



РЕПУБЛИКА МАКЕДОНИЈА  
Министерство за труд и социјална политика

Бр. 10-3170/2

11-04-2019 20 год.  
СКОПЈЕ II

## **Social Services Improvement Project**

**Republic of North Macedonia**

### **Grant Operational Manual for Development of Social Services**

April, 2019

## TABLE OF CONTENTS

1. INTRODUCTION	4
2. SOCIAL SERVICES IMPROVEMENT PROJECT DESCRIPTION	4
3. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS FOR PROJECT COMPONENT 1	5
3.1 Minister of Labor and Social Policy	6
3.2 Project Management Unit	6
3.3 Grant Approval Committee for Social Services	10
3.3.1 Avoidance of conflict of interest	10
3.4 Municipalities	11
3.5 Social Work Centers	11
4. STEPS THAT SHALL BE FOLLOWED FOR ADMINISTRATION OF THE GRANTS FOR DEVELOPMENT OF SOCIAL SERVICES	11
5. MONITORING AND EVALUATION	21
6. ENVIRONMENTAL REQUIREMENTS	21
7. SUPERVISION OF THE PROJECT IMPLEMENTATION	21
ANNEX 1 -Component I - SSIP Project: Promoting social inclusion through improved access to social benefits and services	23
ANNEX 2- Application Form	27
ANNEX 3- Approval of Project Categorization Performed in ESS Check List	34
ANNEX 4 -Template of content of “Initial Limited Environmental and Social Impact Assessment (for Category B+)”	36
ANNEX 5-“Template of Environmental and Social Management Plan (ESMP) Checklist (for Category B)”	40
ANNEX 6: Grant Agreement Format	44

<b>ABBREVIATIONS AND ACRONYMS</b>	
BDE	Bureau for Development of Education
CB	Cash Benefits
CBMIS	Cash Benefit Management Information System
CG	Consultative Group
CSO	Civil society organization
EC	Evaluation Committees
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ECEC	Early Childhood Education and Care
ECD	Early Childhood Development
EIA	Environmental Impacts Assessment
ESE	Environmental and Social Expert
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plans
GAC	Grant Approval Committee
GOM	Grant Operations Manual
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HIF	Health Insurance Fund
IC	Individual Consultants
IE	Impact Evaluations
IFB	Invitation For Bids
ISA	Institute for Social Affairs
LSP	Labor and Social Protection
MIS	Management and IT System
M&E	Monitoring and Evaluation
MLSP	Ministry of Labor and Social Protection
MOES	Ministry of Education and Science
MOF	Ministry of Finance
MOH	Ministry of Health
NEB	National Employment Bureau
PAD	Project Appraisal Document
PDO	Project Development Objective
PPSD	Project Procurement Strategy for Development
PID	Project Implementation Documents
PO	Project Objectives
PMU	Project Management Unit
POM	Project Operational Manual
SPN	Specific Procurement Notices
SSI	Social Services Improvement
SSIP	Social Services Improvement Project
WG	Working Group

## 1. INTRODUCTION

### 1.1. PURPOSE OF THIS MANUAL

This Grant Operational Manual for Development of Social Services (GOM or “the Manual”) outlines operational guidelines and procedures to be followed while implementing the Grants for Development of Social Services ( “Projects”, “Subprojects” or “Grants”) envisaged under the Subcomponent 1.2 “Piloting a grant mechanism for development of noninstitutional(out of home; out of family) social services”, Component I “Promoting social inclusion through improved access to social benefits and services” of the Social Services Improvement Project (SSIP or “the Project”). This Manual lays out the processes and procedures of identifying, preparing, selecting, procuring, managing and monitoring the implementation of the Grants i.e. Subprojects under the Project Category I. This Manual will be the basis on which the SSIP Project Management Unit (PMU), the Ministry of labour and social Policy (MLSP), the municipalities and all other interested parties including the beneficiaries shall implement the Subprojects.

### 1.2. LEGAL FRAMEWORK

The guidelines and procedures laid out in the Manual are in line with the: SSIP Project Operational Manual, the SSIP Project Appraisal Document of the World Bank (or the “Bank”), and the Loan Agreement between the Government of the Republic of North Macedonia and the World Bank for Implementation of the Social Services Improvement Project. The guidelines and procedures are also in accordance with national laws.

