



MINISTRY OF LABOUR
AND SOCIAL POLICY

Annex II



MINISTRY OF
EDUCATION AND SCIENCE

Republic of Macedonia



MULTI-ANNUAL OPERATIONAL PROGRAMME

HUMAN RESOURCES DEVELOPMENT

2007-2013

CCI 2007 MK 051 PO 001

ABBREVIATIONS

ALMM	Active Labour Market Measure
CAE	Centre for Adult Education
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CFCD	Central Finance and Contracting Department
Component I	Institutional Development Component
Component III	Regional Development Component
Component IV	Human Resources Development Component
ESA	Employment Service Agency
ESF	European Social Fond
ETF	European Training Foundation
EU	European Union
EUROSTAT	Euro Statistics Office – Luxemburg
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HLAD	High Level Accession Dialogue
IPA	Instrument for Pre-Accession
LFS	Labour Force Surveys
MES	Ministry of Education and Science
MF	Ministry of Finance
MIFF	Multi-Annual Indicative Financial Framework
MIPD	Multi-Annual Indicative Planning Document
MLSP	Ministry of Labour & Social Policy
NAO	National Authorising Officer
NAPE	National Action Plan for Employment
NES	National Employment Strategy
NGO	Non - Governmental Organizations
NIPAC	National IPA Co-ordinator
NUTS	Nomenclature of Territorial Units for Statistics
OECD	Organization for Economic Co-operation and Development
OP HRD	Operational Programme “Human Resorces Development 2007 – 2013”
PBA	Programme based approach
PISA	Programme for International Student Assessment
SCF	Strategic Coherent Framework
SMC	Sectoral Monitoring Committee
SMEs	Small and Medium Enterprises
SSO	State Statistical Office
TA	Technical Assistance
VET	Vocational Educational Training

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EXECUTIVE SUMMARY

The Multi-Annual Operational Programme “Human Resources Development” (hereinafter referred to as OP HRD) of the Republic of Macedonia is a document for implementation of the national and European strategic priorities prepared in line with the Instrument for Pre-Accession (IPA) established by Council Regulation (EC) 1085/2006 of 17 July 2006. It acts as a funds delivery framework, co-financed jointly by the Instrument for Pre-Accession and the national budget during the programming period 2007 – 2013, covering the territory of the whole country.

The strategic objective of OP HRD is to foster the development of human resources, in particular by improving the quantity and quality of human capital, leading to more and better jobs, higher growth and development and the increased national competitiveness at international level.

This is the second revision of the OP HRD referring to the measures and eligible activities within the existing priority axes of OP HRD for the programming period 2012-2013. IPA Human Resource Development component amounts to total of 24 616 470 Euro in the period 2012-2013. About 85% of this amount, i.e. 20 924 000 Euro represents the Community contribution, complemented with funds from national public sources. OP HRD takes account for the limited amount of money available and concentrates its strategy on three priority fields: employment, education and social inclusion.

Revised OP HRD 2012-2013 has been prepared in conjunction with the country's sectoral documents and strategies. The strategic priorities are consistent with those set in IPA documents, such as the Multi-annual Indicative Planning Document (MIPD). Significant source of information presented the Human Resources Development Review prepared by the European Training Foundation.

Revised OP HRD 2012-2013 was coordinated by the Deputy President of the Government for economic issues, acting as Strategic Coordinator for IPA Components III and IV. It was prepared by the Ministry of Labour and Social Policy (MLSP) and Ministry of Education and Science (MES) in close collaboration with all relevant agencies and institutions including the social partners and NGOs.

The Operational Programme will be implemented through decentralized management and managed by the Operating structure set up within the Ministry of Finance, MLSP and MES.

The OP HRD is available at the web site of the Central Financing and Contracting Department: <http://cfcd.finance.gov.mk/english/IPA/National%20Operational%20programmes.html>.

PARTNERSHIP CONSULTATION

Programme revision was coordinated by the Strategic coordinator. The revised OP HRD covering the period 2012-13 has been prepared by the an Inter-Ministerial Working Group comprising representatives of the Operating Structure for IPA Component IV - Ministry of Labour and Social Policy, Ministry of Education and Science, Central Finance and Contracting Department/Ministry of Finance and the Cabinet of the Strategic Coordinator. The first step was initiating internal discussions on data, policy analysis and priorities within Ministry of Labor and Social Policy and Ministry of Education and Science under co-ordination of the respective IPA structures. In the Ministries, the revision was prepared by the Units for Coordination and Implementation of IPA in close cooperation with the representatives of other department in the Ministry (every department nominated representatives in addition to the head of department and the state advisers). Departments were consulted concerning data and policy analysis and especially concerning the priorities.

The concept for revision of the OP was discussed several times with the Cabinet of the Strategic Coordinator. A high level meeting was organized by the Strategic Coordinator, the Minister of Labor and Social Policy and State Secretary of the Ministry of Education and Science to agree on the proposed modifications. The concept was presented to the members of the Government's Economic Council.

The revised OP HRD was shared with DG Employment and the EU Delegation, which provided their input.

The revised OP HRD was discussed with the representatives of the civil society, social partners, donor community. The consultation took place on 21-22 May 2012 in Skopje and was supported by ETF. The plenary sessions resulted with number of suggestions, which have been integrated in the final OP HRD.

The revised OP HRD has been discussed at the SMC on the 29 June 2012. It was considered at the Government session on the July 17th 2012. The Strategic Coordinator submitted to DG Employment the revised OP HRD on the July 18th 2012.

INTERIM EVALUATION

The Interim Evaluation was implemented in the period June-October 2011 and was presented in the 5th meeting of the SMC. It aimed to review and improve the quality and relevance of the programming of IPA funds under Component Human Resources Development 2007-2013. In particular, the purpose was to conduct an Interim Evaluation on the first period of the implementation of the OP HRD 2007-2013.

The Interim Evaluation provided the following **recommendations**:

Recommendation 1. National leadership to reaffirm and strengthen the approach of the OP HRD as part of the Programme revision

The need to develop and strengthen the administrative capacities of institutions in the beneficiary country dealing with the EU integration process persists given the continuing needs for qualified personnel and procedural adjustments. Invite key policy stakeholders, including the senior political and administrative leadership of the Line Ministries of the beneficiary country to participate in the revision. **This participation shall lead to an increased** Programme ownership and secure commitments on organizational support and resources.

Recommendation 2. Commit to address risk factors

The national leadership should respond and resolve the fundamental problem created by the critical staff shortages. The administrative leadership of the OP HRD might consider the following:

1. Exercise greater discretion during procurement and waive out any non-critical activities that do not have to be ex ante approved but can be checked and endorsed through the exercise of ex post control in the interest of speeding up the process and preventing delays.
2. To enable the simplification of tendering procedures for the secondary procurement by a Grant Beneficiary [...].
3. Make full operational use of the MIS by the end of the year 2011.
4. Simplification and revision of the Programme Implementation Manual, by removing checklists that add excessive administrative burden [...].
5. [...] need to devise a Civil Service policy response to simultaneously retain dedicated staff as well as recruit qualified people from outside but with previous knowledge.
6. Utilize information from Project Reports beyond monitoring purposes, to analyse and foresee other activities, especially concerning impending workload and staff level and allocation needs.

Recommendation 3. The OP-HRD should reinforce and modify its approach to human capital

Utilize lessons learned and strengthened capacity to broaden the use of Grant Schemes in the revised OP HRD and support the transition from inactivity and unemployment to employment by setting concrete development targets in alignment with national priorities and policies.

The Operating structure developed actions to apply the recommendation and will monitor their implementation.

EU FRAMEWORK AND HIGH LEVEL ACCESSION DIALOGUE (HLAD)

Following the Commission's recommendation of November 2005, the European Council (EC) decided on 16 December 2005 to grant candidate status to the Republic of Macedonia for EU membership. The EU's core policy documents from the enlargement package define short - and medium - term obligations for the Republic of Macedonia in relation to the EU membership and track the progress of implementation and enforcement of EU standards. The Republic of Macedonia has prepared a **National Programme for the Adoption of the Acquis**, which also defines the main priorities in preparing for accession.

The recently initiated **High Level Accession Dialogue - HLAD** is expected to reinforce the reform process of accession to the European Union. On 15 March 2012, in the frame of the first high-level accession dialogue the key reform challenges were defined in the following areas:

1. Freedom of expression in the media;
2. Rule of law;
3. Reform of the public administration;
4. Electoral reform;
5. Strengthening of the market economy.

More specifically, in the field of strengthening the market economy, as key priorities are indicated the need for improvement of the labour market and education, improvement of the business environment and strengthening the creation of economic policy and its implementation. Special attention is put on the enhanced implementation of the Roma Strategy.

The OP HRD is in line with the priorities of **Europe 2020**. As a Europe wide strategy which will be implemented at the national level and therefore attuned to national circumstances, Europe 2020 sets out a vision of Europe's social market economy delivering high levels of employment, productivity and social cohesion, and based on three mutually reinforcing priorities: smart growth, sustainable growth and inclusive growth. The Commission has also put forward seven flagship initiatives, of which three seemingly apply to the field of OP HRD: "An agenda for new skills and jobs", "Youth on the move" and "European platform against poverty".

NATIONAL POLICY AND SOCIO-ECONOMIC CONTEXT

Although key labour market indicators have improved over the last years, the labour market situation in the Republic of Macedonia in 2011 was still unfavorable. In the fourth quarter of 2011, it was characterised with a relatively low participation rate of 63.9%¹, low employment rate of 43.5% and high unemployment rate of 31.9%². High unemployment points to an underutilization of human capital in the Republic of Macedonia, hindering its economic growth. Hence, the main goal of all government policies is to stimulate job creation, promote foreign direct investment, encourage creation of SMEs and invest in human resources, especially in higher education, lower the cost of employment, reduce rigidities and administrative barriers in the labour market, and improve efficiency of the main labour market institutions.

¹ Working-age population is defined as population aged 15-64, a EUROSTAT definition, whereas national definition is according to the ILO standards of population aged 15-80. Most of the data presented in this analysis is according to the EUROSTAT definition. However, there is insufficient information to calculate some indicators by this definition, and hence they will be presented for population aged 15-80, with a clear remark.

² State Statistical Office of RM, November 2011, Labour Force Survey, 2010 No. 2.4.11.09 692 <http://www.stat.gov.mk/PrikaziPoslednaPublikacija.aspx?id=3>

ASSESSMENT OF MEDIUM TERM NEEDS, OBJECTIVES AND STRATEGIC PRIORITIES

MACRO-ECONOMIC DEVELOPMENTS

Over the period 2007-2010 the average real GDP growth was around 3%. In the second half of 2008, the global economic crisis started to affect the economy of the Country, but the real effects became apparent in 2009. As a result the GDP growth decreased from 6.1% in 2007 and 5.0% in 2008 to - 0.9% in 2009. The Government adopted various anti-crisis measures to tackle the impact of the global economic crisis. There has been a moderate recovery from the output decline since 2009 with GDP growth of 0.7% in 2010 and 3% in 2011. This growth is a result of the achievements in the construction sector, trade and industry. Nonetheless, the economy is expected to face slowing growth and heightened risks, which are linked with the crisis in the euro zone.

The economy was characterized by macroeconomic stability, with a stable exchange rate and annual inflation rate³ that varied between 2.3% in 2007, 8.3% in 2008, -0.8% in 2009, 1.6% in 2010 and 3.9% in 2011⁴. Weak growth in trading partners and increased financial stress in the euro area are expected to reduce demand for country's exports and contribute to tighter domestic financial conditions. Inflation is expected to decline to 2.8% in 2012, as the effects of higher food and commodity prices fade and in response to slowing domestic demand.

The country's deficit was 2.6% in 2011 compared to 2.5% in 2010. It has low public debt levels: 23.7% of GDP in 2009, which grew to 28.6% of GDP in 2011.

Overall, as a result of the crisis and slight decline of the share of the private sector in total value added, the role of the state has increased, but state ownership remained concentrated mainly on telecommunication, energy and public utilities.

The share of industry in gross value added grew in 2007-2008 (24.3-24.1%), but in 2009 it fell to under 21.5%. Construction contributed with a share of 5.7% in 2008, and 5.9% in 2009.

Productivity started to recover. Services saw a decline, while the agriculture and industry sector increased its productivity.

Regarding the foreign economic relations, the trade deficit decreased from 23.4% of GDP in 2009 to 21.3% of GDP in 2010 and 25.2% in 2011⁵. Total exports grew in 2011.

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ENTERPRISES AND ENTREPRENEURSHIP

The micro, small and medium size enterprises represented 85.5% of the total number of existing enterprises in 2010 with the biggest share of micro enterprises (78.5%)⁶. Their contribution to the GDP in 2009 was 55.5%.

SMEs absorbed the largest portion of the employees with 82.3% from the total number in 2010. More specifically, 19.5% from the total number of employed persons were employed in micro enterprises, 44% in small and 18.8% in medium size enterprises.

³ Average, on cumulative basis, measured according to the consumer price index.

⁴ Ministry of Finance, http://finance.gov.mk/files/u9/Makroekonomski_indikatori.pdf

⁵ Ministry of Finance, Bulletin (November 2011), Skopje January 2012 http://finance.gov.mk/files/u9/Bilten_11_2011_mak_za_web.pdf

⁶ In: Jove Jankulovski (March 2012). *Skills Needs Forecast and Qualifications System*, European Training Foundation, p. 8

By sector, in 2009 the most of the SMEs including the micro enterprises operated in the wholesale and retail (43.3%) and manufacturing (11.3%).⁷

SMEs have an important role in job creation and increase in the level of competitiveness of the economy. However, SMEs face many challenges. Starting and operating a small business includes a possibility of success as well as failure. Because of their small size, a simple management mistake is likely to lead to sure death of a small enterprise hence no opportunity to learn from its past mistakes. Lack of planning, improper financing and poor management are the main causes of failure of small enterprises.

One of the main factors that impact positively on success and growth of firms is education. The entrepreneurs with larger stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises to constantly changing business environments.

POPULATION AND REGIONAL DEVELOPMENTS

According to population estimates reported by the State Statistical Office, the Republic of Macedonia had 2 057 284 inhabitants (on 31 December 2010), and the population density is 80 inhabitants per km². As a result of the declining birth rate and the increasing rate of general mortality in the last 10 years, the rate of natural increase has dropped from 4.5% in 2000 to 2.5% in 2010, and the population growth rate in 2010 was 0.25%. In 2010, 59% of the population was urban.

There have been significant changes in the age structure of the population. In the period 2000-2010, the participation of the young population (age group 0-14) in the total population decreased by over five percentage points (from 22.3% to 17.4%), and the participation of the old population (age group 65 and over) increased from 10% to 11.7%.

The decline of the shares of younger age groups, with some gender difference, ranged from approx. -18.2% (age group 0-4 years) to -22.2% (age group 5-9 years). These trends are more severe than in the EU-27 average that showed a 1.3% increase of the lower age group, and -8% change (decrease) for age group 5-9 years.

The Republic of Macedonia is divided in 8 planning regions, which serve for statistical, economic and administrative purposes. According to the EU Nomenclature of territorial Units for Statistics by regional level - NUTS, all regions belong to the NUTS 3 regions (small regions for specific purposes).

Regional disparities in the Republic of Macedonia have increased in the past years. According to the GDP growth the biggest difference is noticed between the Skopski (highest) and Polog region (lowest), with Polog GDP per capita being 3 times lower than the Skopski GDP per capita. The key labour market indicators demonstrate regional variations, North-east and Polog region being in the least favourable situation,

Labour market indicators by regions

Labour market indicators by regions ⁸	Activity rate (%)				Employment rate (%)				Unemployment rate (%)			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Republic of Macedonia	55.7	56.3	56.7	56.9	36.2	37.3	38.4	38.7	34.9	33.8	32.2s	32.0
Vardar Region	54.4	57.9	58.3	59.1	30.5	32.7	35.2	37.2	43.9	43.6	39.7	37.0
East Region	59.3	59.2	59.5	58.6	40.4	47.4	49.4	49.0	31.8	20.0	17.0	16.4
Southwest Region	53.2	55.5	55.8	55.5	29.7	33.7	37.5	36.5	44.2	39.3	32.7	34.3
Southeast region	69.7	70.5	69.6	69.9	61.9	62.3	59.6	61.9	11.1	11.7	14.4	11.5

⁷ Ministry of Economy. *Subcommittee on economic, financial matters and statistics* (Seventh meeting - 23rd and 24th of March 2011, Brussels)

⁸ State Statistical Office of RM, November 2011, Labour Force Survey, 2010 No. 2.4.11.09 692 <http://www.stat.gov.mk/PrikaziPoslednaPublikacija.aspx?id=3>

Labour market indicators by regions ⁸	Activity rate (%)				Employment rate (%)				Unemployment rate (%)			
Pelagonia Region	62.3	63.6	63.8	63.8	40.6	41.6	42.6	42.4	34.8	34.5	33.2	33.6
Polog Region	45.2	43.9	46.1	46.7	32.9	32.3	33.5	32.3	27.2	26.4	27.3	30.8
Northeast Region	60.4	59.5	56.9	58.3	23.6	25.0	20.0	21.7	61.0	58.0	64.8	62.8
Skopje Region	52.9	53.1	54.4	54.7	34.5	33.3	36.2	36.7	34.7	37.3	33.5	33.0

There are a total of 84 Municipalities - 33 with seat in a city, 49 with seat in a village, and 10 in the capital city of Skopje. In the Republic of Macedonia there are a total of 1,715 villages encompassing 86.7% of the national territory. The capital of the country is Skopje, located in the northern part of the country. Other larger cities are Bitola, Kumanovo, Prilep, Tetovo. The city of Skopje absorbs almost 29% of the total and 40% of the urban population, an enormous amount of the financial resources, investment (including FDI), apart from the huge concentration of knowledge, science, cultural and other types of the human and social capital. An economic and social difference between cities is evident and the differences between urban and rural centres are further widening.

LABOUR MARKET DEVELOPMENTS⁹

Labour Market Activity

According to data from the Labour Force Survey, the Republic of Macedonia had an active labour market population of 930 073 persons¹⁰ (944 636 in the fourth quarter of 2011). Activity rate in 2010 was 64.2% and increased by 3.5 percentage points compared to 2005 (63.9% in the fourth quarter of 2011).

Low activity rates persist due to: “(i) the very low number of employed people, which is only partially compensated by the high incidence of unemployment, (ii) the effect of sizeable net inflows of remittances (private transfers) from abroad, by increasing the reservation wage of recipient households/individuals, and iii) the low participation of females.”¹¹ The latter is caused also by the traditionally weaker participation in the labour force of women from particular ethnic groups.

Activity of men and women

Male activity rate (15-64) increased from 71.9% in 2005 to 77.7% in 2010 (76.7% in the fourth quarter of 2011). On the other hand, the female activity remained at a low 50.4% in 2010 (50.8% in the fourth quarter of 2011). Reasons for the activity gender gap can be found in the low education level of women, traditional role of women in the family, and insufficient coverage of kindergartens. These reasons are more pronounced among ethnic communities and rural areas.

Activity by age

The most economically active part of the population is the prime age group (25-49 age groups), as there was a continuous increase of the activity rate from 77.6% in 2005 to 80.4% in 2010. The largest increase of the active population is observed for the age group 50-64 years by 8%, from 49.9% in 2005 to 57.5% in 2010. Youth activity rates demonstrate that only one out of three youngsters (15-24 age group)

⁹ The last publication of the Labour Force Survey with data on annual basis is for 2010. For information, the basic labour market indicators are presented in brackets for the fourth quarter of 2011, State Statistical Office, News Release No: 2.1.12.05. <http://www.stat.gov.mk/pdf/2012/2.1.12.05.pdf>.

