the ski centre Project due to the information presented in the Master Plan for Ski Center on the Galichica:

"Due to its great importance for this study and as already indicated prior in this report (Section II.4 – Climate/Solar Analysis), we again want to point out that no weather or snow measurements of the Galičica massive have been provide to Ecosign. Our assessment and assumptions are based on data that has been interpolated from areas in the proximity of the site and thus the overall data basis is not very reliable.

Proper assessment of the weather pattern at the area of interest is an indispensable precondition in order to judge whether or not the site is suitable for ski area development! Therefore the weather patterns on the mountain of the Galičica National Park should be investigated in more detail in order to make reliable recommendations and a founded statement about the suitability of the site for development of a ski center. Consequently we strongly suggest collecting weather data at exposed areas on the mountain tops and the potential lift terminal locations."

"A detailed analysis of the weather conditions by a snowmaking engineer will be required to determine the number of hours with conditions suitable to make snow over the course of the ski season. Furthermore it will be crucial to identify potential water sources for the snowmaking. We have not received any information about the amount of water available. Water supply is a critical subject for artificial snowmaking and considering the geological and climatic situation of the Galičica massive we believe that this will be a critical issue which needs to be studied in detail."

In Section 9, sub-section 9.1 - the following text will added at the end of the sub-section:

It is considered that the principle of compensation is supported in the Law via the SEA Decree and is also inferred by the Law on Nature Protection being developed to transpose the EU Habitats Directive.

The concept of the Mitigation Hierarchy is accepted in National Legislation, and compensatory measure are included in Article 19 of the Law on Nature Protection. The Macedonian Decree on the Content of SEAs (153/07) states that it should contain information on "*measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme*".

At the present time, there is no developed national guidance on biodiversity impact offsetting methodology to create a No Net Loss position. As a result the method for offsetting impacts (i.e. compensation measures) applied in the SEA should be based on generally accepted methods and approaches used elsewhere in Europe.

The accepted model of compensation/offsetting uses the mitigation hierarchy as its basis and provides a framework using a precautionary approach to identified a reasonable "worst case" scenario to be used as the final mitigation option for No Net Loss planning, once the other stages in the mitigation hierarchy have been considered. The framework provides a structure to quantify the nature and scale of compensation measures required where Projects are not able to avoid or manage the adverse impacts through alterations to the project design, and/or other means. The objective is to ensure that the principle of No Net Loss for Priority Biodiversity Features can be implemented through practical measures that can be accepted by Project Proponents at a strategic level.

At a Project level, the ESIA processprovides a mechanism to identify where the adverse effects of a proposed development can be avoided or reduced, and identify what impacts will remain to be managed and potentially offset, depending on the nature and magnitude of the residual impact.

By adopting the mitigation hierarchy as part of a structured ESIA process, projects can reduce significantly or avoid the need for biodiversity offset measures by making changes to the project design so that potential impacts are avoided or minimised at an early stage in the project development process. An ESIA for a specific Project should justify and explain how an alternative design or managementwill reduce impacts as well as providing an explanation for how the offset or compensatory measures set out in the SEA will be implemented by the Project. Individual Projects may apply other models and to make alternative recommendations for offsets, provided that they meet the overall principle of No Net Loss as set out in the EU Habitats Directive.

By adopting the principle of No Net Loss (through compensation/offsetting) at a strategic level, this would ensure that individual projects would also be required to implement the same principle in order to safeguard thestatus and biodiversity value of the National Park, applying the mitigation hierarchy as required by law.

In Section 9, Subsection 9.2 – the following text will be added before Figure 9-1:

The process for the assessment and quantification of biodiversity impacts is complex. A guide, consistent with the methodology set out in the SEA, has been prepared by the UK Government[1].The methodology set out in the SEA is based on widely used methodologies that are also used by major international companies such as Rio Tinto[2] and the Business and Biodiversity Offsets Programme[3]. The methodology has been tailored to meet the requirements of the SEA and comprises the following steps:

- ***Identify key habitats*** within the Park, assess their value from a conservation perspective, using quantitative and qualitative methods;

[1]Department for Environment, Food and Rural Affairs, 2012. Biodiversity Offsetting Pilots - Technical Paper: the metric for the biodiversity offsetting pilot in England, March 2012
[2]http://www.riotinto.com/ourcommitment/features-2932_8529.aspx
[3]http://bbop.forest-trends.org/pages/guidelines

- ***Predict the impacts*** on the key habitats from changes to the NPG Management Plan after the mitigation hierachy has been applied;
- ***Quantify the impact*** on the key habitats by multiplying a qualitatve score of habitat biodiversity value by the geographical area of that habitat;
- ***Identify offsetting measures*** to be used, which may includethe use of specific habitat offset areas and the use of management measures to improve habitat quality;
- ***Calculate the offsetting benefit***, using similar quantification metrics;
- ***Assess the net benefit***, and determine whether a No Net Loss target can be achieved using a mix of direct offsets and indirect management measures to improve habitat quality.

Biodiversity offsetting is still at a relatively early stage of development, but the approach is now being used worldwide as it is a key requirement for biodiversity mitigation under World Bank investment criteria. At a European level, the EU Biodiversity Strategy to 2020seeks to 'ensure no net loss of biodiversity and ecosystem services'. In support of this, the Euopean Commission is developing a No Net Loss Initiative to set out the policies to be used to support the EU Biodiversity Strategy.

There is now a growing track record of biodiversity offset programmes being used to enable developments to proceed, even in sensitive areas. For example, an offset programme in the Gosforth Park Nature Reserve in Newcastle, UK, enabled housing devlopment to be undertaken while enhancing the biodiversity values of the nature reserve[4].

While it is possible to assess biodiversity offset needs on a theoretical basis, the assessment of the effectiveness of offsetting measures requires long-term monitoring as many offsetting measures take years before their full benefits can be realised. Due to the fact that offset measures may occur in a different location to the impacts (and therefore require the participation and support of other organisations), careful planning is required to ensure that proposed offsetting measures can be delivered.

At a Project level, project design documentation (the ESIA) must include details of any biodiversity offset measures proposed and set out the budget and implementation framework to implement the offset strategy to achieve No Net Loss so The Project developers/ Investors take in considaration.

In Section 10.4: Resourcing and Funding Implications for PINPG for Implementation of Management and Monitoring Controls – the following text will be added before section 10.5 :

After the Management Boardhas approved and confirmed the entry intoforce of theAmendments to theManagement Plan for NPG, the Amendments will create financial obligations on NPG. NPG will make appropriate financial provisions to meet its updated and revised obligations.

In the Section 10: Monitoring Section – the following text will be added before the sub-section entitled Galichica Ski Centre:

It is a key requirement that a detailed Biodiversity Monitoring Plan be developed prior to the commencement of construction activities for Projects. It is noted that this comment was also made by the Ministry of Environment in their previous response on the previous draft SEA (see SEA Section 11 Table 11.1)

In the section 2, subsection 2.2 – the following text will be added to replace the existing heading related to the Law on Waters:

Law on Waters (O.G. of RM Nos. 87/08, 06/09, 161/09, 83/10, 51/11, 44/12 23/13, 163/13 and 146/15) and National Water Strategy (2012-2042).

[4]http://saveourwoods.co.uk/articles/nppf/biodiversity-offsetting-permits-previously-rejected-housing-development/