## 2. SOCIAL SERVICES IMPROVEMENT PROJECT DESCRIPTION

### A. Project Development Objectives

The Project Development Objective (PDO) of the SSIP is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

### B. SSI Project Components

The project includes three main components, as described in the following paragraphs.

#### **Component 1: Promoting social inclusion through improved access to social benefits and services (US\$12.7 million / 10.8 million EURO equivalent)**

The objective of this component will be to strengthen the overall social protection delivery system for improved services by existing social assistance recipients and by vulnerable groups. On the supply side, the project will support creation and expansion of preventive and nonresidential social services. The increased outreach activities by the system (Social Welfare Centers, SWCs, and other institutions at the local level) will result in the rise of the poor and vulnerable applying for social benefits and services. Better access to a menu of social benefits and services will also be ensured with the merger of the two existing information systems (databases), which would enable improved identification of actual individual/family needs, more poor or vulnerable individuals and families receiving support, and better case management (that is, referrals, tracking, and

monitoring) using the integrated social welfare information system. A new human-centered approach and integrated information system will enhance targeting and prioritization of beneficiaries for services (including the Early Childhood Education and Care, ECEC). This will also include developing referrals between social services, preschools, and other relevant institutions. The focus will be on the beneficiaries (including the preschool children), their needs, and facilitation of their inclusion in the system of benefits and services.

**Component 2: Expanding the access to and improving of the quality of preschool services (US\$18.6 million/16.0 million EURO equivalent)**

This component will focus on improving access to quality ECEC services, in particular for children from socially disadvantaged backgrounds (that is, poor children, children with disabilities, and Roma children). Activities for children aged 3 to 6 years will focus on increasing access to quality and energy efficient preschools (that is, child-centered and with age-appropriate learning opportunities) while also supporting their transition to the early grades of primary education. Activities for younger children—from birth onwards—will focus on empowering parents and families to support children’s holistic development through increased knowledge about the importance of the early years (including adequate health and nutrition, early stimulation and learning opportunities, and nurturing and protection from stress) and about the relevant services available in the community. The activities related to the infrastructure will be sequenced while the process quality activities will be happening in parallel.

**Component 3: Project management, monitoring and evaluation (US\$2.1 million/1.8 million EURO equivalent)**

This component will support the day-to-day management of project implementation and the monitoring and evaluation (M&E) of its objectives and outcomes. This component will finance the activities that would ensure effective administration and implementation of the project by supporting (a) the establishment and operation of the Project Management Unit (PMU), including the provision of operating costs, (b) development and implementation of a M&E system for the project, and (c) development and carrying out of a public awareness campaign to inform vulnerable groups of available social assistance services, including the application process requirements.

Detailed description of the Component 1 of this Project is given in Annex 1 to this Manual

**3. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS FOR PROJECT COMPONENT 1**

This section describes the respective roles and responsibilities of the SSIP stakeholders in the implementation of the Project.

The MLSP will be accountable for execution of project activities and implementation would rely on its existing structures, with the additional support of a PMU.

The project implementation structure will consist of:

**3.1 Minister of Labor and Social Policy**

3.2 Project Management Unit - PMU,

3.3 Grant Approval Committee for social services (GAC) chaired by the MLSP

3.4 Municipalities,

3.5 Social Work Centers

### 3.1 Minister of Labor and Social Policy

The Minister of Labor and Social Policy – is the implementing authority and together with the Project Director is entitled to make decisions and approve project annual working plans, budgets and reports. The Minister is entitled to sign contracts and payment documents awarded under the Project. In his/her absence the Minister shall appoint the Project Director or other Ministry's officials to sign on his/her behalf.

### 3.2 Project Management Unit

The MLSP as the main implementing agency for the Project has established PMU as a temporary body. The PMU would report to the MLSP Minister and would be responsible for day-to-day project implementation; overall project coordination, monitoring activities, safeguard and fiduciary functions, and reporting. The PMU shall be housed in the MLSP and headed by a Project Manager and Project Director. The Project Director is employee in the MLSP and shall be responsible for the preparation and implementation of the Project, managing of all day-to-day activities and reporting to the Minister and the other institutions involved in the project implementation. The Director/Manager also serves as the focal point with the World Bank and with other potential donors

Main responsibilities of PMU fall into the following groups of activities but are not limited to:

3.2.1 Manage and administer SSIP implementation that includes (i) coordination of overall project implementation activities; (ii) coordination of involved institutions in order to make sure that the project activities are implemented in a technically and timely harmonized manner, (iii) coordination of international and local consultants and (iv) act according the WB team's requirements.