¹⁰ The labour market active part of the population consists of the employed and unemployed registered as looking for employment.

¹¹ Nikica Mojsoska-Blazevski, Jasna Najdova, Aleksandar Stojkov and Ljiljana Asenov (2009), *Labour Market in the Beneficiary Country, a Study for the European Commission Employment, Social Affairs and Equal Opportunities DG*, Employment, Social Affairs and Equal Opportunities DG, October 2009

participate in the labour market. Since 2005, there has been a slight but steady decline in youth activity rates. Young males participate more in the labour market (42.2% in 2010), while only slightly less than one quarter of the female youth who are active in the labour market (24.0% in 2010). The low activity rate among young persons, especially young females is in particular due to their taking part in educational activities, which should be considered positive in terms of the European Employment Policy. Still the main reason for the low activity among youth is the lack of opportunities for their entering into the labour market.

Activity by education

The activity rate among persons with high education in 2010 is 85.6%, among people with four years secondary education is 68.8% and among those with primary education is 41.2%. From 2005, the work force among persons with high education increased by 50%. Reduction is observed among persons with incomplete primary education by 23.8%

Activity by regions and urban/rural

The gap in the economic activity rates between the urban and rural areas is still large and in 2010 it was 6.4 p.p., i.e. activity rate for the age group 15-64 years in the urban areas was 67% while in rural areas for the same age group it was 60.6%. Observed by regions, the lowest activity rate had Polog and the highest activity rate had the Southeast region.

Activity by ethnicity

The economic activity rate is different concerning the members of different minority groups ranging from 29.3% of Albanians, 38.1% Turks, 47.3% Serbs, 47.6% Roma, and 48.3% Vlachs. Participation rates are low for women - 10.6% for Albanian women, 19.2% for Turk women, 29.6% for Bosniacs, 34.7% Roma, 36.3% Serbs 41.8% and Vlachs (Population Census, 2002).

Employment

The employment rate¹² in the Republic of Macedonia is low, although in the past few years employment has shown a slight upward tendency. Total employment increased from 556 334 in 2005 to 637 855 persons in 2010 (633 988 in the fourth quarter of 2011). The employment rate increased slowly from 37.9% in 2005 to 43.5% in 2010 (43.5% in the fourth quarter of 2011). With this rate, the Republic of Macedonia did not meet the target set in the National Employment Strategy 2010 (48%).

Also the net employment growth is low - it amounted to 3.2% in 2008 and slightly increased to 3.4% in 2009, but decreased to 1.3% in 2010. This suggests a major job creation issue in the country with roughly 93 800 new jobs created in the period 2005-2010.

Employment of men and women

Male employment grew more dynamically, by 4% in the last four years, reaching 52.8% in 2010 (52.5% in the fourth quarter of 2011). In contrast, the female employment rate reached a low 34.0% in 2010 (34.3% in the fourth quarter of 2011). This figure is below the target set in the National Employment Strategy 2010 (38%).

The increase in female employment in 2010 particularly in the second half of 2010 can be attributed mainly to the expansion of employment in the public sector, notably in education, as well as in agriculture. Male employment grew mostly in the service sector.

Employment by age

Youth employment rates (15-24) have increased from 12.3% in 2005 to 15.4% in 2010 (13.6% in the fourth quarter of 2011). There is a sizeable difference in terms of gender. While male youth employment amounted to 19.5% in 2010 (17.2% in the fourth quarter of 2011), female youth employment was 11.2% in the same year (9.8% in the fourth quarter of 2011). This phenomenon could be explained with the

¹² The employment rate is the percentage of the working age population aged 15 years and over who are employed.

continuation of education, discouragement from job search, the availability of remittances and/or social or family traditions.

Employment by education

The rate of employment of persons without primary education, incomplete primary education or completed primary education has declined since 2005 (the rate in 2010 was 24.8% or 3 p.p. lower compared to 2005). The share of employed persons with 4-year secondary education is almost the same, while employment rate for persons with higher university education was 21.5% in 2010, an increase of 7.4 p.p. since 2005 (14.1%). The share of female employed persons according to educational level shows a strong bias towards the more educated groups.

Employment by regions, urban/rural

In 2010 rate of employed persons in urban areas is 378 897 persons or 40% of the working age population while this number in the rural areas is 258 958 persons or 36.9% of the working age population. There are profound gender differences especially among men and women living in rural areas. Majority of rural population is engaged in the agricultural sector (mainly subsistence/household farming) and other activities, if any.

Compared by regions, the highest rate of employment has Southeast region and the lowest rate is noted in the Northeast region.

Employment by ethnicity

The employment rates among the different ethnic groups varies ranging from 10.2% of Roma, 11.4% Albanians, 15.9% for Turks, 17.2% for Bosniacs, 32.7% Serb, and 36.1% Vlachs. Employment rates are in particularly low for women of Albanian (2.9%), Roma (5.5%) and Turkish (5.8%) origin (Population Census, 2002).

Employment by Sectors and Forms of Work

Employment by sector

The share of public sector employment declined by almost 10 percentage points between 2004 and 2006 (43.2% to 33.9%). This trend persisted, except in the period 2009-2010 when a considerable number of people were hired in the public sector (2 000 jobs), especially in education (1 500 jobs).

In terms of employment by economic sectors, in 2010, agriculture and services contributed the most to the creation of new jobs (approx. 8 000 in total). However, while the share of employment in agriculture is substantial (19% in 2010), the sector's contribution to GDP is relatively small (11.2% in 2009), which reflects the known problem of low productivity and vulnerability of the jobs.

As indicated above, the weight of the services sector increased visibly, in terms of its contribution to both gross added value (67.4% in 2009) and employment (reaching 52% in 2010). It was primarily results of the expansion of employment in the public administration and, in the private sector, the real estate sector.

The share of industry in employment had continuously declined already before the years of crisis. It contracted to 29% in 2010. In contrast, the share of construction in employment remained at a relatively stable level, at around 6.5% in 2010.

In the period 2005-2010 the evolution of types of employment shows an increase by 54 812 persons in the employee category, although the weight of this group slightly contracted to 71.5% in 2010. Women present over a third of the employee category (2010).

The employer category also increased, to 5.4% in 2010, and is mainly represented by males (78% of total). The self-employed and unpaid family workers together represent more than 23% of the employed. Their shares have constantly increased in the period 2005-2010.

Informal employment

According to the State Statistical Office, the size of informal employment¹³ in the country declined from 28.6% in 2008 to 27% in 2009. The number of unregistered workers from the total number of employment in 2009 is 26.4%, and they produce between 15.4% and 18.6% of GDP.

It is much more wide-spread in the agricultural sector (58% in 2007), but also in the manufacturing industry, construction, retailing and catering. In terms of gender distribution, women are estimated to work less in informal jobs than men (24.1% versus 28.7% in 2009).

Unemployment

Total unemployment

The unemployment rate in the period from 2005 to 2010 continuously fell from 37.3% in 2005 to 32% in 2010 when it reached the lowest level since 2003 (31.9% in the fourth quarter of 2011). In 2010, it is estimated that 300 439 men and women were unemployed (297 986 in the fourth quarter of 2011). Despite the continuing reduction of 5.3 p.p. in the period 2005-2010, the rate of unemployment is still high.

According to these administrative data¹⁴, during the period 2005-2010, there was a trend of reduction of the number of registered unemployed persons. According to the latest available data as of 30 April 2012 there were 272 392 unemployed persons registered with the ESA.

Unemployment mainly affects young people, people with low educational qualifications, ethnic minority groups, especially the Roma, and shows a strong regional bias towards urban areas.

Unemployment of men and women

In 2010, the unemployment rate for women was 32.5% (32.5% in the fourth quarter of 2011), while the rate for men was around 32.1% (31.5% in the fourth quarter of 2011). Male and female unemployment rates have converged and in 2010, the gender gap was 0.4 p.p. compared to 1.9 p.p. in 2005. This can partially be explained by the increase of employment of women in the public sector, especially in education.

Unemployment by age

Unemployment rate of young people aged 15-24 years was rather high at 53.7% in 2010 (59.4% in the fourth quarter of 2011) in spite of the fact that it has declined by 8.9 p.p. since 2005. There is almost no gender difference in youth unemployment. High youth unemployment rate reflects the difficulties faced by young people in finding jobs. However, this does not necessarily mean that the group of unemployed persons aged between 15 and 24 is large as many young people are studying full-time and are therefore neither working nor looking for a job (they are not part of the labour force reflected in increasing inactivity rates).

Unemployment by education

The higher the level of education obtained by a person, the lower is the risk to be unemployed. In contrast, in 2010 the unemployment rate of persons without education, incomplete primary and primary education was 38.9% compared to 32.1% for unemployed with secondary education and 21.8% for persons with college and university education. There is also a clear gender difference, where the rates of unemployed males without education and with university education background were lower than those of females.

¹³ Informal employment is defined by the State Statistical Office as those workers who are “not registered with the national employment agency or the national pension scheme”.

¹⁴ In addition to the Labour Force Survey, conducted by the State Statistical Office, data on the situation with the unemployment in the former Yugoslav Republic of Macedonia are also obtained from administrative sources, i.e. the Employment Service Agency.

In 2010 compared to 2005, the number of unemployed persons without education, incomplete primary and primary education has decreased by about 15%, with secondary education by 12%, while for the higher educated by 66%.

ESA data show that the largest portion of registered unemployed people is unqualified and semi-qualified. The lack of work experience and additional knowledge and skills are some of the main reasons due to which these unemployed persons are not sufficiently competitive in the labour market and remain unemployed for long periods, which to a great extent hampers their inclusion in the labour market.

Long term unemployment

An important feature of the labour market is a long - term unemployment or unemployment longer than one year. Since 2005 it has always been above 80% of total unemployment. In 2010, the share of long-term unemployment was 83.1%. It is high across all age groups. The male share in long term unemployment was around 60%.

Apart from its financial and social effects on personal life, long-term unemployment negatively affects social cohesion and, ultimately, may hinder economic growth

Unemployment by region, urban/rural

In 2010 the unemployment rate was 31.7% in the urban areas and 33.1% in rural areas. Regional unemployment is particularly high in some rural areas and in areas where employment opportunities have disappeared. Low geographical mobility of the population is another reason for regional unemployment variations as well as the lack of information on job opportunities elsewhere in the country.

In relation to unemployment, the North-east region is the most vulnerable. The specifics of this region are the dominating rural areas, ethnically mixed region (58% "ethnic Macedonians", 30% Albanians, 6% Serbs and 3% Roma), and unemployment which is most evident among young people and less so among people above age of 50.

Unemployment by ethnicity

As can be seen from Census 2002 Roma are most affected by unemployment and their unemployment rate is more than twice as high as the national average. Roma women have the highest unemployment rate of 84.1% followed by Albanian women (72.9%) and Turkish women (69.7%). High unemployment rates among Roma, Albanians and Turks can be contributed to the low education level and to the cultural factors.

EMPLOYMENT POLICIES AND PROGRAMMES

In 2011, the Government adopted the National Employment Strategy 2015 and National Action Employment Plan 2011-2013, which set the key priorities in the labour market by the year 2015.

The main goals declared in the NES for the time period from 2011 until 2015 are formulated with reference to the following areas:

- a) Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality
- b) Developing the skilled workforce responding the labour market needs and promoting lifelong learning
- c) Improving the quality and performance of education and training systems at all levels and increasing participation in tertiary and equivalent education
- d) Promoting social inclusion and combating poverty.

The following targets were set in the respective areas:

	Republic of Macedonia 2010	National goal 2015	EU goal 2020
Rate of employment (20-64 years of age)	48.1%	55%	75%
Rate of employment of the young population (15 -29 years of age)	26.5%	29%	/
Rate of employment of the young population (15-24 years of age)	15.4%	17%	/
Rate of employment of the female population (15-64 years of age)	34%	42%	/
Rate of employment of the elderly population (55-64 years of age)	34.2%	41%	/
Persons that left the educational process	16.2% ¹⁵	14%	10%
Persons with completed high education (30-34 years of age)	14.2% ¹⁶	19%	40%
Population which lives below the poverty line	30.9%	29%	/

The concrete activities for the accomplishment of the established goals are defined with the NAPE 2011-2013 and later with NAPE 2014-2015, in accordance with the Integrated guidelines of Europe 2020.

With a view to implement the employment programs/measures envisaged in the Program for Work of the Government of the Republic of Macedonia 2011-2015, the Operational Plan for Active Programs and Measures for Employment for 2012-2013 was adopted by the Government in December, 2011 with total budget for 2012 of 498.37 million denars (8.1 million Euro) and planned number of 5 793 beneficiaries.

Active Employment Policies

The Republic of Macedonia has continuously implemented active programmes and measures for employment foreseen in the annual Operational plans. In the period from 2007 to 2011, MKD 3020.9 million (approximately 49.11 million Euro) were spent for active employment programmes, which covered 40 983 unemployed persons. The costs for the active employment programmes in terms of the Gross Domestic Product for 2007, 2008, 2009, 2010 and 2011 are provided in the table below. Since 2010, ALMMs have been co - funded in the frame of OP HRD.

Active Labour Market Measures, funds and beneficiaries (2007-2011)

	2007	2008	2009	2010	2011
Operational Plan					
Allocation (MKD) million	267.02	275.56	799.62	493.88	455.1
Allocation (EUR) million	4.34	4.5	13	8.03	7.4
% of GDP ¹⁷	0.07	0.07	0.19	0.11	0.10
Total beneficiaries	7927	6822	11419	5910	4961

¹⁵ The data refers to 2009

¹⁶ The data refers to 2009

¹⁷ For the purpose of calculations, data on GDP were downloaded from the web site of the Ministry of Finance: http://finance.gov.mk/files/u9/Makroekonomski_indikator_i.pdf

	2007	2008	2009	2010	2011
% of unemployed ¹⁸	2.2	2.0	3.3	1.8	1.8
Self-employment with loans					
Allocation (MKD) million	/	385.74	230.92	/	111.62
Allocation (EUR) million	/	6.27	3.75	/	1.82
Total beneficiaries	/	1964	1315	/	605
Total allocations (MKD) million	267.02	661.3	1030.54	493.88	566.72
Total allocations (EUR) million	4.34	10.75	16.75	8.03	9.22
% of GDP	0.07	0.16	0.25	0.11	0.13
Total beneficiaries	7927	8786	12734	5910	5566
% of unemployed	2.2	2.6	3.7	1.8	2.0

Source: Reports of the Ministry of Labour and Social Policy on implementation of annual Operational Plan for Active Employment Programmes and Measures

The implementation of the active employment programmes encompassed measures that influence both the demand and supply side of the labour market. Namely, programmes such as self-employment, self-employment with lending support, and support for formalization of the existing firms, additional employments for the firms registered under the programmes for self-employment, employment subsidies and employment of disabled persons constitute direct employments (jobs). Also, through the implementation of the other active employment programmes (internship, preparation for employment, trainings for occupations that are deficient in the labour market, various other trainings, etc.) substantial assistance is provided to the unemployed persons for their easier employment.

The active employment programmes are targeted at wide scope of unemployed: long-term unemployed, young unemployed, women, Roma, disabled persons and other vulnerable groups in the labour market (single parents, orphans, victims of domestic violence, elderly persons and others).

However, considering the scale of the unemployment dimension, on annual level the active employment programmes cover still a limited proportion of the unemployed people. The OP HRD has a potentiality to contribute to the expansion of the national active labour market policies.

Monitoring of ALMMs has been introduced and needs further improvements in order to increase their effectiveness and efficiency.

INSTITUTIONAL ASPECTS IN THE FIELD OF EMPLOYMENT

The Ministry of Labour and Social Policy is the main state authority in charge of the employment policy development, monitoring and evaluation. MLSP coordinates the preparation and follow up of the National Employment Strategy, the National Action Plan for Employment and Operational Plan for Active Employment Programmes and Measures.

¹⁸ Calculation is done against the total number of unemployed registered with ESA on 31 December in a given year.

The Employment Service Agency is a public institution providing services in the labour market for the needs of employers and unemployed persons and implementing passive and active employment programmes and measures.

State Labour Inspectorate is a body within the Ministry of Labour and Social Policy, whose job is to enforce labour regulations and carry out inspections and prevention of informal working.

Private employment agencies are registered with the MLSP and are mainly engaged in head-hunting services (focused on easy-to-place jobseekers). Temporary work agencies are licensed and registered with the MLSP. They are responsible for temporary employments (up to 1 year).

Regarding the structure of the social partners in the country, trade unions have a three-layer structure being organized at national level, branch level and company level while the employer organisations are mainly national organizations. Participation of social partners in the policy design is formally ensured through their participation in the Economic-Social Council, different bodies, steering committees (for example in the Employment Service Agency, Pension and Disability Fund, Health Fund, the VET Council).

HUMAN CAPITAL

In the last decade, efforts have been made to create a **legal framework** to regulate the commitments of the state for efficient education able to follow main developments in the EU. To this end, a number of laws and bylaws have been adopted, the most significant ones being: the Law on Primary Education (2008), extending the duration of compulsory education from eight to nine years, the Law on Secondary Education (2007), proclaiming secondary education compulsory, the Law on Higher Education (2008), aligning in full the architecture of higher education with the Bologna Process, the Law on Vocational Education and Training (2006) and the Law on Adult Education (2008).

Other measures to improve education sector performance contribute to new practises in key areas: quality assurance in education (school self-assessment and integral evaluation), incorporation of key competences in curriculum, teacher professional development, and external students’ assessment in lower secondary education.

INSTITUTIONAL ASPECTS IN THE EDUCATION AND TRAINING FIELD

The architecture of public agencies (centres) in charge of various aspects of education and training has changed in the recent years, towards more specialisation and in certain cases, greater autonomy.

Ministry of Education and Science is the leading policy body covering all levels and sectors of education, as well as science and research, sharing responsibility with other Ministries in certain specific areas: (i) with Ministry of Economy in the area of innovation; (ii) and with MLSP – in pre-school education.

At central level, Primary and Secondary Education is supported by **public agencies accountable towards MES** as follows:

- Bureau for Development of Education (in charge of: curriculum, standards, teachers professional development)
- State Examinations Centre (students assessment) – established as autonomous centre in 2009 (previously operated within the structure of BDE)
- State Education Inspectorate (quality control of schools)
- Pedagogical Service – has increased responsibilities with the Law in 2011, with the aim to strengthen upbringing, interactions and counselling of parents
- Directorate for Development and Advancement of Education in the Languages of Ethnic Communities (charge of: full application and fulfilment of the communities’ rights of all levels)

of the educational system and development and improvement of the education in the languages of ethnic communities and promoting principle of multi-ethnicity)

- VET Centre and
- Centre of Adult Education.

In the field of education the municipalities are the competent authorities for establishment, financing and administrating of primary and secondary schools. According the Law on primary education and the Law on secondary education, some of the financial means for financing the educational activities, are provided by the national budget and are delivered to the municipalities as block and purpose-built subsidies, according to the Regulation for methodology for establishment of the criteria for delivering the block and purpose-built subsidies. In 83 municipalities there are 342 primary municipality schools (341 with regular teaching process) 10 primary music schools and 1 primary school for adults. In 34 municipalities and the City of Skopje there are 89 secondary municipal schools (21 of them are secondary schools of the City of Skopje).

In addition, the National Commission for Textbooks has a key role as it is responsible to ensure quality of textbooks.

The access and quality of higher education and Human resources in science and technology

Today in the Republic of Macedonia, there are five states and more than 18 private higher education institutions. In the academic year 2010/2011 the so-called dispersed higher education studies continued in 14 towns countrywide.

Enrolment of first year students in public universities has grown by over 200% in 2000-2008, and by 40% between 2005/2006 and 2010/2011.

The country joined the Bologna process in 2003. The new Law adopted in 2008 changed the structure of the university into an integrated university; introduced several novelties in governance and student representation; strengthened the national QA agency; established employer and international participation in QA; ensured compliance of the national QA system to European Standards and Guidelines (ESG); described first and second cycle using ECTS and generic descriptors based on learning outcomes; aligned doctoral studies with the European Higher Education Area overarching qualifications framework; and introduced the Diploma Supplement.

The Government of the Republic of Macedonia supports national and international cooperation through financing bilateral cooperation, funding international projects as well as participation of organisations from the Republic of Macedonia in EU funded programmes like FP7, COST, EUREKA and CIP.

As a result of investments in the area of R&D, the following characteristics are noted: Increased number of candidates for doctoral and postdoctoral studies; A sufficient number of quality researchers; Internationally educated human resources; Increased number of higher education and research institutions; Enhanced research infrastructure.

National Qualification Framework

The challenges related towards development of a comprehensive NQF for lifelong learning (all levels and forms of education and training and shifting to learning outcomes) are: the capacity building of institutions involved in the development of NQF and the establishment of effective cooperation between all relevant stakeholders. One important step towards relating national qualifications systems to the EQF was the adoption of the National Framework for Higher Education Qualifications, which will be an integral part of the comprehensive National framework for lifelong learning.

Vocational Education and Training and Centre for Vocational Education and Training

In the area of vocational education and training, the VET Centre was established in 2007 with leading strategic and operational role. The VET Centre has 5 year Strategy (2010 -2015) for its own organisational development, articulated around 6 priorities (staff development, processes, quality

assurance, communication, partnership and international cooperation). A VET Strategy for the Republic of Macedonia is under preparation in collaboration with ETF.

At central level, the VET council was established as consultative body with aim to support and advise the respective VET Centre in policy making and technical developments (programmes).

Aiming to incorporate information technologies and communication in education the Government has started several programmes of investment in IT infrastructure at schools. Amongst other initiatives: digitalisation of textbooks and learning support materials, teacher training to accompany the computer-at-school reforms, a computer for every child programme and etc.

The VET Centre budget projection for the period 2013-2016 is as follows:

Year	Budget Projection (MKD)	Budget Projection (EUR)
2013	29.754.750,00	483.817,00
2014	16.950.000,00	275.610,00
2015	15.500.000,00	252.032,50
2016	21.200.000,00	344.715,50

Recent structural reforms in education stress the need the VET to be perceptive as an attractive learning option with high relevance to labour market needs and providing pathways to higher education.

According to the Small Business Act (SBA) assessment¹⁹ in 2011 the country scores high in most indicators linked with entrepreneurial learning. All schools, general and vocational, implement the mandatory subject “Business”. The Government Programme 2011-2015 plans to reinforce entrepreneurial learning in all levels of education (from primary to tertiary), and the Bureau for Development of Education (BDE) has important plans to redesign in 2012 the relevant curriculum.

Life Long Learning and Adult Education Centre

With the establishment of the Centre of Adult Education (CAE) and adoption of the Adult Education Strategy 2010-2015, the government signalled a new commitment towards this area. “Non-formal education” is commonly understood in the country as any education and training provided outside the regular school system for young people. The main strategic goals defined in the Strategy are:

1. Strengthening the adult education system through development of information-statistical system for monitoring the educational mobility of adults;
2. Creating conditions for Lifelong learning and mobility to become reality;
3. Improving quality and efficiency of the education and training of adults;
4. Promoting equality, social cohesion and active citizenship;
5. Promoting adult education and culture of learning through active approach in education and learning of adults.

The CAE budget for the 2012 is 11.957.000,00 denars, and projection for the period 2012-2016 is as follows:

Year	Budget Projection (MKD)	Budget Projection (EUR)
2013	14.510.000,00	235.935,00
2014	16.510.000,00	268,455.50

¹⁹ SBA assessment is based on 10 dimensions and indicators, of which two refer to human capital aspects.

2015	18.010.000,00	292,845.50
2016	18.510.000,00	300,975.50

EDUCATIONAL POLICIES AND PROGRAMMES

In the field of Education there have been adopted a number of strategic documents:

- National Program for Development of Education in the Republic of Macedonia 2005-2015;
- Steps Towards Integrated Education in the Education System of the Republic of Macedonia, 2010 - Ministry of Education and Science of the Republic of Macedonia;
- Adult Education Strategy in the Republic of Macedonia 2010-2015.

SOCIAL INCLUSION

Main Poverty Profiles

Poverty is a multidimensional problem, which, in addition to the economic issues, also includes social, political and cultural ones. Therefore, poverty reduction cannot rely exclusively on the economic policy, but also on complex, well-coordinated measures in several areas.

Current official data indicate that the poverty rate in 2010 stood at 30.9% (measured as 70% of median equivalent expenditure).

Analysed by profiles, the official statistics identifies that most vulnerable groups in the country are *multi-member households* (47.3% of the poor people live in households with 5 and more members); *unemployed* (44.8% of all poor people are unemployed) and *less educated people* (54.7% of the poor live in households where the head of the household has no, or at most primary education).

According to household type, as most vulnerable were identified: *other households with children (non married couples with children, single parent families, etc.)* with a poverty rate of 39.2%. Poverty is also more evident in *rural areas*, as 47.1% of the poor live in these locations. However, other urban areas saw an increase in the number of poor from 39.2% in 2009 to 43.7% on 2010, while Skopje saw a fall from 12.8% in 2009 to 9.2% in 2010.

Discrimination and social inclusion

Although the Constitution as well as other generic (Law on Prevention and Protection against Discrimination²⁰ and sectoral laws (Law on Social Protection²¹, Law on Labour Relations, etc.) are guaranteeing the right of equal access to social services and forbid every form of discrimination, the issue of discrimination raises concern. It has many forms, the more prevailing are: discrimination and intolerance between and against different ethnic groups, discrimination on the basis of sex, discrimination on other grounds.

Some of the vulnerable ethnic groups are more subject of discrimination than others. For example, Roma ethnic community (particularly Roma NGO's) frequently appeal for elimination of negative stereotypes and prejudices, as well as discrimination of Roma in the field of employment/ work, education, housing, etc. More specifically, according to the Employment Service Agency data from January 2012, Roma

²⁰ Official Gazette of the RM No. 50/2010

²¹ Official Gazette of the RM No. 79/2009, 36/11, 51/11

represented 4.7 of all registered unemployed. However, not all unemployed Roma are in position to register with the Employment Service Agency due to the problems with lack of documents, lack of knowledge, etc. Also, many Roma work in precarious and undeclared jobs (selling goods at green markets, house cleaning, gathering plastic for recycling, manual workers etc.), as well as jobs that are not linked with social contributions, all of which leads to a lack of decent living standard.

In addition, some of the other more general problems associated with the unequal access of less represented ethnic groups to labour/social welfare rights might be attributed to reasons such as: the concentration of the main employment capacities in the bigger cities where minorities (with the exception of Roma in Skopje) are less settled; and the lack of training and re-training customized to the language and needs of particular ethnic groups.

People experiencing any form of a disability are part of the more vulnerable groups on the labour market. According to the Employment Service Agency data on registered unemployed with disability, in December 2011 there were 2165 registered unemployed, among which a dominating category were persons with developmental disabilities (823). Registered unemployed disabled were from all ages, and in relation to their educational status majority had no education (1017). According to the professionals working in the field, the number is higher as many disabled are not registered because of the stigma in the society. Specific obstacles faced by the unemployed disabled persons in their search for jobs are: distrust among employers regarding their abilities, followed by their disability and inadequate education, age, physical access, lack of public transport, problems with communication, understanding, personnel in public services who is not willing to cooperate and other. Finally, employment is less likely among disabled belonging to other ethnicities than "ethnic Macedonian" and among those living in rural areas.

SOCIAL INCLUSION POLICIES AND PROGRAMMES

In the field of social inclusion there have been adopted a number of strategic documents for social protection and social inclusion of different disadvantaged groups such as:

- National Strategy on Alleviation of Poverty and Social Exclusion in the Republic of Macedonia 2010-2020;
- Program for Social Protection Development 2011 – 2021;
- National Strategy for Equalization of the Rights of the Disabled Persons 2010 – 2018 (Revised);
- National Strategy for Protection of Family Violence 2008 – 2011;
- National Strategy for Elderly 2011 – 2020;
- Strategy for Integration of Refugees and Foreigners in the Republic of Macedonia 2008 – 2015;
 - o National Action Plan – I part and II part;
- National Strategy for Deinstitutionalization 2008 – 2015;
- Operational Plan for implementation of the National Strategy for Deinstitutionalization;
- Action Plan for implementation of the Project for Access Gates for Disabled People in Public Buildings in 2009;
- Action Plan for Prevention and Combating Sexual Harassment of Children and Pedophilia;
- Program for Conditional Cash Transfers in the Secondary Education (for the year 2010/2011);
- Multidisciplinary protocol for treatment of street children in the Republic of Macedonia;
- Program for Subsidizing Electricity Consumption.

The main challenge of all strategies and programmes is to ensure their coordinated implementation, systematic monitoring and evaluation. The process of policy making is still facing difficulties arising from absence of harmonised and timely available social statistics in combination with the independent evaluation of accessibility and use of social protection programmes.

The most important national document in the concerned area is the National Strategy on Alleviation on Poverty and Social Exclusion in the Republic of Macedonia 2010-2020 (adopted in 2010). Improving social inclusion, welfare and quality of life of all categories of citizens is among the main aims of the Strategy that is expected to be achieved through coordinated and complementary measures and actions, organized in different areas, such as employment, health care, long-term care, education, transport, social protection, housing, child protection, equal opportunities, etc.

Through its implementation the Strategy will:

- Promote and increase opportunities which provide that the citizens participate in the educational, labour and general social activities;
- Cope with and reduce impediments for solving specific problems of social exclusion of special groups which face these impediments;
- Promote social inclusion with children and young people which will provide conditions for long-term opportunities for the future generation;
- Strengthen vulnerable communities for quality life and ability to overcome impediments in their well-being.

The Government of the Republic of Macedonia is the main implementer and coordinator in the strategy implementation. The ministries are responsible for implementation of the individual strategic goals and measures in line with their obligations.

The National Programme for Development of the Social Protection was adopted in 2010. This Programme foresees:

- Restructuring of the institutional set up of the social protection system by separating the administration of the social cash transfers from the delivery of the social services;
- Redefinition of the system of cash transfers and its coordination with the other system (e.g. Employment);
- Further improvement of the quality of social services (preventive, institutional and non-institutional social services), in terms of the type of services and ways of their delivery;
- Strengthening the professional capacities in the social protection system;
- Strengthening the cooperation between the social protection institutions and other relevant institutional actors, etc.

The National Programme is coordinated by the MLSP and is implemented through annual operational plans.

Another relevant document is the Revised National Strategy on Equalization of the Rights of the People with Disabilities 2010-2018 Strategy targeted at people with disabilities. This Strategy is aligned with the UN Convention on the Rights of Persons with Disabilities and other international and national documents and standards in the area. The revised Strategy will have to enable social inclusion of people with disabilities through implementation of multi-sectoral approach, effective legal protection, better accessibility and availability of quality services (social, health and other services), as well as implementation of programmes and measures, particularly in the fields of education, employment, housing, which are essential for independent and active life of the disabled in all areas of the society.

The National Strategy for Roma has been prepared and adopted by the Government in January 2005. It represents a comprehensive strategic document designed to address the real needs, problems and priorities of the Roma population in the country, introducing coordinated multidimensional approach in the area of Roma inclusion policies. The Strategy for Roma identifies and establishes ten specific priority areas for actions, with the purpose for improving the current unfavourable situation of Roma in the country and promoting empowerment and integration of the Roma in the main social and economic trends. These priority areas are living and housing conditions; employment; education; health; social assistance and protection; human rights protection and the discrimination issue; culture of Roma; media; the Roma woman and her specific problems and the political participation of Roma.

This Strategy is implemented through four Action Plans from the Decade of Roma Inclusion for the areas of health, education, employment and housing, and the National Action Plan on promotion of the status of the Roma women.

Additionally, at the end of 2011 the Parliament ratified the UN Convention on the Rights of Persons with Disabilities together with the Optional Protocol to the Convention and the European Social Charter (revised 1996).

INSTITUTIONAL ASPECTS IN THE SOCIAL INCLUSION FIELD

The main responsibility for the administration and organization of public social welfare rests with the Ministry of Labour and Social Policy.

The Institute for Social Affairs is public body responsible for the control and evaluation of social protection policies, analytical research on social problems, programming of social protection development, supervision of the professional activities in the Centers of Social Work, as well as other public welfare institutions.

The Centers of Social Work are the main units for social welfare provision. Currently, there are 30 Centers of Social Work, dispersed in all bigger cities in the country.

Social protection institutions are providers of care services and their legal status corresponds to bodies of public law, supervised by the MLSP. They are distinguished according to the target group they cover.

Apart from the social protection institutions that provide institutional protection there are several types of non-institutional care, such as primary social service for users of social protection, assistance to individuals and assistance to families, home care and assistance, day care centers, foster care, adoption.

Kindergartens are also part of the social protection system and MLSP has responsibility for their supervision. There are 54 public kindergartens with total capacity of the public kindergartens is 23,467 children.

The units of local self-government, under the Law on Local Self-government have competencies related to social protection issues, such as: establishment of child nurseries and homes for the elderly, social care for the disabled (day care centers), as well as other types of non-residential care activities directed at vulnerable groups.

PROGRAMME STRATEGY
PRIORITY AXES AND MEASURES

For the overall programming period of 2007-2013 four strategic priorities have been defined in the framework of the Operational Program Human Resources Development. The priorities are based on the socio-economic analysis and set strategic and specific objectives.

Strategic objective of the OP HRD is to foster the development of human resources, in particular by improving the quantity and quality of human capital, leading to more and better jobs, higher growth and development and the increased national competitiveness at international level.

	Employment	Education and Training	Social Inclusion	Technical Assistance
Priority Axes	1. Attracting and retaining more people in employment and promoting adaptability to change	2. Investing in human capital through better education and skills	3. Equal opportunities and promoting social inclusion	4. Technical Assistance
Measures	<p>1.1 <i>Promotion of employability and ability to adapt to labour market changes</i></p> <p>1.2 <i>Strengthening the capacities for implementation of the employment policy</i></p>	<p>2.1 <i>Enhancing synergies and links between education and labour market</i></p> <p>2.2 <i>Providing quality inclusive education for all</i></p>	<p>3.1 <i>Fostering social inclusion of people and areas at disadvantage and combating against all forms of discrimination</i></p>	<p>4.1 <i>Support to the implementation of OP HRD</i></p>

PRIORITY AXIS 1: EMPLOYMENT – ATTRACTING AND RETAINING MORE PEOPLE IN EMPLOYMENT AND PROMOTING ADAPTABILITY TO CHANGE

Aim

To increase employment, reduce unemployment and retain more people in employment by improving the employability of the unemployed and enhancing the adaptability of workers and enterprises to the needs of the market.

Rationale

The labour market in the Republic of Macedonia is facing difficulties with a high level of unemployment combined with low activity and employment rates. Slow job creation is one of the key hindrances for the reduction of unemployment and raising employment.

As a result, the activity rate has remained low, especially among young people and women. The employment rate reached 43.5% in 2010 and varied according to the education level and ethnical origin.

Unemployment is especially widespread among young people, whose employment rate is also very low, and among people with low education. Long term unemployment is high. Official labour market data contain a high degree of uncertainty due to the significance of the informal economy, which according to rough estimates accounts for more than 30% of GDP.

Primary responsibility for employment policy rests with the MLSP. Implementation is done mainly via the Employment Service Agency. Employment policy reforms are on-going. In addition to a revision of the labour regulations, the employment policy is being re-focused on active labour market measures for job creation, for activation of jobless people and for human resource development. There is a need to modernise the administration in this field and improve efficiency of the main labour market institutions, mainly the Employment Service Agency.

High structural unemployment and low occupational and territorial mobility of the labour force indicates a clear lack of ability to adapt to changing labour market conditions. In the development of employability, entrepreneurship, increasing adaptability of the labour force and the employers to the rapid change in technologies, skills requirements and economic activity, special attention must be given to the development of information literacy and vocational training, and encouraging human resources development in the small and medium business sector, including micro-enterprises.

The Republic of Macedonia has a low proportion of enterprises that provide conditions for a continuous learning of their workers, which has an impact on the productivity of workers. In 2010, about 2.9% of employed participated in the formal education system, whereas 1.7% in non-formal education (courses, seminars, conferences and other educational activities)²². Along the gender lines, females are more likely to undertake education, both formal and non-formal. Job related reasons for participation in non-formal education dominate for both genders.

Investment in human resources by enterprises (especially SMEs) needs to be promoted in order to help workers and enterprises to adapt to the globalization, international competition and challenges of the EU integration. From an employee point of view, training and life-long learning improve quality of employment, improve employment security since the worker become more valuable to the firm, and to the extent it increases worker's productivity.

²² State Statistical Office, November 2011, Labour Force Survey, 2010 No. 2.4.11.09 692
<http://www.stat.gov.mk/PrikaziPoslednaPublikacija.aspx?id=3>

Description

The priority 1 is seen as a tool to develop the functioning of the labour market as a whole. The priority 1 would focus on improving the structures, services and tools for the employment policy.

Two measures define the priority axis in the period 2012-2013: the first one is assistance to people actions and the second one is assistance to system actions. In summary, they are:

Measure 1.1: Promotion of employability and ability to adapt to labour market changes

The Measure 1.1 will further support actions in the fields of employment of unemployed men and women. The measure for the unemployed will encompass actions for increasing the labour demand as well as for reducing disparities between the supply and demand in the labour market. However, in order to increase adaptability of workers and prevent unemployment, a capacity for quicker adjustment to the changing technologies, skills requirements and economic activity should be developed.

Measure 1.2: Strengthening the capacities for implementation of the employment policy

The Measure 1.2 will focus on strengthening of the capacities for creating and managing employment policies, increasing quality and scope of the employment services and measures, tackling undeclared work, improving the quality of work and working conditions.

In providing support, priority will be given to the operations linked with the measures that are provided for in the national strategic documents, in particular those set in the National Employment Strategy and National Action Plan for Employment.

Delivery of the Priority

The delivery of Priority 1 is closely interlinked with the delivery of Priority 2 and 3. Together the three priorities will lead to an improved condition for human resources development within the Republic of Macedonia. Thus, Priority 1 will partly strengthen the capacities of existing labour market agencies at all levels, i.e. at national and local level and partly implement existing and improved approaches to tackling the unemployment situation of specifically the following groups: young, women and long-term unemployed.

Operations implemented by ESA may be selected without recourse to calls for proposals in accordance with article 110 of the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities and article 158 of the Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA).