3.2.2 Planning and budgeting that includes precise assessment of the activities related to project preparation and implementation from their technical, financial and procurement viewpoint.

3.2.3 Procurement that includes (i) ensuring compliance with the procurement rules and procedures as defined in the applicable Regulations, Legal Agreement, POM, PPSD and Procurement Plan of the Project; (ii) contract signing, implementation and monitoring implementation of signed contracts

3.2.4 Promotion of SSIP among municipalities

3.2.5 Financial management and accounting (more details are given in point 4.11)

3.2.6 Ensure compliance with environmental and social requirements. The PMU shall ensure that the daily implementation of the project is according to the environmental and social requirements

as given in the published SSIP Project Environmental and Social Management Framework (ESMF), and in accordance with sub-project specific Environmental and Social Management Plans (ESMPs) as envisaged under ESMF.

3.2.7 Monitoring and evaluation includes establishment of arrangements for systematic comparison of actual project activities against plan on the basis of agreed indicators and objectives. The PMU has to monitor the SSIP according the result framework of Monitoring and Evaluation. The PMU should also monitor the environmental and social performance of the overall project, and of individual sub-projects as per the respective monitoring plans included in sub-project specific ESMPs.

3.2.8 Citizen engagement The citizen engagement element shall take an important role during the project implementation. The PMU Grant Administration Coordinator with help of the other PMU members shall be responsible for planning and conducting the Project Citizen Engagement (CE) activities.

An annual beneficiary feedback mechanism (such as a beneficiary scorecard) will measure beneficiary perception of quality of social services and collect their feedback on the improvement to services and their views which activities should be prioritized. The mechanism will disaggregate data for different marginalized groups (e.g. Roma) in order to better and more specifically inform service improvement. This information will support the design of future reforms. The PMU will include a number of results that measure beneficiary feedback and the citizen engagement process in the Results Framework and/or in PMU reporting such as “ Share of supported sub-projects in which direct beneficiaries report their engagement in decision making” and “Share of beneficiaries satisfied with responsiveness of the grievance redress mechanism”..

The PMU will organize regular social audit meetings for all direct beneficiaries (that is, social workers, disadvantaged population especially Roma minority and so on) to achieve transparency, disclosure and beneficiary oversight for supported subprojects. These meetings will ensure that (a) beneficiaries are aware of the activities strengthening the institutions of the social services system (including the grant scheme or social contracting), (b) information is disseminated, and (c) beneficiary feedback is generated on subprojects which will be supported.

The PMU (Grant Administration coordinator) will be responsible for invitations for the social audit meetings (to be held at least twice a year), producing information, and posting on social services notice boards. After the identification of the municipalities where the specific sub projects shall be implemented (for example after selection of the municipality where new social service shall be developed), an social audit meeting shall be organized in the particular municipality (at the municipality/school/SWCs or other premises), preferably at least twice in twelve months i.e. once at the beginning before the actual sub project implementation has started, and second for preferably 6 months after the starting of the project implementation. The PMU shall conduct several activities such as invitation of direct beneficiaries especially the most disadvantaged one(for example Roma minority)as well as municipality representatives, parents, citizens living in the municipality, social workers, teachers CSO, etc. The invitation shall be conducted through distribution of printed materials through the SWCs, Schools, Municipality, citizen organizations, as well as through invitations send by mail. The aim of the meetings shall be to hear the voice of the beneficiaries, citizens, local authorities, civil organization etc, to inform them about what is planned, and by their help to shape the project implementation in a way their needs are met in most efficient and effective way. All participants shall be asked to fill beneficiary scorecard for rating the projects proposed/implemented by giving suggestions for improvement. In addition, during the meetings the Grievance Redress Mechanism shall be promoted, in order all the

interested to be able to submit questions, comments, suggestions, and/or complaints or provide any form of feedback on all project-funded activities. After each meeting, minutes shall be prepared, and those shall be disseminated to all officials responsible for designing, planning and implementation of the sub projects. After a certain period, preferably 6 months after the starting of the project implementation the social audit meeting shall be conducted in the same municipality to inform the beneficiaries about the status of the sub project implementation, and how their thoughts/complaints/recommendations given at the previous meeting have been implemented.

### 3.2.9 Safeguards

The PMU, the MLSP, the Municipalities, the SWCs and all other involved institutions respectfully shall ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguards Instruments (ESMF, sub-project specific ESMPs).