The Operating structure might decide to explore the potential cooperation with international organisations (such as UN Agencies, the World bank, Council of Europe, etc.) in the framework of Article 168f of the Commission Regulation (EC, Euroatom) No 2342/2002 of 23 December 2002 laying down detailed rules for implementation of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. The leverage of different kind of donor funds will be provided in the framework of the above mentioned Article.

Financial allocations:

		Allocations for the period 2007-2009:	Allocations for the period 2010-2011	Allocations for the period 2012-2013	Allocations for the period 2007-2013
Anticipated	Total	8 054	8 094	10 000	26 148

Spend (1 000 Euro)				
EU Support (1 000 Euro)	6 846	6 879	8 500	22 225

Measure 1.1: Promotion of employability and ability to adapt to labour market changes

Specific objective

- To improve the employability of the unemployed, possibilities to find employment and ensure unemployment prevention
- To promote HRD in enterprises in order to increase adaptability of workers and strengthen competitiveness of the employers

Description

The measure is intended to support implementation of simple (and effective) employment programmes and services to integrate unemployed quickly into a working life and increase the involvement of the customers (jobseekers and employers) into the services and programmes.

In order to achieve the objectives of the measure it is intended to broaden the scope and quality of active labour market programmes and especially vocational education and training, to make the involvement of the participants into the programmes more targeted and increase the number of participants.

Funding will be provided to the general employment services such as information, counselling, professional orientation, mediation and preparation of individual employment plans. Priority will be given to the services combined with the active labour market measures (training, subsidized employment, etc.). It will direct the funding into those active labour market policy programmes that have a long-term effect and provide men and women with knowledge and skills that support them to meet the challenges from the changing labour market needs and to find employment which is permanent or otherwise answering to their needs.

The measure will be targeted at supporting unemployed. Among those, the priority will be given to the young (to give them opportunities of practical training, internship in enterprises), the long-term unemployed (with a view to promoting the renewal of their motivation, knowledge and skills), women (to improve their knowledge and skills and to apply these knowledge in the labour market), as well as to the unemployed who are at risk of becoming long-term unemployed; the unemployed with no adequate professional qualification and lacking basic skills; those declared as redundant due to technological and structural changes in a company.

In implementing the activities equal opportunities for men and women will be ensured in terms of access to balanced representation in the active labour market policy measures.

Moreover, in order to speed up local economic growth and job creation it is envisaged to initiate actions to support local initiatives for employment and local partnerships. Local and small actors may play a significant role in creating job opportunities and self-employment.

The measure will have a strong emphasis and basis on tripartite cooperation between the authorities and the social partners. Cooperation between all the relevant partners in facilitating and improving a well-functioning open labour market is necessary here as well as capacity building of the partners.

Eligible Actions

Non-exhaustive list of eligible actions which may be funded:

- Development and implementation of active labour market policy measures and local employment initiatives, including the employment aids to increase the employability and possibilities to find employment/self-employment and ensure unemployment prevention;
- Strengthening the existing as well as introduction and development of new services for jobseekers and employers, new methods and tools;
- Improving the quality, adequacy and delivery forms of training for unemployed, by financing development and implementation of better programmes and courses for adult education;
- Supporting employment through specific measures for reconciliation of family and working life;
- Stimulating social entrepreneurship;
- Implementing on-the-job training and apprenticeship in the companies and other possible work-based learning methods in the companies (including mentorship and tutorship scheme for transfer of knowledge, skills and competences);
- Design, testing and dissemination of adaptable forms of work organisation to take advantage of new technologies, increasing productivity, promoting better reconciliation of work and family life, improving health and safety at work, reducing the grey economy and undeclared work;
- Development and provision of counselling, information, training and entrepreneurial training for SMEs, including micro-enterprises, paying special attention to women and young people as entrepreneurs;
- Developing and implementing training, retraining and skills development programmes aimed at employees and managers in the organizations in the private and public sector, based on their needs.

In order to achieve better complementarity with the foreseen activities, the abovementioned eligible activities financed under the OP HRD will be supported with infrastructure and supply interventions according to the needs of the identified operation/project.

Selection Criteria

Selection of successful tender/project application will be performed by an evaluation/selection committee chaired by CFCD and following the EU procurement rules.

Final Beneficiaries

- ☞ Ministry of Labour and Social Policy, other relevant ministries and bodies;
- ☞ Employment Service Agency;
- ☞ Education and vocational training, vocational information, guidance, counselling institutions, other service and training providers;
- ☞ Non-governmental organisations and networks;
- ☞ Social partners;
- ☞ Employers;
- ☞ Units of local self government, Association of the local self-government units, regional development planning centers;

- ☛ Other stakeholders.

Target Groups

- ☛ Young persons aged 15-29 (especially young graduates);
- ☛ Long-term unemployed persons (1 year and more beyond the labour market);
- ☛ Unemployed women aged 15-64;
- ☛ Persons registered in the ESA as unemployed, who actively seek for a job and still do not have a status of long-term unemployed;
- ☛ Unemployed with no adequate professional qualification and lacking basic skills;
- ☛ Redundant workers and persons having received redundancy notices due to technological and structural changes in a company;
- ☛ Employees and managers.

Additionally, the measure might target organisations concerned with employment if this is necessary for people to people actions.

Allocations for the period 2012-2013 (Euro)

6 000 000	5 100 000	85%
TOTAL	EU funding	Investment rate

Indicators	Baseline	Targets for 2007-2009	Targets for 2007-2011	Targets for 2012-2013	Definitions and assumptions	Source of data
<i>Outputs</i>						
Number of participants in all actions (cumulative) of which:	0	6050	12000	14000	The number of persons participating in the trainings (vocational training, informal education, on-the-job trainings, other training) or other activities (counselling, guidance, work trials etc.) organised under the projects as evidenced from the certificates received or other equivalent source.	ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas (in case they are issued).
% of young unemployed aged 15-29 of the total number of participants in all actions (presented by ethnicity)	0	4600	70%	70%	The share of men and women from the age group 15-29 participating in the trainings or other activities organised under the projects in the total number of persons participating in the trainings or other activities organised under the projects as evidenced from the certificates received or other equivalent source.	ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas (in case they are issued).
% of women of the total number of participants in all actions (presented by ethnicity)	0	60%	60%	60%	The share of women in the total number of persons participating in the trainings or other activities organised under the projects as evidenced from the certificates received or other equivalent source.	ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas (in case they are issued).
% of long-term unemployed of the total number of participants in all actions (presented by ethnicity)	0	/	80%	80%	The share of long-term unemployed (1 year and more beyond the labour market) in the total number of persons participating in the trainings or other activities organised under the projects as evidenced from the certificates received or other equivalent source.	ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas (in case they are issued).
Number of supported	0	/	/	10	Organisations, including SMEs that received assistance either	Project implementation reports.

organisations in the private or public sector					in form of trainings for their employees, or counselling, or assistance for introduction of flexible work arrangements, or other type of assistance etc.	
Results						
Share of participants who gained general skills (IT, communication, language skills, entrepreneurship, etc.)	0	/	70%	70%	Participants who acquired general skills after completion of training programme. Achievement of the indicator should be evidenced by certificate.	ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas.
Share of participants who gained work qualifications (vocational training, on-the-job training, etc.)	0	/	70%	70%	Participants who acquired professional qualification after completion of training programme. Achievement of the indicator should be evidenced by certificate.	ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas.
Proportion of participants in work twelve months after leaving the actions (employed or self-employed)	0	/	50%	50%	Participants in the projects, who got self-employed or employed under labour relation contract or equivalent arrangement.	Follow-up survey of participants; ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of work contracts or equivalent document certifying the employment status of the persons.
Proportion of participants continuing training (total)	0	/	/	10%	Participants, who continue the training, after finishing the participation in the project activities from the funds not belonging to the project. Achievement of the indicator should be based on the documents evidencing the fact of training, e.g. a copy of the certificate of enrolment in the training courses or a confirmation that he/she participates in courses, etc.	Follow-up survey of participants; ESA database; Project implementation reports; reports from the training providers; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas.
Number of organisations in the private or public sector which introduced action to adapt to changes	0	/	/	3	Organisations which during the project implementation or immediately after the project is closed have introduced: <ul style="list-style-type: none"> - flexible work and working time organisation arrangements or - regular training for their employees or any other type of change related to the project. 	Follow-up survey of participants; Project implementation reports.

Measure 1.2: Strengthening the capacities for implementation of the employment policy

Specific objectives

- To strengthen the capacity of the institutions, social partners and other key players in the area of the employment policy making and implementation
- To reinforce the quality and accessibility of the employment services and measures
- To promote the social dialogue between the labour market parties

Description

In order to ensure good governance of employment policies there is a need for continuous empowering of national and local authorities, relevant institutions and social partners in the area of employment policies. This is in particular important, having in mind the need to adapt the overall employment system to implement the European Employment Strategy in the future.

The 2011 Progress Report of the EU outlines the limited capacities in the area of employment policy, the significant grey economy, the need for efficient cooperation and coordination between enforcement bodies and the need for a bigger scope and a comprehensive approach to monitoring and evaluation of the active labour market policy. Policy making, monitoring and evaluation efforts shall thus be further reinforced in order to improve the impact of employment policies on the labour market situation.

Taking into account the high absolute number of unemployed, it is necessary to tackle unemployment, among others through an increased budget and measures of ALMMs. ESA should strengthen the services for the job-seekers and pursue a more individualised approach to targeted groups of the unemployed (particularly guidance and counselling services).

Therefore, the measure 1.2 will continue to strengthen the capacity of bodies, institutions and social partners in the area of creating and managing policies for employment. There is a need for better coordination of the many strategies in place for their efficient and coherent implementation and monitoring. The monitoring and evaluation mechanisms, including feedback and review of key strategies and policies require further support. Additionally, social dialogue among the labour market parties will be enhanced as it is crucial for effectiveness of the employment policy and for adaptation of businesses and branches to challenges on the global market. The latter could include strengthening of social partnership on the industry/branch/company level and training and information campaigns of social partners.

Regarding the employment services, the measure will focus on improving the quality, efficiency and effect of the services provided by the Employment Service. New active measures, services and tools to support integration of persons to the labour market shall be developed and mainstreamed. The staff capacity of ESA should be increased, especially front line officers and counselors to improve the individual orientation of services. The analytical work on critical issues, such as inactivity of vulnerable groups (older age groups, minorities) and women shall be strengthened.

One specific aspect of the policy making in the area of employment is tackling the grey work and improvement of the quality of work and working conditions. The implementation and enforcement capacity in the field of occupational safety and health requires considerable and sustained attention.

In order to promote life-long learning in the enterprises, support will be provided to establishment and strengthening the mechanisms for training to employees.

Eligible Actions

Examples of eligible actions which may be funded:

- Capacity building of the relevant institutions and stakeholders in the area of development, implementation, monitoring and evaluation of the employment policy;
- Modernisation of employment services and measures and strengthening the capacities of ESA;
- Capacity building of relevant institutions and stakeholders in the field of occupational safety and health, taking into account the special needs of male and female dominated sectors and occupations where appropriate;
- Analysis and research of the conditions and developments of labour market as well as anticipation for the future challenges;
- Evaluation of the effects of the employment policy measures;
- Improving social dialogue on all levels and strengthening the capacities of social partners;
- Strengthening of social partnership on the industry/branch/company level including training and information campaigns of social partners;
- Promoting cooperation and networking among institutions in the area of employment, education and training, social welfare institutions, social partners, companies, municipalities, non-governmental organisations, etc.;
- Strengthening the mechanisms for life-long learning in the enterprises;
- Developing and implementing action to tackle undeclared work.

In order to achieve better complementarity with the foreseen activities, the abovementioned eligible activities financed under the OP HRD will be supported with infrastructure and supply interventions according to the needs of the identified operation/project.

Selection Criteria

Selection of successful tender/project application will be performed by an evaluation/selection committee chaired by CFCD and following the EU procurement rules.

Final Beneficiaries

- ☞ Relevant ministries and bodies, state agencies and funds;
- ☞ Education and vocational training, vocational information, guidance, counselling institutions, other service and training providers;
- ☞ Research and study institutions;
- ☞ Non-governmental organisations and networks;
- ☞ Social partners, chambers, associations;
- ☞ Enterprises, etc.

Target Groups

- ☞ Ministry of Labour and Social Policy, other relevant ministries and bodies;
- ☞ Employment Service Agency;

- ☞ State Labour Inspectorate and other inspection services;
- ☞ Units of local self government;
- ☞ Non-governmental organisations and networks;
- ☞ Social partners, chambers, associations;
- ☞ Organisations in the area of education and training;
- ☞ Employers, etc.

Allocations for the period 2012-2013 (Euro)

4 000 000	3 400 000	85%
TOTAL	EU funding	Investment rate

Indicators	Baseline	Targets for 2007-2009	Targets for 2007-2011	Targets for 2012-2013	Definitions and assumptions	Source of data
<i>Outputs</i>						
Number of experts trained (cumulative)	0	910	1460	1700	Experts from different organisations working on issues related to employment measured by their participation in seminars, trainings, workshops (one participation=one unit).	Project implementation reports; documents on the attendance of persons participating in project activities; copies of certificates/diplomas (in case they are issued).
Number of specific labour market analysis/surveys/studies conducted	4	/	2	2	The indicator encompasses any analysis that improves the understanding of the labour market, including those measuring the socio-economic context, institutional or policy set-up and performance	Project implementation reports;
<i>Results</i>						
Number of new employment services or measures for specific disadvantaged groups on the labour market developed	0	/	/	3		Project implementation reports;

PRIORITY AXIS 2: EDUCATION AND TRAINING – INVESTING IN HUMAN CAPITAL THROUGH BETTER EDUCATION AND SKILLS

Aim

To provide synergies and links between the educational and training system and the labour market needs by implementing reforms in primary, secondary and higher education, as well as in research and innovation area. Equally important is ensuring quality and productive education for all. Inclusive education aims to create systems that are flexible and supportive enough to meet the needs of children with diverse needs and backgrounds in the schools classrooms.

Rationale

The new socio-economic relations, the fast technologic - technical development, the often changes on the labor market, the larger demand for a highly qualified working force, as well as the accession process of the country in the European Union, influenced the country educational system as a whole and urged for changes and reforms.

With the introduction of compulsory secondary education in 2007, the number of enrolled high-school students had been increased, but the percentage of unemployed young people with secondary vocational education is still at a large scale. From the total estimated unemployed persons the numbers on 2012 are as following: 25.7% unemployed from which 21.7% are with graduated secondary vocational education on the age of 15-24 years.

The labor market is looking for highly professional and skilled employees, staff which will correspond to the segments of the labor process, in that direction existing of a post-secondary education will contribute to easier and faster employment and employability, career development and social cohesion. The post-secondary education would enable: strengthening the capacities of the vocational schools, increasing the number of students in vocational schools due the possibility of more possibilities for career development and acquiring occupational specialized staff with the required competences.

The Republic of Macedonia is facing continuous aging of the population; productive capacity of the country will depend on the ability of the system for adult education to fulfill its role of increasing competitiveness and productivity of the active population, and acquisition of key competencies. Therefore it is necessary to strengthen the system of adult education which will meet the needs of the labor market but also to be flexible and suited for adults according of the needs of the employed and unemployed age and previously acquired knowledge. In that context, as it is concluded in the National Programme for the Development of Education 2005-2015, in the Republic of Macedonia there is no developed system for recognition of prior learning acquired through non-formal and informal learning.

According to the Law on Adult Education, within the responsibilities of local government units the establishment of municipal centers for human resources development is included. The establishment of such centers is projected in the Strategy for Adult Education 2010-2015, and the National Program for the Development of Education in the Republic of Macedonia 2005-2015. The transfer of responsibilities from central to local level is in a large extent a challenge for local governments. These centers will facilitate coordination of future educational needs and job positions and they will have greater direction of providers of educational services to the skills needed by business and local economy.

In the period since 2003 until now, the country actively participated in the Bologna process and implemented reforms for achievement of the goals of the Lisbon Declaration. For the purpose of effective implementation of the process, the necessary amendments in the Law for Higher Education are made and the relevant bylaws are also enacted. The number of higher education institutions and study programs is significantly increased in the last few years.

Beginning with the academic 2005/2006 year up until the academic 2010/2011 year, the number of enrolled students on the first and second cycle of studies in the public universities is in continuous rise. For example, the number of enrolled students in the first cycle of the academic year 2005/2006 was 12 307 compared to the 2010/2011 academic year when the number of enrolled students in the first cycle was 17 167. From the academic 2011/2012 year also began the implementation of the third cycle

(doctorate) of studies lasting at least three years in accordance with the customary European standards with a notable interest for studying by the students. Faculties and public research institutes, as units of state universities, are the main actors at the research performer level. There are five state universities in the country, with the biggest university, “Ss. Cyril and Methodius” in Skopje, comprising 71% of the total research and teaching personnel in the state university sector, or 56% of the total research and teaching personnel in the country for the year 2008.

The need for closer connection between universities and the industry is recognized in the relevant national policy documents: Law on Higher Education, The Decree on Norms and Standards for Establishing Higher Education Institutions and performing Higher Education Activities (DNSHE), the Law on Scientific and Research Activities and the Law on Encouragement and Support of Technological Development.

As an education, science, research and innovation are the main drivers for improving companies competitiveness, and economic prosperity, the R&D programmes and measures have the objective to mobilize companies towards R&D&I investments, especially SMEs. The R&D units in the industry sector, SMEs and the different forms of science industry cooperation like technology parks, business start up centers and incubators, are also a significant R&D performer in the country. They perform 28.5% of the total R&D and participate with 37.4% in total R&D funds.

In the following period the focus also will be put on scientific-research activity to serve as a more direct function for development of society and development of closer cooperation with the labor market and the public sector.

In the process of the democratic and decentralized management of the schools, enhancing inter-ethnic communication and collaboration between all ethnic communities becomes one of the educational priorities. The Ministry of Education and Science produced the concept for the new curricula for secondary education aimed at developing Life skills-based education for secondary education, as the successfully introduced LSBE for the primary education. Through existing in-service teacher training system, teachers at the primary and secondary school level were trained to promote understanding, tolerance and respect for ethnic and cultural diversity within school communities. The Bureau for Educational Development produced the Methodology for reviewing text books to ensure that multiculturalism and other aspects of child-friendly schools are incorporated into textbooks.

In that direction and on developed strategies for Roma and integrated education Directorate for Development and Promotion of the Education on the languages of the Minorities implemented different kind educational projects targeting Roma populations such as: Exemption from paying administrative fee for a certificate of immunization for enrolment in first grade, Handbook for non-discrimination in the educational system in the Republic of Macedonia, Textbooks in Romany for the elective course Roma language and culture, Project for scholarship, mentorship and tutorship of secondary Roma students, Reduced criteria for enrolment of Roma students into the public secondary schools, Quotas for Roma students for enrolment in higher educational institutions, Roma language as an electoral course in the higher education.

Description

By focusing on quality of education outcomes, development of key competences, introducing high-quality efficient vocational and technical programmes, strengthening social inclusion and desegregated education, an important premises will be initiated to establish a more consistent basis for lifelong-learning of the young generations and equip them with competences that are essential for personal and professional life: to think critically, act with autonomy, cooperate in groups, learn efficiently, amongst others. Learners must not only learn to read, but also read to learn. Providing inclusive education for all regardless of their social, cultural and ethnic background is a base not only for social cohesion, but also for building strong and quality educational system.

The priority’s measures are designed to provide appropriate assistance to the specific needs of each target group. In summary, they are:

Measure 2.1: Enhancing synergies and links between education and labour market

This measure will provide investment and support of the concept for lifelong learning through modernisation of secondary and higher education, as well as in the science and research area with an aim of providing human resources development according to the knowledge based economy. Summary of the priorities under Measure 2.1 defined in Clusters:

- Support to the modernisation of the systems of vocational education and training and of adult education in line with a life long learning perspective:
- Support to the modernisation of post-secondary education
- Support to the establishment of a National Qualification Framework
- Developing and supporting cooperation in between higher education institutions, research centres, private sector and relevant public bodies

Measure 2.2: Providing quality inclusive education for all

This measure will focus on quality education for all students in primary education regardless of their qualifications, ethnic, cultural and socio-economic background. Summary of the priorities under Measure 2.2 defined in Clusters:

- Public awareness
- Strengthening early childhood/pre-school education.
- Development and reform of teaching methodologies and materials
- Establishment of systems of support for inclusive education
- Training of relevant actors
- Diversity, multiculturalism and interethnic education
- Information technologies support the equal access to quality inclusive education
- Networking of relevant educational stakeholders
- Data collection, monitoring and evaluation of the inclusive education

Children' target groups: children with developmental disabilities, children with low socio-economic background, and children from different ethnic communities.

Delivery of the Priority

The delivery of Priority 2 is closely interlinked with the delivery of Priority 1 and 3. Together the three priorities will lead to an improved condition for human resources development within the Republic of Macedonia. Thus, Priority 2 will intervene in the educational reforms for providing synergies and links between education and labour market and providing quality inclusive education for all.

For all proposals it is imperative that more partners are involved in the preparation of proposals and implementation of projects and programmes to ensure that links to the social partners and the labour market needs are pursued in the course of developing and reforming curricula.

The OPHRD 2012-2013 will support interventions at the system level, e.g. activities related to policy development and improving institutional set –up in the sectors. In that direction different kind of implementation modalities will be developed, including potential operational grants to VET and CAE which will allow co- financing of the VET and Adult Education Strategies in the country.

The Operating structure might decide to explore the potential cooperation with international organisations (such as World bank, Bank of the Council of Europe, UNICEF, ETF,) in the framework of Article 168f of the Commission Regulation (EC, Euroatom) No 2342/2002 of 23 December 2002 laying down detailed rules for implementation of Council Regulation (EC, Euroatom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. The leverage of different kind of donor funds will be provided in the framework of the above mentioned Article.

	Allocations for the period 2007-2009:	Allocations for the period 2010-2011	Allocations for the period 2012-2013	Allocations for the period 2007-2013
Anticipated Total Spend (1 000 Euro)	5 753	5 868	9 000	20 621
EU Support (1 000 Euro)	4 890	4 988	7 650	17 528

Measure 2.1: Enhancing synergies and links between education and labour market

Specific Objectives

- To support the implementation of the life-long learning concept through modernisation of secondary vocational education, higher education and science and research area.
- To assist the process of linking the vocational education, universities and research institutions with the actual sector, and implementation of the concept for applied research activities
- Development and implementation of the National Qualification Framework

Description

Development of postsecondary education is needed because the current programme structure of the post-secondary education is not corresponding with the labor market needs and the contemporary tendencies. Also, there is long slowdown period due the last changes in the post-secondary education that were made within the framework of the Conception for Secondary Education adopted in 1989. Certain types of post-secondary education have insufficiently defined structure and employers are in continuous search for staff with graduated post-secondary education i.e. with competencies for work with more complex and more complicated technology (special working means), for specialized services, for managing functions on first level, for instruction, mentoring etc.

According Article 29 from the Law on Vocational Education and Training, the post-secondary education and training is performed according to the educational plans and programmes which have been designed modularly. On the basis of the labor market needs, in the post- secondary education the following two concepts of modularization would be developed:

- Comprehensive modularization leading to integral qualifications,
- Fragmented modularization leading to partial qualifications and enabling for certain work and working functions

The educational plans and programmes/modules in the post-secondary education would be oriented towards the progress of the students and educational outputs, i.e. towards the acquired competencies of students which are results from the learning process: knowledge, values, skills, attitudes, actions and habits. For realization of the above mentioned, a Methodology for modular programming is needed to be developed and also standards for occupations and/or occupational qualifications and programmes/modules for post-secondary education in certain vocations according to the labor market needs. This would be realized in cooperation with MLSP, The Employment Agency, the Centre for Adult Education, Employer Organizations and ZELS through forming Councils for occupations/sectors.

The collaborative evaluation on the influence of the reforms of the four year secondary vocational education – ETF – 2010 is giving the following directions:

- Building system solutions which will regulate the cooperation between the four year secondary vocational education, universities and companies especially on the field of practical training
- Revision of the educational plans and programmes for occupations and profiles in the four year secondary vocational education

- Strengthening the school capacities
- Strengthening the system for professional orientation and establishing of Career Centers (Normative regulation)

Nevertheless, the Bruges-Copenhagen process requires revision on the programmes of the vocational education to be performed at least on every five years, since the continuous social-economic changes, the fast scientific-technological development and the expansion of the modern technologies demand a population which will be capable for efficient participation in the social processes and successful usage of the given technology and at the same time, besides the “hard” skills, there is a demand for development of the so-called “soft” skills which will be build with the new projections of the technical education.

With regards to development of R&D, the mutual trust between science and society can be recognized in the steps that concern the activities regarding raising awareness for stimulating applied research, development and innovation in the industry sector through business-academia staff exchange, improvement of the human potential, mobility and joint R&D&I activities. These activities would be implemented for industry representatives, representatives of Ministries and Agencies and representatives of universities, research institutes and other relevant stakeholders in the industrial sector.

The expected results from the above stated measures are increased cooperation between industry, universities and entities for performing scientific research activities, which should result in numerous joint development projects, new employments and registered patents.

Establishment of scientific centers of excellence, encouragement of scientific-research projects that will produce concretely applicable results and will dedicate more intense attention to development of the capacities of the young scientific-research students and researchers are necessary. The strengthening of the cooperation between the labor market, actual sector and the rest of the actors with higher education is a very significant provision for further development of doctoral studies, the process of their evaluation and restructuring of the study programs, realization of social benefits from the scientific-research work as well as strengthening of the international cooperation.

Examples of Eligible Actions which may be funded

Non-exhaustive list of eligible actions which may be funded:

1. **Support to the modernisation of the systems of vocational education and training and of adult education in line with a life long learning perspective**
 - ☞ Support to policy development and policy reform in VET and Life long learning
 - ☞ Strengthening the capacity of the systems of vocational education and training and adult education
 - ☞ Development of system for recognition of prior learning
 - ☞ Developing, supporting, testing and revising of a quality assurance system(s) and developing and testing qualitative indicators for VET system.
 - ☞ Developing, supporting, testing and revising a system for skills need forecast
 - Strengthening the capacity of the VET Centre and the Centre for Adult Education
 - Strengthening the capacity of VET schools and Adult Education providers
 - Reforming, developing, implementing, testing and revising methodologies, curricula and teaching materials for vocational education and training and adult education.
 - ☞ Developing occupational standards and standards for occupational qualifications and new curricula for vocational education and training, with focus on occupational standards and qualifications for post-secondary education
 - ☞ Revision, development and testing of programmes of Life Long Learning and Adult Education
 - ☞ Developing, implementing, testing and revising of innovative programs for education and training
 - ☞ Developing and supporting practical training

- ☞ Strengthening the capacity of trainers of trainers and of trainers
 - Training of teachers for vocational education and training
 - Training of teachers for Life Long Learning and Adult Education.
 - ☞ Strengthening leadership and capacity of directors of schools, management boards and other managerial staff
 - ☞ Developing and supporting coordination and cooperation among the VET and Adult Education systems and relevant national institutions; private sector; local authorities; social partners and other relevant actors.
 - ☞ Developing of a model for programming, organization and implementation of VET process in VET schools and companies
 - ☞ Training of relevant stakeholders on Life Long Learning and Adult Education;
 - ☞ Developing and establishing local centers for human resources development linking training and educational institutions, local authorities, social partners, private sector and civil society organizations
- 2. Support to the modernisation of post-secondary education**
- ☞ Strengthening the capacity of the system of post-secondary education
 - ☞ Developing, implementing, testing and revising methodologies, curricula and teaching materials in the post-secondary education
 - Preparation of teaching modules for post-secondary education
 - Development of Methodology for modular programming
 - Enabling easier accessibility in the post-secondary education
 - Development of procedure for accreditation and certification in the post-secondary education
 - Training for the relevant stakeholders
- 3. Support to the establishment of a comprehensive National Qualification Framework**
- ☞ Support to the development of the National Qualifications Framework (all levels and forms of education and training and shifting to learning outcomes).
- 4. Developing and supporting cooperation in between higher education institutions, research centres, private sector and relevant public bodies**
- ☞ Stimulating cooperation between industry, universities and companies for performing scientific research activities
 - ☞ Supporting the mobility and staff exchange between Industry and Academia at regional, national and international level and development of human potential in research and innovation

In order to achieve better complementarity with the foreseen activities, as well as better coordination with future infrastructure and supply donations in the educational sector, the abovementioned eligible activities financed under the OPHRD 2012-2013 will be supported with infrastructure and supply interventions according to the needs of the identified operation/project.

Selection Criteria

Selection of successful tender/project application will be performed by an evaluation/selection committee chaired by CFCD and following the EU procurement rules.

Final Beneficiaries

- ☞ Ministry of Education and Science

- ☞ Vocational schools,
- ☞ Local firms,
- ☞ Local self-government.
- ☞ Centre for Vocational Education and Training.
- ☞ Employment Agency,
- ☞ Economic Chambers of Commerce
- ☞ Craft Chamber of Commerce
- ☞ Trade Union
- ☞ Universities and higher educational institutions
- ☞ Research institutions
- ☞ Center for Adult Education
- ☞ Adult educational and training providers

Allocations for the period 2012-2013 (Euro)		
6 300 000	5 355 000	85%
TOTAL	EU funding	Investment rate

Monitoring Indicators/Targets/Definitions

Indicators	Baseline	Targets for 2012-2013 period	Definition and assumptions	Source of data
Outputs				
Number of developed occupational standards	98 prepared occupational standards with different level of complexity	Min. 100	Description of work activities performed in the frame of one occupation. Beneficiaries: employers, education, employment and economy policy creators, Unions, teachers, students and parents	CAE, VET schools and business communities
Developed standards for vocational qualifications	25 prepared standards for vocational qualifications	Min. 60	Formal title for the set of competences on specific level which can be proved by legal document. Beneficiaries: Employers, schools	CAE, VET Centre, VET schools and business communities
Developed Methodology for modular programming	Modular programming will be introduced for the first time in the educational system	1	A document as a base for development of modules	VET Centre
Prepared teaching modules for post-secondary education	3 active profiles in post-secondary education according to the 1989 programmes	150	Modul is specific, integral package for learning, which enables acquiring vocational competences. Will be prepared according to the Concept for post-secondary education of 2010.	VET Centre, local community, employers and VET schools
Trained teachers for vocational education and training (including the implementation of the new teaching modules)	Modular programming will be introduced for the first time in the educational system	Min. 100	A base for successful teaching process in the post-secondary education	CAE and VET schools
Trained teachers for work with adults	Students which enrol into post-secondary education are from 17-years of age and upper	Min. 100	Getting an Andragogy additional qualifications of the teachers	CAE and VET schools
Number of schools provided with support for vocational education and training	An opportunity schools to implement programmes for post-secondary education according to the conditions they have for a specific vocation	72	Production of human resources which have competencies to work with more complicated technologies, leadership competences competencies and mentoring for specialized high-quality services	VET schools
Adopted procedure for accreditation and certification in the post-secondary	A legal and concept base exists, but no bylaws and	1	Established system for accreditation and certification in the post-secondary	VET Centre, MoES

Indicators	Baseline	Targets for 2012-2013 period	Definition and assumptions	Source of data
Outputs				
education	detailed regulative for process of accreditation and certification		education	
Developed system for compulsory realisation of the practical on-the-job training in the companies				VET Centre, MLSP, Chambers
Number of schools that provide post-secondary education				
Number of enrolled students in post-secondary education				
Developed criteria for assessment and evaluation of qualifications/competences		20	Assessment and evaluation criteria for recognition of prior learning for 20 qualifications/competences will be developed	CAE and adult education providers
Number of registered training organizations that will assess and evaluate prior learning		4	At least 4 training providers will be registered to assess and evaluate prior learning	CAE and adult education providers CAE and
Developed Strategy for introducing local centres for human resources development		1		CAE, ZELS, VET Schools and Municipalities CAE and
Action plan for Implementing Strategy for introducing local centres for human resources development		1		CAE, ZELS, VET Schools and Municipalities
Number of municipalities provided with support for establishing the local centres for human resources development		4		CAE and Municipalities
Developed NQF system that includes formal, informal and non-formal education		1		MoES
Established working groups mechanism for drafting the classification and descriptors on every level of the NQF including formal, informal and non-formal education with exception of already developed		1		MoES and related institutions

Indicators	Baseline	Targets for 2012-2013 period	Definition and assumptions	Source of data
Outputs				
Higher Educational Qualification Framework				
Revised legislative to address regulatory requirements for introduction of NQF				MoES and related institutions
Developed software package to underpin a NQF information and management system engaging all national actors into a common intelligence network.		1		MoES and related institutions
Developed NQF web-site including visibility tools to promote wider public information and usage.		1		MoES and related institutions
Number of projects which are result from cooperation between the academic and business sector.		3-5		Universities, Research institutions, Business community
Number of academic and business staff included in the mobility programmes		Min.10		Universities, Research institutions, Business community
Results				
Established modern system for post-secondary education	3 active profiles in post-secondary education according to the 1989 programmes	1	A modern system for post-secondary education is established	VET
Reformed vocational education and training system			Reformed vocational education and training system	VET
Established system for modular programming	Modular programming will be introduced for the first time in the educational system		Established system for modular programming	VET, CAE
Established system for recognition of prior learning			A system for recognition of qualifications and competences acquired through non-formal and informal learning is established	CAE
Strengthened institutional capacities for			Strengthened institutional capacities for	MoES

Indicators	Baseline	Targets for 2012-2013 period	Definition and assumptions	Source of data
Outputs				
introduction of the NQF			introduction of the NQF	
Established NQF information and management system				MoES
Strengthened cooperation between the academic and business sector				Universities, Research institutions, Business community

Measure 2.2: Providing quality inclusive education for all

Specific Objectives

- To promote the inclusiveness in the educational system
- To achieve quality education through providing productive learning environment for all
- To support the modernisation of primary education with special focus on inter-cultural cohesion

Description

According to research studies in the country, data from schools indicate that discrimination between and among students creates environments that are unsafe for students, reduces learning opportunities for particular students, and reduces opportunities for schools to grow as communities.

The activities of this Measure will contribute to achieving quality education through providing productive learning environment for all. The mechanisms need to be tailor-made considering the ethno-cultural complexity of the country as a basis for creative expression and interactive educational opportunity that will encourage all relevant stakeholders to actively participate in the educational process on the local and national level

Capacity development for national and municipal policy makers on multiculturalism, peace and tolerance in education is priority that will enhance the schools to create opportunities towards multiculturalism and democratic participations. Also, evidence from schools and perceptions of a variety of stakeholders indicate that teachers, school leaders, and parents do not necessarily understand the concept of inclusive education and may need supplemental training in inclusive education. There are three venues which could be used for such training: non-formal adult education, pre-service teacher education, and in-service teacher education.

Because aggressive behavior exists in some of the schools, the most realistic way to address the problem is through school-wide efforts. Training for students, parents, teachers, and administrators will help to bring school communities together around areas of common concern. Children and students considered this the most pressing issue. Possible solutions are school-wide behavioral support and expectation programs for practical skills how to address school violence.

According to research studies in the country, there are known children in communities who are of school age, but do not attend school. However, there is a dearth of reliable data on these children. Research participants believe the majority of children who do not attend school to be either engaged in family activities (Roma children) or disabled. In order to improve access, a two-pronged approach must be taken. First, families need to better understand the value of education to promote better attendance. At the same time, schools need to become more accepting of diverse students who may have difficulty transitioning back into schools after lengthy absences (or no schooling at all). The first step, however, is to determine where children are and why they are not attending school.

School managers can begin to link to nearby day care centers and special schools to design “transition teams.” Transition teams will include members of school inclusion teams and members from the daycare centers and special schools and families and other relevant actors. Transition teams will for the seek opportunities for children who are in special schools or day care centers to became part of the regular schools. The purpose of transition teams is to identify children who are being under-served in day care or special schools and to support their entry into regular schools.

Examples of Eligible Actions which may be funded

Non-exhaustive list of eligible actions which may be funded:

1. Public awareness

- ☞ Raising public awareness on equal access to quality education for all.

2. Pre-school education

- ☞ Strengthening early childhood/pre-school education.

3. Development and reform of teaching methodologies and materials

- ☞ Reform and development of curricula for equal access to quality education for all;
- ☞ Developing and implementing of an innovative educational programme(s) and practices for equal access to quality education;
- ☞ Developing and implementing of extra-curricula activities for equal access to quality education.

4. Establishment of systems of support

- ☞ Direct support (socioeconomic assistance and mentoring support) for equal access to quality education for vulnerable and marginalised children;
- ☞ Developing and implementing training and social services on equal access to quality education for families of vulnerable and marginalised children;
- ☞ Developing out-reach services to support equal access to quality education;
- ☞ Strengthening the leadership capacity of the principals of the schools;
- ☞ Establishing and supporting a system of mediators (transition teams);
- ☞ Establishing and supporting a system for tutoring and mentoring;
- ☞ Strengthening and developing of services for equal access to quality education by developing and implementing programme and other relevant activities (e.g. therapies);
- ☞ Strengthening and developing of services for equal access to quality education by developing and implementing specialised training on behalf teachers, pedagogues, psychologists, defectologists, social assistants and other relevant actors;
- ☞ Supporting inclusion of children from special schools.

5. Training of relevant actors

- ☞ Developing, establishing and supporting inter-institutional cooperation;
- ☞ Developing and implementing general and specific training on equal access to quality education;
- ☞ Developing and implementing pre-service and in-service teacher training for equal access to quality education;
- ☞ Developing and implementing training on equal access to quality education for staff of line ministries and other relevant institutions; directors, members of the boards, administrative and other staff of schools, training and other educational institutions; municipal administrators; families and civil society.

6. Diversity, multiculturalism and interethnic education

- ☞ Developing and implementing training on diversity, multicultural and interethnic education, conflict prevention and conflict resolution;
- ☞ Supporting multicultural, multilingual and interethnic education.
- ☞ Improving the quality of teaching process in the languages of ethnic communities and providing appropriate teaching materials (textbooks and manuals)
- ☞ Training of teachers for the subject “Language and culture of the communities” on the topic of educational projects, interactive instruction, fun activities for learning language

7. Information technologies

- ☞ Using of information technologies to support equal access to quality education.

8. Networking

- ☞ Establishing a network of schools on equal access to quality education;
- ☞ Establishing a communities network for equal access to quality education.

9. Data collection, monitoring and evaluation

- ☞ Functioning of a system for collection of data, monitoring and evaluation on equal access to quality education.

Children' target groups:

- ☞ Children with disabilities;
- ☞ Children from all ethnic communities;
- ☞ Children from rural areas;
- ☞ Children living in disadvantaged socio-economic conditions;
- ☞ Children in conflict with the law;
- ☞ Other marginalized or vulnerable children.

In order to achieve better complementarity with the foreseen activities, as well as better coordination with future infrastructure and supply donations in the educational sector, the abovementioned eligible activities financed under the OPHRD 2012-2013 will be supported with infrastructure and supply interventions according to the needs of the identified operation/project.

Selection Criteria

Selection of successful tender/project application will be performed by an evaluation/selection committee chaired by CFCD and following the EU procurement rules.

Final Beneficiaries

- ☞ Ministry of Education and Science
- ☞ Primary educational and training institutions,
- ☞ Bureau for Development of Education
- ☞ Directorate for Advancement and Promotion of education on the languages of the ethnic communities
- ☞ Universities
- ☞ Local self-government
- ☞ Municipalities
- ☞ NGOs.

Allocations for the period 2012-2013 (Euro)		
2 700 000	2 295 000	85%
TOTAL	EU funding	Investment rate

Monitoring Indicators/Targets/Definitions

Indicators	Baseline	Targets for 2007-2009 period	Targets for 2007-2011 period	Targets for 2012-2013 period	Definition and assumptions	Source of data
Outputs						
Total number of trained teachers, directors of schools	0	50	50			Data base of National Directorate for Development and Promo-tion of Education on the languages of the Ethnic Communities in the Republic of Macedonia (NDDPELEC)
Number of Roma families assisted	0	0	50			(NDDPELEC)
Adopted reformed curricula with inter-cultural education and innovative programme.	0	10	10			(NDDPELEC)
Developed manuals for mainstreaming inter-cultural education			4			
Number of trained local administration staff on inter-cultural education			10		The selection will be done in accordance to the schools where the new curricula will be implemented	
Number of trained school support staff on inter-cultural education			30		One person from each selected school	
Developed mechanism for addressing school and developmental crisis situations in educational institutions			1			
Number of teachers, school managerial staff, school support staff, local administration staff for conflict prevention and conflict resolution			min. 50		Two persons from each selected school	
Number of schools provided			25-30		The schools will be	

with books and teaching materials for inter-cultural education					selected upon clear application and selection criteria	
Developed system for coordination between relevant institutions for out-of-school children				1		Ministry of Interior, Ministry of Labor and Social Policy, Ministry of Education and Science, NGO's
Number of trained principals, teachers and competent co-workers for out-of-school children				50-100	The schools will be selected upon clear application and selection criteria	Schools, Ministry of Education and Science, Bureau for Development of Education
Developed manuals on addressing school violence and providing healthy school environment				2		Bureau for Development of Education
Number of trained school staff on addressing school violence and providing healthy school environment				50-100	The schools will be selected upon clear application and selection criteria	Bureau for Development of Education
Number of trained parents and students on addressing school violence and providing healthy school environment				150-200	The schools will be selected upon clear application and selection criteria	Bureau for Development of Education, NGO, Local community
Developed and introduced inclusive education and training programme				1		Bureau for Development of Education, Ministry of Education and Science, NGO's
Developed training modules for pre-service and in-service teacher training for inclusive education				3		Universities, Bureau for Development of Education, NGO's
Implemented school practices for inclusive education				5		Schools, NGO's, Local self-government
Established school support system for children under risk in mainstream education				1		Ministry of Education and Science, Bureau for Development of Education, NGO's Local self-government
Number of established school networks for inclusive education with focus on ethnic communities				10-20	The schools will be selected upon clear application and selection criteria	Schools, Local self-government, NGO's, Ministry of Education and Science
Developed curricula for the	So far curricula for			Min. 3	The curricula provide	Directorate for Advancement and

subject “Language and culture of Bosniac/Vlachs an Roma” for 7 th , 8 th and 9 th grade	the subject “Language and culture of Bosniac/Vlachs an Roma” is developed for 3rd, 4th, 5th and 6th grade.				the main and specific objectives of teaching and content with which they are realized	Promotion of education on the languages of the ethnic communities, Bureau for Development of Education, Ministry of Education and Science
Developed guidelines/manuals for implementing curricula for the subject “Language and culture of Bosniac/Vlachs an Roma” for 7th, 8th and 9th grade				Min.3	Teaching tools for didactic and methodical support of the teaching process.	Directorate for Advancement and Promotion of education on the languages of the ethnic communities, Bureau for Development of Education, Ministry of Education and Science, schools
Number of trained teachers for the subject “Language and culture of Bosniac/Vlachs an Roma” for 7th, 8th and 9th grade				Min. 50	The training will include about 50 teachers from the smaller communities and employees of the Directorate.	Schools, Directorate for Advancement and Promotion of education on the languages of the ethnic communities, Bureau for Development of Education
Results						
Multi-ethnic schools introducing reformed curricula adaptable for multi-ethnic environment	0	60	60			(NDDPELEC)
Percentage of children attending the next year of school from the assisted Roma families	0		50			(NDDPELEC)
Continuing cooperation with the parents of the Roma children three years after the completion of the assistance	0		50			(NDDPELEC)
Number of children completing primary education from the assisted families	0		70			Schools, local self-government
Multi-ethnic schools introducing reformed curricula adaptable for multi-ethnic environment	0		70		From the total number of schools included in the projects	Schools, local self-government
Multi-ethnic schools	0		70		From the total	Schools, local self-government

introducing mechanisms for addressing school and developmental crisis situations					number of schools included in the projects	
Number of children attending courses “Language and culture of ethnic communities”	2620 ²³		Increased by 10 by 2016		Data will be structured by region, gender and ethnic community	Schools, local self-government
Implemented curricula for the subject “Language and culture of Bosniac/Vlachs and Roma” for 7th, 8th and 9th grade and consequently the provision of textbooks for these classes						Directorate for Advancement and Promotion of education on the languages of the ethnic communities, Bureau for Development of Education, Ministry of Education and Science, schools
Application of the manuals will provide better quality education for students and support for teaching staff in the preparation process.						Directorate for Advancement and Promotion of education on the languages of the ethnic communities, Bureau for Development of Education, Ministry of Education and Science, schools

²³ Enrolment records 2009/2010, Directorate for development and promotion of education on the languages of ethnic communities

PRIORITY AXIS 3: SOCIAL INCLUSION – EQUAL OPPORTUNITIES AND REINFORCING SOCIAL INCLUSION

Aim

Preventing and reducing the levels of social exclusion and promoting gender equality and equal opportunities in the labour market.

Rationale

The actual problems of poverty and social exclusion in the country are still present. Current official data indicate that the poverty rate in 2010 stood at 30.9% (measured as 70% of median equivalent expenditure). Specific risk groups, such as unemployed and low qualified individuals, the multimember households, the single parents etc. are especially affected.

Social exclusion is the inability and incompetence of particular persons and groups to use the goods and services available in the society, to participate in labour market and social life. Namely, the majority of these people lack motivation and skills to work or use the goods and services provided by the society. Important role play the negative attitudes of society and employers towards these persons.

Promoting social inclusion is closely connected with ensuring equal opportunities, preventing inequality or any discrimination based on sex, racial or ethnic origin, religion or belief, age and especially on disability.

Existing legislation guarantees the right of equal access to social services and forbid every form of discrimination. However, existing social stereotypes as well as historical, political, structural and economic factors prevent certain groups from regular access to the system of social protection, employment and education.

The Republic of Macedonia is characterised by a wide geographical distribution of institutions providing traditional social protection (30 Centres for Social Works in the territory of the Republic of Macedonia) and a high number of active professionals. Yet, there is a need of more effective targeting and assistance that they provide to the socially excluded groups to enter the labour market.

Existing programmes and services (including those targeted to disabled through the Special Fund of the ESA) are by and large inadequate for a more intense and actual integration, education, training and sustainable employment of the most disadvantaged groups of the population. Social exclusion is a complex problem which has to be solved by means of comprehensive and well organised approach of measures implemented by various institutions from different fields of competence: social protection, employment, education, health. It is usually not enough to provide services of employment support or to apply active labour market measures to people at social risk and persons experiencing social exclusion. There is a need to implement additional actions that would help these persons to be involved in the society and in the labour market, and would help the society to change the attitudes towards these people. Priority must be given to the initiatives that can solve problems of the socially excluded individuals in a comprehensive way (recovery of health, social services, motivation, help to acquire knowledge and skills, social integration, employment).

The National Strategy on Alleviation of Poverty and Social Exclusion in the Republic of Macedonia 2010-2020 was adopted, and steps for its implementation were initiated. However, the 2011 Progress Report of the EU highlights the need of fostering the implementation of the measures set by the adopted strategic plans concerning poverty reduction, Roma, people with disabilities and other socially excluded people by allocating adequate human and financial resources. Furthermore, there is insufficient support for activities and initiatives aiming at combating discriminatory customs, traditions and stereotypes. More needs to be done to improve women's rights in rural areas.

Description

The main difference between the third priority axis and other priority axes is in the type of activities focusing primarily on groups and individuals with the biggest risk of social exclusion in the labour market. The priority axis envisages specific approaches to increase the social and labour inclusion of these groups.

In the period 2012-2013, the priority axis 3 will consist of one measure.

Measure 3.1: Fostering social inclusion of people and areas at disadvantage and combating against all forms of discrimination

The measure is designed to provide appropriate assistance to the specific needs of each target group of the socially excluded persons. This measure will facilitate integration of the persons at disadvantage in the labour market and introduce specific social services designed in line with individual needs and conditions of the most disadvantaged groups in the labour market. The activities in the measure should form a coherent pathway towards employment. In addition, the measure will provide assistance to system actions in the field of social inclusion of disadvantaged men and women.

Delivery of the Priority

Operations initiated or initiated and implemented by national public bodies (such as Institute for Social Affairs) may be selected without recourse to calls for proposals, in accordance with article 110 of the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities and article 158 of the Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA). This might include any sectorial support to the MLSP (if possible with a geographical concentration in the most vulnerable areas depending on the regional socio-economic gaps analysis).

The Operating structure might decide to explore the potential cooperation with international organisations (such as UN Agencies, the World Bank, Council of Europe, etc.) in the framework of Article 168f of the Commission Regulation (EC, Euroatom) No 2342/2002 of 23 December 2002 laying down detailed rules for implementation of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. The leverage of different kind of donor funds will be provided in the framework of the above mentioned Article.

Financial allocations

	Allocations for the period 2007-2009	Allocations for the period 2010-2011	Allocations for the period 2012-2013	Allocations for the period 2007-2013
Anticipated Total Spend (1 000 Euro)	3 835	5 058	5 000	13 893
EU Support (1 000 Euro)	3 260	4 299	4 250	11 809

Measure 3.1: Fostering social inclusion of people and areas at disadvantage and combating against all forms of discrimination

Specific objectives

- To improve the system, services and professional capacities of governmental and other key actors for social inclusion of disadvantaged men and women and promotion of equal opportunities in the labour market.
- To enhance social inclusion of men and women and children at disadvantage by developing and implementing adequate social inclusion policies, programmes and services.
- To implement social innovations in integrating the especially vulnerable men and women affected by social exclusion and discrimination into the labour market and the society in general.
- To promote gender equality in the labour market with special actions aimed at men and women.
- To combat against all kinds of inequality and discrimination in the labour market.

Description

The activities financed under this measure will contribute to the increase of participation of people at social risk and persons experiencing social exclusion into the labour market and the reduction of unemployment. The activities would focus on the most vulnerable disadvantaged men and women including members of less represented ethnic communities (especially Roma), social assistance beneficiaries, men and women with moderate disability, young offenders, self-supporting mothers and fathers, victims of family violence, older employees lacking qualification, drug and alcohol addicts, homeless, asylum seekers, prisoners, dependants (children, elderly, men and women with severe disability) as well as men and women living in rural and remote areas. The problems of social inclusion are especially relevant in the economically disadvantaged areas because of the lack of appropriate services, insufficient quality and diversity.

The access to the labour market and integration to the society demands some special measures and “pathways approach” before people at social risk are able fully to take use of the general labour market services. The activities in the measure should form a coherent pathway towards employment. This requires individual action plan (a commitment of the client and activity provider like the organisation providing social services) and organized follow up of the plan.

Namely, people at social risk and persons experiencing social exclusion encounter many difficulties when entering the labour market due to various social, psychological and economic reasons. In order to help these persons, specific and complex measures will be implemented: various social and professional services of rehabilitation that would increase motivation of these persons, form the necessary social skills, promote participation in the society and improve the skills needed to start using general labour market services and active labour market measures.

Support will be provided to create and improve preventive social services, to create innovative methods of social work, to create special programmes increasing motivation for work and learning. In line with the principles of pluralism and decentralisation in social area, cooperation between various institutions working in this area will be promoted (including NGOs and local self-government units) with a view to creating and implementing the integrated models of social, educational, health and employment services. All the parties concerned will be encouraged to propose new, innovative ways of solving social exclusion problems.

Actions related to the protection of children will be undertaken, by improving the access to care facilities and pre-school education especially for Roma and children living in least developed regions, mountainous and rural areas.

Attention will be paid to the initiatives that would help to change discrimination stereotypes in the society that constitute an obstacle for these persons to integrate into the labour market. The principle of equal opportunities is a horizontal principle across the OP HRD. This measure will deal with the theme of

gender equality and equal opportunities in much more specific terms by seeking to provide equal opportunities in the fields of social protection, employment and education. Actions may encompass improvement and development of tools, mechanisms and methods, including statistics, strengthening the institutional capacities and ensuring the access to services and financial resources as equally as possible and raising and resolving specific issues faced by particular groups, such as human rights issues etc. The society will get information about gender equality and equal opportunities for all people.

Special focus under this measure will be put on the inclusion of Roma into the labour market, pre-school education, and society in general while respecting their own culture since they represent one of the most disadvantaged groups.

The efficient and effective implementation of social inclusion policies and programmes presumes proper planning and projecting developments in the field, as well as, regular follow up and evaluation of the different programmes and measures. An emphasis must be placed on further promotion of the knowledge of the experts responsible for creation and implementation of social protection and social inclusion policies.

In providing support, priority will be given to the operations linked with the measures that are provided for in the national strategic documents, in particular those set in the National Employment Strategy 2015, National strategy for reduction of the poverty and the social exclusion in the Republic of Macedonia 2010-2020, the National Programme for Development of the Social Protection 2011-2021, National Roma Strategy and other thematic strategies.

Eligible actions

Non-exhaustive list of eligible actions which may be funded:

- ☞ Capacity building of the relevant institutions and stakeholders in the area of development, implementation, monitoring and evaluation of the social inclusion and social protection policy;
- ☞ Improving the organisation, operations and services of the social protection institutions and other stakeholders active in the area of social inclusion and protection;
- ☞ Development of quality standards for implementation of the social services in accordance with the National Programme for Social Protection;
- ☞ Improving the scope and quality of the child care pre-school system and providing equal access for all children (particularly Roma) in the quality care facilities, particularly in the least developed regions, mountainous and rural areas;
- ☞ Support to the Training programme for certification of the professionals that work in the social protection institutions (in accordance with the Law on Social Protection);
- ☞ Support to the implementation of Roma policies;
- ☞ Supporting local social inclusion initiatives;
- ☞ Promoting joint cooperation and coordination among service providers in the area of employment, social protection, education and other interrelated area;
- ☞ Developing and implementing specific employment and social services, including care services that improve employment opportunities for the disadvantaged men and women;
- ☞ Developing and implementing employment and training measures targeted to men and women at disadvantage to improve their employability;
- ☞ Promoting gender equality in the labour market (e.g. action to promote gender mainstreaming, activities for tackling obstacles for women’s participation in the labour force, etc.);
- ☞ Promoting equal opportunities in the labour market regardless of ethnic origin, religion, age, disability, etc. and combating all kinds of discrimination.

In order to achieve better complementarity with the foreseen activities, the abovementioned eligible activities financed under the OP HRD will be supported with infrastructure and supply interventions according to the needs of the identified operation/project.

Selection Criteria

Selection of successful tender/project application will be performed by an evaluation/selection committee chaired by CFCD and following the EU procurement rules.

Final Beneficiaries

- ☞ Relevant ministries and governmental institutions (e.g. Employment Service Agency, Institution for Social Affairs, etc.);
- ☞ Units of local self government, Association of the local self-government units, regional development planning centers;
- ☞ Non-governmental organizations and networks;
- ☞ Social partners;
- ☞ Education and vocational training, vocational information, guidance, counseling institutions, other service and training providers;
- ☞ Other relevant stakeholders.

Target Group

- ☞ Professionals and voluntaries working in the field of social inclusion;
- ☞ People at disadvantage:
 - Members of less represented ethnic communities, with special focus on Roma;
 - Persons with disabilities;
 - Former drug and alcohol addicts;
 - Victims of domestic violence;
 - Young offenders;
 - Young people who have left school early;
 - Young people without parents and parental care (18 – 26 years of age);
 - People living in remote and rural areas;
 - Self-supporting mothers and fathers;
 - Dependants (children, elderly, men and women with severe disability);
 - Families with dependent persons;
 - Social assistance beneficiaries;
 - Homeless;
 - Other groups at risk of social exclusion.

Allocations for the period 2012-2013 (Euro)		
5 000 000	4 250 000	85%
TOTAL	EU funding	Investment rate

Indicators	Baseline	Targets for 2007-2009 ²⁴	Targets for 2007-2011 ²⁵	Targets for 2012-2013	Definitions and assumptions	Source of data
<i>Outputs</i>						
Number of participants in all actions (cumulative) of which:	0	300	1300	1800	The number of persons participating in the trainings (vocational training, informal education, on-the-job trainings, other training) or other activities (counselling, guidance, work trials etc.) organised under the projects as evidenced from the certificates received or other equivalent source.	Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas (in case they are issued).
Number of women of the total number of participants in all actions (presented by ethnicity)	0	120	400	700	The share of women in the total number of persons participating in the trainings or other activities organised under the projects as evidenced from the certificates received or other equivalent source.	Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas (in case they are issued).
% of disabled of the total number of participants in all actions (presented by ethnicity)	0	/	/	30%	The share of disabled in the total number of persons participating in the trainings (vocational training, informal education, on-the-job trainings, other training) or other activities (counselling, guidance, work trials etc.) organised under the projects as evidenced from the certificates received or other equivalent source.	Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas (in case they are issued).
% of young men and women at disadvantage of the total number of participants in all actions	0	/	/	50%	The share of young men and women participating in the trainings or other activities organised under the projects in the total number of persons participating in the trainings or other activities organised under the projects as evidenced from the certificates received or other equivalent source.	Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas (in case they are issued).
Number of specialist trained	0	420	850	1000	Experts from different organisations working on issues related to social inclusion measured by their participation in seminars, trainings, workshops.	Project implementation reports; documents on the attendance of persons participating in project activities; copies of certificates/diplomas (in case they

²⁴ The presented target value aggregates the different targets set for Measures 3.1,3.2 and 3.3 in the Operational Programme “Human Resources Development 2007-2013”, CCI 2007 MK 051 PO 001

²⁵ The presented target value aggregates the different targets set for Measures 3.1,3.2 and 3.3 in the Operational Programme “Human Resources Development 2007-2013”, CCI 2007 MK 051 PO 001

						are issued).
Results						
Share of participants who gained general skills (social skills, IT, communication, language skills, entrepreneurship, etc.)	0	/	50%	50%	Participants who acquired general skills after completion of training programme. Achievement of the indicator should be evidenced by certificate. The value of the indicator should be presented by social risk to which participants were exposed (e.g. disabled, young offenders, etc.)	ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas.
Share of participants who gained work qualifications (vocational training, on-the-job training, etc.)	0	/	30%	30%	Participants who acquired professional qualification after completion of training programme. Achievement of the indicator should be evidenced by certificate. The value of the indicator should be presented by social risk to which participants were exposed (e.g. disabled, young offenders, etc.)	ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas.
Proportion of participants in work twelve months after leaving the actions (employed or self-employed)	0	/	30%	30%	Participants in the projects, who got self-employed or employed under labour relation contract or equivalent arrangement. The value of the indicator should be presented by social risk to which participants were exposed (e.g. disabled, young offenders, etc.)	Follow-up survey of participants; ESA database; Project implementation reports; documents on the attendance of persons participating in project activities; resumes of participants; copies of work contracts or equivalent document certifying the employment status of the persons.
Proportion of participants continuing training (total)	0	/	/	10%	Participants, who continue the training, after finishing the participation in the project activities from the funds not belonging to the project. Achievement of the indicator should be based on the documents evidencing the fact of training, e.g. a copy of the certificate of enrolment in the training courses or a confirmation that he/she participates in courses, etc. The value of the indicator should be presented by social risk to which participants were exposed (e.g. disabled, young offenders, etc.)	Follow-up survey of participants; ESA database; Project implementation reports; reports from the training provider; documents on the attendance of persons participating in project activities; resumes of participants; copies of certificates/diplomas.

PRIORITY AXIS 4: TECHNICAL ASSISTANCE

Aim

The aim of the Instrument for Pre-Accession Assistance is building the administrative capacities of the country for implementation of the Operational Programme through learning by doing process and their preparation for future managing of the European Structural Funds.

Hence, the aim of the Priority Axis 4 is to enable effective and efficient management of the OPHRD through providing support for preparation of well-designed programmes/projects that will ensure use of EU assistance in a timely manner and to further develop the capacities of the institutional structures for efficient and effective management of IPA funds and support them for the transition to Structural Funds.

Rationale

The IPA Implementing Regulation identifies number of areas and forms of assistance. One core objective of IPA component IV is to prepare the country for effective ESF implementation and management: a key expected result is hence the acquisition of experience in this field, as identified in Article 151.2 (f) by including learning by doing process (via the implementation of priority axis 1 to 3) by *“strengthening the institutional capacity and the efficiency of public administration and public services at national, regional and local level and, where relevant, the social partners and non-governmental organizations with a view to a reforms and good governance in the employment, education and training, as well as social fields.”* Hence, the Priority Axis 4 will focus on supporting the developing of projects and further enhancing of the capacities directly related to delivery of OPHRD as specified under Article 153.1 of the IPA Implementing Regulation, i.e. *to support the preparatory, management, monitoring, administrative support, information, evaluation and control activities of the programme, and preparatory activities with a view of the future management of European Structural Funds* by specific technical assistance interventions (complementary to the ones funded within *component I*), so to strengthen the administrative capacity for preparation, management, implementation, monitoring, audit and control of ESF-type measures.

The OPHRD will be implemented through the decentralised management system and reliance will be put on the local capacities. In general, the management of an operational programme as well as single projects includes a long list of activities such as preparation, managing, monitoring, and evaluation, information and control activities to safeguard the implementation of the operational programme in due course. All activities must be in compliance with the relevant Community and national rules.

Technical assistance will provide support for the structures and authorities involved in the implementation of the OPHRD for the effective and efficient management and implementation of the OP, focused on further development, strengthening and upgrading the Operating Structure's skills and capacities for proper performing of the tasks resulting in high absorption of the financial assistance. The capacities for management of OPHRD in line with IPA rules and requirements are constantly developed by various technical assistance projects under CARDS and IPA assistance. The practical experience gained will continue to grow as more projects are implemented. Therefore, the Priority Axis 4 will be designed as to further develop the capacities of the institutional structures for efficient and effective management of IPA funds and support them for the transition to Structural Funds as well as for preparation of well-designed projects that will ensure use of EU assistance in a timely manner.

Description

Under this priority axis one measure is designed to provide appropriate assistance to the specific needs of the implementing bodies of the OPHRD and final beneficiaries. Measure details are given hereunder,

including objectives, indicative list of actions, indicators, selection criteria, types of support and final beneficiaries.

Delivery

The activities to be funded under this priority includes training of operating structures staff, operational guidelines, application guidelines, analysing and appraisal of proposals, monitoring and reporting, information and control activities.

The type of support will be adapted in line with the nature and scope of each type of operation in order to ensure the most effective implementation manner and delivery of results as foreseen under the measure, among others including direct financing of the expenditures incurred by the Operating Structure necessary for the implementation of OPHRD.

Financial allocations, targets and indicators

	Allocations for the period 2007-2009:	Allocations for the period 2010-2011	Allocations for the period 2012-2013	Allocations for the period 2007-2013
Anticipated Total Spend (1,000 euro)	1.534	1.214	0.616	3.364
EU Support (1,000 euro)	1.304	1.032	0.524	2.860

Indicators	Baseline	Target (2007-2009)	Revised Target (2007-2011)	Revised Target 2007-2013	Definitions and presumptions	Source of data
<i>Outputs</i>						
No of people trained by institutions	0	60	65-70	65-70		Project reports
<i>Result</i>						
% of funding consumption	0	70%	80%	85%		Database

MEASURE 4.1: SUPPORT THE IMPLEMENTATION OF THE OPHRD

Specific objective

- The measure will provide support for efficient and effective management and implementation of OPHRD and absorption of funds under IPA Component IV.

Description

The sound management and implementation of OPHRD requires particular contents for technical assistance measures in order to answer to the main needs of support for programme coordination and to strengthen the capacity building of administrative structures involved in its implementation.

Under this priority axis the following types of activities will be supported:

- ☞ Specific support for OPHRD management such as programming, project appraisal and selection, implementation, financial management, control, monitoring, evaluation, reporting and audit, information and publicity;
- ☞ Support for identifying, collection and use of statistical data necessary for monitoring and evaluation activities under IPA Component IV and future ESF;
- ☞ Support for preparation of well-designed programmes/projects that will ensure use of EU assistance in a timely manner;
- ☞ Consultancy support to the Operating Structure for management, monitoring, evaluation and control (including on-the job support, training and advice) and grant scheme management and procurement (fees for assessors and evaluators for project applications).

Indicative list of eligible actions:

Non-exhaustive list of actions which may be funded divided into groups are:

I. Capacity Building of the Operating Structure

- ☞ Support in further strengthening of the capacities of the staff of the Operating Structure for IPA Component IV, i.e. implementation of trainings programmes, transfer of practical experience, knowledge and skills, on-the-job support and participation on relevant events;
- ☞ Support in preparation of projects and tender documentation;
- ☞ Support in selection/ evaluation process (organization of evaluation committees, hiring of experts and assessors, etc.);
- ☞ Support capacity building through recruitment of staff within Operating structure for implementation of OPHRD;
- ☞ Support in organizing and carrying out control and monitoring activities on projects, as well as management verifications in the Operating Structure;
- ☞ Logistical Support to the OS for Sectoral Monitoring Committee activities (secretarial services, preparation of documents, training of Sectoral Monitoring Committee members, other relevant expenditures for efficient functioning of the Sectoral Monitoring Committee), as well as any sub-committees designated by the Sectoral Monitoring Committee and its members/ experts;
- ☞ Activities will be developed for preparation of the Operating Structure for DIS without ex-ante control.

II. Management Information System

- ☞ Developing Database Management System for Component IV/updating of MIS in relation to Component IV;

III. OP HRD Evaluation and Programming

- ☞ Support in drafting-up relevant programme documents;

- ☞ Support in on-going evaluations including thematic evaluations of OPHRD and support in conducting needed evaluation works for the measures of the OP HRD;
- ☞ Support to the development of PBA groups in relevant subsectors of the programme;

IV. Communication and publicity

- ☞ Preparation and delivery of publicity and information documents and events;
- ☞ Support in revision, implementation and evaluation of Communication Action Plan;
- ☞ Support in organizing and executing information and training activities to the potential contractors/ grant beneficiaries including support to preparation of grant projects;

In order to achieve better complementarity with the foreseen activities, the abovementioned eligible activities financed under the OP HRD will be supported with infrastructure and supply interventions according to the needs of the identified operation/project.

Selection Criteria

Selection of successful tender/project application will be performed by an evaluation/selection committee chaired by CFCD and following the EU procurement rules.

Final Beneficiaries:

- ☞ Operating Structure for Human Resources Development.

Targeting

- ☞ Operating Structure for Human Resources Development.

Allocations for the period 2012-2013 (Euro)		
616 530	524 000	85%
TOTAL	EU funding	Investment rate

Indicators:**I. Capacity building of the Operating Structure**

Output Indicators	Targets for 2007-2009 period	Revised targets under OPHRD 2007-2011	Revised targets under OPHRD 2007-2013	Source of data
Number of people trained	60	65-70	65-70	Project reports Attendance sheets
Number of trainings organized (workshops, seminars, study visits, on-the-job training, etc.)	/	30	30	Reports from the trainings (seminars, workshops, conferences and study tours attended)
Number of tender dossiers approved	/	28-35	38-48	Transmission notes
Number of selections/ evaluations of project proposals organised	/	28-35	38-48	Evaluation Reports and Evaluation Grids
Number of contracts signed	/	30-37	40-50	Contract register
Number of on-the-spot checks performed	/	30	60	Annual Monitoring plans Monitoring reports
Number of technical equipment procured	/	yes	yes	Certificates for final acceptance
Number of SMC meetings organised	/	12	18	Minutes of SMC meetings

II. Management Information System

Output Indicators	Targets for 2007-2009 period	Revised targets under OPHRD 2007-2011	Revised targets under OPHRD 2007-2013	Source of data
Number of functional Management Information Systems provided	/	yes	yes	Annual Implementation Reports

III. OP HRD Evaluation and programming

Output Indicators	Targets for 2007-2009 period	Revised targets under OPHRD 2007-2011	Revised targets under OPHRD 2007-2013	Source of data
Number of OP HRD evaluations carried out	/	1	1	Final reports of OP HRD evaluations
Number of OP HRD evaluation works carried out	/	According to the evaluation plan	According to the evaluation plan	Reports on evaluation works
Adopted revised OP	/	1	2	Revised OP adopted

IV. Communication and publicity

Output Indicators	Targets for 2007-2009 period	Revised targets under OPHRD 2007-2011	Revised targets under OPHRD 2007-2013	Source of data
Adopted CAP	/	1	1	CAP
Revised CAP		4	1	CAP Evaluation report
Number of public events organized	/	According to the	According to the developed and	Reports on organized events; lists of

		developed and adopted CAP	adopted CAP	attendees
Number of promotional materials developed	/	According to the developed and adopted CAP	According to the developed and adopted CAP	Promotional materials
Web-site for Component IV developed	/	1	1	Web-site

Results:

Results	Targets for 2007-2009 period	Revised targets under OPHRD 2007-2011	Revised targets under OPHRD 2007-2013	Source of data
% of Procurement plan implementation in time and accurate manner	/	80%	85%	Annual Progress reports
% of funding disbursement by sound financial management rules	70%	80%	85%	Financial Reports (NF, CFCD) National Fund database
Increased awareness of IPA Component IV activities and eligibility among relevant target groups	/	yes	yes	CAP Evaluation Report

HORIZONTAL ISSUES

The major cross cutting issues to be tackled in the country and which will be dealt with in an appropriate manner are:

- Civil Society;
- Equal opportunities and non-discrimination in addition to minority and vulnerable groups concerns;
- Environmental considerations;
- Good governance, with particular attention to fight against corruption.

Civil Society

The involvement of civil society is forming an important and integrated part of OP HRD, especially in the course of implementing measure 3 on social inclusion but also when it comes to implementing pilot projects of Priority 1 and 2.

Equal Opportunities

To ensure that the principle of equal opportunities is taken into account at all levels of OP HRD implementation, the following procedures will be adopted:

- The requirement to ensure and demonstrate gender equality in the operation of IPA projects will be included in both **information and publicity campaigns**, and materials provided during calls for proposals / tender processes;
- **Applicants** for IPA assistance will be expected to demonstrate how their project promotes equal opportunities or otherwise takes account of potential gender bias (e.g. by providing gender segregated information on the local labour market, and the efforts of the project to overcome any barriers to equality);
- Gender implications will be taken into account through the **project appraisal process and selection criteria**;
- The requirement to observe equality of opportunity during project implementation will be built into **agreements** with beneficiaries, and will be checked, as part of the **internal controls and independent audit** process;
- The outputs and results **indicators** for projects will be broken down by gender where appropriate for the purposes of project and programme **monitoring**;
- Commentary will be prepared on operations linked to equal opportunities in the **annual implementation reports** of the OP;
- The impact of the OP on gender equality will be considered as part of its **evaluation**, where relevant.

Environmental Considerations

The environmental issue will be taken into account in the implementation of all measures of the OP HRD, where relevant. Furthermore, all activities carried out in the framework of this programme should be carried out in compliance with EU environmental legislation.

Good Governance

Good governance and fight against corruption is a horizontal theme of OP HRD and necessary provisions will be taken when selecting projects and when preparing audit controls.

COMPLEMENTARITIES AND SYNERGIES WITH OTHER FORMS OF ASSISTANCE

The country has a long-year intensive experience in donor development assistance, mobilization and implementation of different sources and types of multilateral and bilateral funds. Focused on streamlining the cooperation with donors and international organizations, the National System for Aid Coordination has been continuously improved and strengthened through monitoring, analysis and policy support, and capacity building for effective coordination of development assistance.

The Deputy Prime Minister responsible for European Affairs has two-fold role of National IPA Coordinator (NIPAC) and National Aid Coordinator, supported by the Secretariat of European Affairs (SEA). Since 2009, the National System for Aid Coordination has been restructured and consisted of:

- Government (overall guidance to the processes);
- Ministers (political responsibility for oversight of programme areas);
- High Level Government-International Partners Working Group, chaired by Deputy Prime Minister (forums for discussions and agreements between the Government and donor community);
- Senior Government International Partners Working Group (oversight of the programme area working groups, PBA guidance and consultations);
- Joint Senior-Level Programme Working Groups (activities and discussions on a programme level, programme area assessments, respective implementation plans, etc.).

In June 2009, the Secretariat for European Affairs (SEA) introduced the Programme Based Approach (PBA) with the purpose to promote a more holistic approach to coordination and streamlining of the national and external funds for the realization of the defined strategic goals and priorities of the country, strengthened ownership and improved national leadership, enhancement of the partnership among development actors, increased practice of comprehensive and midterm strategic planning of the development assistance, ensuring greater and improved aid effectiveness and progress in meeting the global principles of the Paris Declaration.

This approach is introduced for the programme areas considered crucial for country development among which the PBA Working Group on ‘Human Capital’ is covering the areas of education, employment, social protection and inclusion, equal opportunities and anti-discrimination, and health.

PBA Working Groups “Human Capital” is consisted of representatives from 3 (three) line ministries and representatives from international partners (UNICEF, World Bank, USAID and the Kingdom of Netherlands). During 2009 and 2010, the WG “Human Capital” has identified the overarching PBA priority area of “employability” and PBA priority objective as “to improve the system and capacities of employability among the young unemployed people and socially excluded groups”. The broader approach of “employability” is considered through inclusive education, free movement of workers and flexibility at the labour market.

Apart from the IPA during last three years, there are implemented projects financed by other donors²⁶. The country has received an international support by international financial institutions, such as the World Bank group (IBRD, etc.) in the sectors of education and social protection. Other donor assistance has been provided in sectors of education, social inclusion, employment and equal opportunities mainly through UN Agencies (UNDP, UNFPA, UNICEF, UNIFEM, etc.), EU (CARDS, TEMPUS, EIDHR, Progress, etc.). As well, the bilateral assistance in development of 5 covered sectors have been provided by the Republic of Austria (Austrian Development Agency - ADA), the Kingdom of Norway, the Swiss Government through Swiss Development Cooperation (SDC), the Federal Republic of Germany (GTZ), the Government of Japan, the Government of the Kingdom of Netherlands, USAID and other donors.

²⁶ For more information visit the Central Donor Assistance Database (CDAD): <http://www.cdad.sep.gov.mk/>

UNDP has continuously cooperated in the country in the area of the employment and social inclusion, and some of its most influential projects were: “Employment Programme” and “Technical Assistance to Support the Government’s Active Labour Market Measures”.

Since 2007, UNDP supported the design and implementation of various employment programmes, including several of the ALMMs, such as self-employment, training and retraining, and formalization of informal businesses. Moreover, the UNPD carried out a number of evaluations of ALMMs.

USAID and the World Bank have recently engaged in analysing skills mismatch. USAID developed these activities in the frame of its “Macedonia Competitiveness Project” (started in 2009), which recommended a number of activities targeting the supply and demand sides.

The World Bank project “Labour Markets, Job Creation and Economic Growth” included the survey “Demand for Skills”. The World Bank is supporting social inclusion through its Conditional Cash Transfer project, which provides additional income support to social welfare receiving parents of children who regularly attend secondary school. The project started in the school year 2009/10 and is in its third year of implementation.

FINANCIAL TABLES²⁷

Table 4.1: Costs by Priorities and Years

		IPA	National	Total	% in total budget
2007	Priority 1	1.299.000	229.238	1.528.238	41%
	Priority 2	960.000	169.413	1.129.413	30%
	Priority 3	640.000	112.943	752.943	20%
	TA	301.000	53.118	354.118	9%
	Total	3.200.000	564.712	3.764.712	100%
2008	Priority 1	2.697.500	476.035	3.173.535	45%
	Priority 2	1.800.000	317.649	2.117.649	30%
	Priority 3	1.200.000	211.767	1.411.767	20%
	TA	302.500	53.383	355.883	5%
	Total	6.000.000	1.058.834	7.058.834	100%
2009	Priority 1	2.849.500	502.857	3.352.357	40%
	Priority 2	2.130.000	375.884	2.505.884	30%
	Priority 3	1.420.000	250.591	1.670.591	20%
	TA	700.500	123.619	824.119	10%
	Total	7.100.000	1.252.951	8.352.951	100%
2010	Priority 1	3.360.000	592.942	3.952.942	40%
	Priority 2	2.436.000	429.883	2.865.883	29%
	Priority 3	2.100.000	370.589	2.470.589	25%
	TA	504.000	88.942	592.942	6%
	Total	8.400.000	1.482.356	9.882.356	100%
2011	Priority 1	3.520.000	621.177	4.141.177	40%
	Priority 2	2.552.000	450.354	3.002.354	29%
	Priority 3	2.200.000	388.236	2.588.236	25%
	TA	528.000	93.177	621.177	6%
	Total	8.800.000	1.552.944	10.352.944	100%

²⁷ Ceiling of the TA priority: TA operations are implemented under **one dedicated priority, capped at 6% of the OP allocation**. In "duly justified cases" the IR allows for expanding this ceiling to 10%. Justified cases could be specific needs that demand more emphasis on complex sector studies, or that a steep increase of funding in the latter years of the 2007-13 period demands front-loading of preparatory work, or that the small volume of funds available under the OP may not allow non compressive expenditure to fall within the 6% cap. The latter is relevant for this OP.

2012		IPA	National	Total	% in total budget
	Priority 1	4.250.000	750.000	5.000.000	41,31%
	Priority 2	3.655.000	645.000	4.300.000	35,53%
	Priority 3	2.125.000	375.000	2.500.000	20,65%
	TA	258.000	45.530	303.530	2,51%
	Total	10.288.000	1.815.530	12.103.530	100%
2013		IPA	National	Total	% in total budget
	Priority 1	4.250.000	750.000	5.000.000	39,96%
	Priority 2	3.995.000	705.000	4.700.000	37,56%
	Priority 3	2.125.000	375.000	2.500.000	19,98%
	TA	266.000	47.000	313.000	2,5%
	Total	10.636.000	1.877.000	12.513.000	100%
2007-2013		IPA	National	Total	% in total budget
	Priority 1	22.226.000	3.922.249	26.148.249	40,84%
	Priority 2	17.528.000	3.093.183	20.621.183	32,21%
	Priority 3	11.810.000	2.084.126	13.894.126	21,7%
	TA	2.860.000	504.769	3.364.769	5,25%
	Total	54.424.000	9.604.327	64.028.327	100%

Table 4.2: Costs by Measures in 2007

YEAR 2007	Total Public Eligible Cost	EU IPA	CC National Public	IPA co-financing rate
	(x+y)	x	y	x/(x+y)
Priority Axis 1	1.528.238	1.299.000	229.238	0,84999849500
Measure 1.1	205.883	175.000	30.883	0,84999732858
Measure 1.2	870.942	740.300	130.642	0,84999919627
Measure 1.3	439.648	373.700	65.948	0,84999818036
Measure 1.4	11.765	10.000	1.765	0,84997875053

Priority Axis 2	1.129.413	960.000	169.413	0,84999907031
Measure 2.1	564.706	480.000	84.706	0,84999982292
Measure 2.2	223.530	190.000	33.530	0,84999776316
Measure 2.3	341.177	290.000	51.177	0,84999868104

Priority Axis 3	752.943	640.000	112.943	0,84999794141
Measure 3.1	301.177	256.000	45.177	0,84999850586
Measure 3.2	451.766	384.000	67.766	0,84999756511
Measure 3.3	0	0	0	/

Technical Assistance	354.118	301.000	53.118	0,84999915282
Measure 4.1	354.118	301.000	53.118	0,84999915282

TOTAL YEAR 2007	3.764.712	3.200.000	564.712	0,84999861875
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Table 4.3: Costs by Measures in 2008

YEAR 2008	Total Public Eligible Cost	EU IPA	CC National Public	IPA co-financing rate
	(x+y)	x	y	x/(x+y)
Priority Axis 1	3.173.535	2.697.500	476.035	0,84999850325
Measure 1.1	917.649	780.000	137.649	0,84999820193
Measure 1.2	883.531	751.000	132.531	0,84999847204
Measure 1.3	748.827	636.502	112.325	0,84999873135
Measure 1.4	623.528	529.998	93.530	0,84999871698

Priority Axis 2	2.117.649	1.800.000	317.649	0,84999922083
Measure 2.1	1.058.824	900.000	158.824	0,84999962222
Measure 2.2	423.530	360.000	63.530	0,84999881945
Measure 2.3	635.295	540.000	95.295	0,84999881945

Priority Axis 3	1.411.767	1.200.000	211.767	0,84999861875
Measure 3.1	564.706	480.000	84.706	0,84999982292
Measure 3.2	847.061	720.000	127.061	0,84999781598
Measure 3.3	0	0	0	/

Technical Assistance	355.883	302.500	53.383	0,84999845455
Measure 4.1	355.883	302.500	53.383	0,84999845455

TOTAL YEAR 2008	7.058.834	6.000.000	1.058.834	0,84999873917
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Table 4.4: Costs by Measures in 2009

YEAR 2009	Total Public Eligible Cost	EU IPA	CC National Public	IPA co-financing rate
	(x+y)	x	y	x/(x+y)
Priority Axis 1	3.352.357	2.849.500	502.857	0,84999897087
Measure 1.1	382.355	325.000	57.355	0,84999542310
Measure 1.2	194.942	165.700	29.242	0,84999640919
Measure 1.3	2.410.353	2.048.800	361.553	0,84999997926
Measure 1.4	364.707	310.000	54.707	0,84999739517

Priority Axis 2	2.505.884	2.130.000	375.884	0,84999944131
Measure 2.1	1.315.882	1.118.499	197.383	0,84999946804
Measure 2.2	438.237	372.501	65.736	0,84999897316
Measure 2.3	751.765	639.000	112.765	0,84999966745

Priority Axis 3	1.670.591	1.420.000	250.591	0,84999859331
Measure 3.1	668.236	568.000	100.236	0,84999910211
Measure 3.2	807.059	686.000	121.059	0,84999981414
Measure 3.3	195.296	166.000	29.296	0,84999180731

Technical Assistance	824.119	700.500	123.619	0,84999860457
Measure 4.1	824.119	700.500	123.619	0,84999860457

TOTAL YEAR 2009	8.352.951	7.100.000	1.252.951	0,84999900035
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Table 4.5: Costs by Measures in 2010

YEAR 2010	Total Public Eligible Cost	EU IPA	CC National Public	IPA co-financing rate
	(x+y)	x	y	x/(x+y)
Priority Axis 1	3.952.942	3.360.000	592.942	0,84999982292
Measure 1.1	500.000	425.000	75.000	0,85000000000

Measure 1.2	1.000.000	850.000	150.000	0,85000000000
Measure 1.3	2.052.942	1.745.000	307.942	0,84999965903
Measure 1.4	400.000	340.000	60.000	0,85000000000

Priority Axis 2	2.865.883	2.436.000	429.883	0,84999980809
Measure 2.1	1.146.353	974.400	171.953	0,84999995638
Measure 2.2	859.765	730.800	128.965	0,84999970922
Measure 2.3	859.765	730.800	128.965	0,84999970922

Priority Axis 3	2.470.589	2.100.000	370.589	0,84999973690
Measure 3.1	1.220.589	1.037.500	183.089	0,84999946747
Measure 3.2	750.000	637.500	112.500	0,85000000000
Measure 3.3	500.000	425.000	75.000	0,85000000000

Technical Assistance	592.942	504.000	88.942	0,84999881945
Measure 4.1	592.942	504.000	88.942	0,84999881945

TOTAL YEAR 2010	9.882.356	8.400.000	1.482.356	0,84999973690
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Table 4.6: Costs by Measures in 2011

YEAR 2011	Total Public Eligible Cost	EU IPA	CC National Public	IPA co-financing rate
	(x+y)	x	y	x/(x+y)
Priority Axis 1	4.141.177	3.520.000	621.177	0,84999989134
Measure 1.1	500.000	425.000	75.000	0,85000000000
Measure 1.2	1.000.000	850.000	150.000	0,85000000000
Measure 1.3	2.241.177	1.905.000	336.177	0,84999979921
Measure 1.4	400.000	340.000	60.000	0,85000000000

Priority Axis 2	3.002.354	2.552.000	450.354	0,84999970024
Measure 2.1	1.200.942	1.020.800	180.142	0,84999941712
Measure 2.2	900.706	765.600	135.106	0,84999988898
Measure 2.3	900.706	765.600	135.106	0,84999988898

Priority Axis 3	2.588.236	2.200.000	388.236	0,84999976818
Measure 3.1	1.338.236	1.137.500	200.736	0,84999955165
Measure 3.2	750.000	637.500	112.500	0,85000000000
Measure 3.3	500.000	425.000	75.000	0,85000000000

Technical Assistance	621.177	528.000	93.177	0,84999927557
Measure 4.1	621.177	528.000	93.177	0,84999927557

TOTAL YEAR 2011	10.352.944	8.800.000	1.552.944	0,84999976818
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Table 4.7: Costs by Measures 2007 - 2011

2007-2011	Total Public Eligible Cost	EU IPA	CC National Public	IPA co-financing rate
	(x+y)	x	y	x/(x+y)
Priority Axis 1	16.148.249	13.726.000	2.422.249	0,84999927856
Measure 1.1	2.505.887	2.130.000	375.887	0,84999842371
Measure 1.2	3.949.415	3.357.000	592.415	0,84999930369
Measure 1.3	7.892.947	6.709.002	1.183.945	0,84999962625
Measure 1.4	1.800.000	1.529.998	270.002	0,84999888889

Priority Axis 2	11.621.183	9.878.000	1.743.183	0,84999952242
Measure 2.1	5.286.707	4.493.699	793.008	0,84999963115
Measure 2.2	2.845.768	2.418.901	426.867	0,84999936748
Measure 2.3	3.488.708	2.965.400	523.308	0,84999948405

Priority Axis 3	8.894.126	7.560.000	1.334.126	0,84999920172
Measure 3.1	4.092.944	3.479.000	613.944	0,84999941363
Measure 3.2	3.605.886	3.065.000	540.886	0,84999914029
Measure 3.3	1.195.296	1.016.000	179.296	0,84999866142

Technical Assistance	2.748.239	2.336.000	412.239	0,84999885381
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Measure 4.1	2.748.239	2.336.000	412.239	0,84999885381
TOTAL 2007-2011	39.411.797	33.500.000	5.911.797	0,84999930351

Table 4.8: Costs by Measures in 2012

YEAR 2012	Total Public Eligible Cost	EU IPA	CC National Public	IPA co-financing rate
	(x+y)	x	y	x/(x+y)
Priority Axis 1	5.000.000	4.250.000	750.000	0,85
Measure 1.1	3.000.000	2.550.000	450.000	0,85
Measure 1.2	2.000.000	1.700.000	300.000	0,85
Priority Axis 2	4.300.000	3.655.000	645.000	0,85
Measure 2.1	3.000.000	2.550.000	450.000	0,85
Measure 2.2	1.300.000	1.105.000	195.000	0,85
Priority Axis 3	2.500.000	2.125.000	375.000	0,85
Measure 3.1	2.500.000	2.125.000	375.000	0,85
Technical Assistance	303.530	258.000	45.530	0,85
Measure 4.1	303.530	258.000	45.530	0,85
TOTAL YEAR 2012	12.103.530	10.288.000	1.815.530	0,85

Table 4.9: Costs by Measures in 2013

YEAR 2013	Total Public Eligible Cost	EU IPA	CC National Public	IPA co-financing rate
	(x+y)	x	y	x/(x+y)
Priority Axis 1	5.000.000	4.250.000	750.000	0,85
Measure 1.1	3.000.000	2.550.000	450.000	0,85
Measure 1.2	2.000.000	1.700.000	300.000	0,85

Priority Axis 2	4.700.000	3.995.000	705.000	0,85
Measure 2.1	3.300.000	2.805.000	495.000	0,85
Measure 2.2	1.400.000	1.190.000	210.000	0,85

Priority Axis 3	2.500.000	2.125.000	375.000	0,85
Measure 3.1	2.500.000	2.125.000	375.000	0,85

Technical Assistance	313.000	266.000	47.000	0,85
Measure 4.1	313.000	266.000	47.000	0,85

TOTAL YEAR 2013	12.513.000	10.636.000	1.877.000	0,85
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Table 4.10: Costs by Measures 2012 - 2013

2012-2013	Total Public Eligible Cost	EU IPA	CC National Public	IPA co-financing rate
	(x+y)	x	y	x/(x+y)
Priority Axis 1	10.000.000	8.500.000	1.500.000	0,85
Measure 1.1	6.000.000	5.100.000	900.000	0,85
Measure 1.2	4.000.000	3.400.000	600.000	0,85

Priority Axis 2	9.000.000	7.650.000	1.350.000	0,85
Measure 2.1	6.300.000	5.355.000	945.000	0,85
Measure 2.2	2.700.000	2.295.000	405.000	0,85

Priority Axis 3	5.000.000	4.250.000	750.000	0,85
Measure 3.1	5.000.000	4.250.000	750.000	0,85

Technical Assistance	616.530	524.000	92.530	0,85
Measure 4.1	616.530	524.000	92.530	0,85

TOTAL 2012-2013	24.616.530	20.924.000	3.692.530	0,85
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IMPLEMENTATION PROVISIONS

MANAGEMENT AND CONTROL STRUCTURES

In the implementation of assistance under the IPA regulations, the European Commission confers the management powers for implementation of funds under IPA Component IV – Human Resources Development, while retaining overall final responsibility for General budget execution. This decentralised implementation system (DIS) encompasses tendering, contracting and payments to contractors, the arranging for tendering procedures, the ensuing contracting, and making payments to contractors.

In order to meet the conditions for conferral of the management powers by the Commission, the Republic of Macedonia has established management and control systems, and has implemented the process of accreditation of the National Authorising Officer (NAO), National Fund and of the Operating Structure for IPA Component IV. On 16 October 2009, the European Commission adopted the Decision conferring management powers relating to the Human Resources Development Component under IPA Component IV²⁸.

Operating Structure (OS) for the IPA Component - Human Resources Development

The Operating Structure is composed by the following bodies:

- Central Finance and Contracting Department (CFCD) within the Ministry of Finance as a lead body in the Operating Structure. The Head of CFCD is also designated as Head of Operating Structure and is ultimately responsible for its functioning.
- IPA Structures within the Ministry of Labour and Social Policy and Ministry of Education and Science are performing the tasks delegated by the Head of Operating Structure with the Operational Agreements and are headed by IPA coordinators.

The Operating Structure performs functions defined in Article 28 of the IPA Implementing Regulation.

The Central Finance and Contracting Department has the sole responsibility for all tendering, contracting, payments, accounting and financial reporting aspects of the procurement of services, supplies, works and grants funded under the IPA Component IV, as well as submission of documents to be ex-ante approved by the Delegation of the European Union.

The Head of Operating Structure has delegated part of the tasks to MLSP and MES with the Operational Agreements, such as: programming, technical implementation, programme and project monitoring.

The IPA Structure established within the Ministry of Labour and Social Policy is responsible for implementation of the Priority Axis 1 and Priority Axis 3, while the IPA Structure established within the Ministry of Education and Science is responsible for implementation of the OP Priority Axis 2.

MONITORING AND EVALUATION

MONITORING ARRANGEMENTS

Monitoring Committees

In order to ensure coherence and coordination in the implementation of the IPA components, programmes and operations as well as to follow the progress in the implementation of IPA assistance, the following monitoring committees have been established:

²⁸ Decision C(2009)7962 as of 16.10.2009

- IPA Monitoring Committee to ensure coherence and coordination in the implementation of all five Components of IPA.
- Sectoral Monitoring Committee for the Operational Programme for the Human Resources Development Programme.

The Sectoral Monitoring Committee is co-chaired by the Head of the Operating Structure and representative from the European Commission. Its member will include:

- The National IPA Coordinator or his/her representative;
- A representative of the Commission;
- A representative of the Strategic Coordinator for Components III and IV;
- Representatives of the operating structure for the programme;
- Representatives from the civil society and socio-economic partners;
- The National Authorising Officer;
- A representative of the National Fund.

The Sectoral Monitoring Committee reports to the IPA Monitoring Committee. Its tasks include:

- ☞ considering and approving the general criteria for selecting the operations;
- ☞ reviewing progress towards achieving the specific targets of the OP HRD;
- ☞ examining the sectoral annual and final reports on implementation;
- ☞ examining any proposal to amend the financing agreement of the programme as well as overseeing the cross cutting themes and publicity measures.

The Sectoral Monitoring Committee operates according to its rules of procedure and IPA Regulations.

MONITORING SYSTEM AND INDICATORS

The Head of the Operating Structure is responsible for the efficiency and correctness of management and implementation and in particular for setting up, maintaining and updating regularly a reporting and information system to gather reliable financial and statistical information on implementation, for the monitoring indicators and for evaluation and for forwarding this data in accordance with arrangements agreed between the NIPAC and the Commission.

The quantitative and qualitative progress made in implementing the programme as well as its efficiency and effectiveness in relation to its objectives will be measured by the use of evaluation and monitoring indicators related to the results and outputs of the individual measures.

MANAGEMENT INFORMATION SYSTEM

For regular reporting on status of planning of programmes and projects, regular reporting on project implementation compared to implementation plan and regular reporting at all appropriate levels on efficiency and effectiveness of internal control, a Management Information System (MIS) has been established. This system shall provide systematic approach as well as data collection by the operating structure under the DIS of the IPA funds.

MIS consists of the following modules, which were developed and customised for the purposes of establishment of this system in the Country:

- I. Procurement and Contracting module,
- II. Financial Management and Accounting module,

III. Monitoring, Evaluation and Risk Management module,

IV. Reporting module.

MIS as an information system with reporting objectives for efficient and effective management of EU IPA funds includes financial reporting and accounting system, consists of the procedures and records established to initiate, record, process, and report entity transactions, and to maintain accountability for the related assets, liabilities, income and expenditure. It, also, consists of procurement and monitoring procedures and records in order to provide timely and accurate processing of tendering, contracting and supervision of the implementation of operations funded under IPA Components I-IV.

SELECTION OF OPERATIONS/PROJECTS

All service, supply and grant contracts are awarded and implemented in accordance with the rules for external aid contained in the Financial Regulation and in accordance with the "Practical Guide to contract procedures for EC external actions" (Practical Guide) as published on the EuropeAid website at the date of the initiation of the procurement or grant award procedure. The standard templates and models provided for in the Practical Guide are used in order to facilitate the application of the applicable rules.

SECTORAL ANNUAL AND FINAL REPORTS ON IMPLEMENTATION

Sectoral annual and final reports on implementation of the OP HRD are prepared by the Operating Structure. These reports assess the implementation progress covering the attainment of set objectives, the problems encountered in managing the programme and the measures taken, the financial execution as well as monitoring and evaluation activities carried out.

EVALUATION ARRANGEMENTS

Evaluations are a tool for assessing the relevance, efficiency and effectiveness of the financial assistance as well as the impact and sustainability of the expected results.

The IPA Coordinators within the Ministry of Labour and Social Policy and the Ministry of Education and Science are responsible for ensuring that adequate evaluations of the operational programme are carried out. The evaluations are carried out by experts or bodies, internal or external, functionally independent from the management and control system

The Sectoral Monitoring Committee designated a committee to assist the operating structure in its evaluation activities. The committee members represent relevant stakeholders and steer at all stages the process of evaluation.

INFORMATION AND PUBLICITY

The article 62 of the IPA Implementing Regulation sets out certain requirements regarding the information to be provided and publicity of programmes and operations financed by the Community, addressed to citizens and beneficiaries with the aim of highlighting the role of Community funding and ensuring transparency.

The information to be provided by the operating structures should include inter alia the publication of the list of final beneficiaries, the names of the operations and the amount of Community funding allocated to operations. The Commission must also ensure the publication of the relevant information on tenders and contracts in the official Journal of the European Union and other relevant media and websites.

Article 63 of the IPA Implementing Regulation provides further that the Commission and the relevant authorities of the beneficiary country shall agree on a coherent set of activities, to be funded from the TA priority of the operational programme, to make available and publicise information about IPA assistance.

In accordance with the above provisions the Ministry of Finance, Central Contracting and Finance Department shall be responsible for the information and publicity activities under the programme.

INTERNET

The Central Financing and Contracting Department in its daily work respects the EU visibility and publicity rules in order to increase the public awareness of the main objectives of IPA and the projects to be financed under it in order to ensure transparency during the implementation of IPA.

As an auxiliary tool in fulfilment of the EU visibility and publicity rules and obligations, CFCD has established its Website: <http://cfcd.finance.gov.mk>.