### 3.2.10 Grievance Redress Mechanism

Grievance – An issue, concern, problem, or claim (perceived or actual) that an individual or community group wants a company or contractor to address and resolve. Project Affected People as well as Project Affected Legal Entities will be able to submit grievances directly to the PMU/MLSP on paper, by e-mail or by using form published on the MLSP web site (a sample grievance form is given in point 3.2.10.1).

All grievances will be recorded in a register, assigned a number, and tracked until it is closed. The PMU will make all reasonable efforts to address the complaint upon the acknowledgement of grievance. If the PMU is not able to address the issues raised by immediate corrective action, a long-term corrective action will be identified. The complainant will be informed about the proposed corrective action and follow-up of corrective action.

If the PMU is not able to address the particular issue raised through the grievance mechanism or if action is not required, it will provide a detailed explanation/justification on why the issue was not addressed. The response will also contain an explanation on how the individual/entity which raised the complaint can proceed with the grievance in case the outcome is not satisfactory.

In case of complaints (grievances) on Sub-grant beneficiary selection process (on notification in writing of the GAC's decision concerning application, stating the reasons for rejection), Applicants should use same grievance form given in point 3.2.10.1. Complaint Group consisting of members of GAC with assistance of PMU members will undertake review of complaint (whether complaint address on process of application, evaluation and selection of full sub-project proposals) with regards to selection criteria determined in this Grant Manual. Complaint Group will give an answer in writing within 15 days from registration of complaint.

Grievances need to be sent to the address provided below.



Contact information:  
Project Management Unit  
Social Services Improvement Project  
Ministry of Labour and Social Policy of the Republic of North Macedonia  
Str. Dame Gruev 14, 1000 Skopje

### 3.2.10.1 Sample Grievance Form

The PMU shall maintain, throughout Project implementation, and publicize the availability of a grievance redress mechanism as a separate form published on the MLSP website [www.mtsp.gov.mk](http://www.mtsp.gov.mk)

The form shall enable the interested parties to submit questions, comments, suggestions, and/or complaints or provide any form of feedback on all project-funded activities

The form shall have the following fields that should be filled up by the interested party

Name

Postal address

e-mail address

Telephone

Question /Suggestion

**SUBMIT**

The field “submit” shall be automatically connected to one or more mail addresses of PMU members that shall review the questions and send them to the respective persons for answering. After the answer is given, PMU shall send it to the mail/postal address given in the form by the interested party.

In addition, the questions, suggestions and the answers shall be publicly published without disclosing who is asking.

The fields “name”, “address”, “e-mail”, “telephone” shall not be mandatory for filling.

The form shall include information such as telephone number and mail address of the PMU members in order for the interested parties to be able to call, write or express in person their opinion and /or complain directly to the PMU members.

### 3.3 Grant Approval Committee for Social Services

The GAC for Social Services shall be established and led by the MLSP and shall be consisted of 5 members and 5 deputy members:

1. Three Representatives from the MLSP with min 5 years of experience in the social protection area;
2. Representative from the Institute for Social Affairs; and,
3. Representative from the Ministry of local self-government.

The Grant Approval Committee shall be responsible for evaluating and selecting grant proposals for social services according to the criteria described in point 4.8 “Selection of potential service providers” of this GOM.

The Project Director/Manager shall appoint the Grant Administrative Coordinator or other PMU staff to act as a secretary to the GAC meetings. The secretary is a non-voting member and would be responsible for drafting the minutes from the meetings.

#### 3.3.1 Avoidance of conflict of interest

To avoid conflict of interest, GAC members will need to sign no conflict of interest statement. GAC members, who are directly or indirectly related to a project proposal, were involved in preparation of any part of it, or if a candidate under consideration is his family/relative will be asked to refrain from participating in the selection process. Also, GAC members are not allowed to be involved in execution of any of the awarded projects.

All GAC members have an obligation to disclose any real potential or apparent conflict of interest as soon as it arises to the PMU and in the case of a possible conflict of a financial or business nature.

In response to a possible conflict of interest situation involving one or more GAC members, the PMU is responsible for:

- reviewing the conflict of interest situation;
- assessing the materiality of the conflict of interest and any necessary mitigation measure;
- discussing the proposed response with the MLSP;
- informing the GAC member of the final decision on how to proceed.

If no conflict of interest is identified, the GAC member will continue its function. In cases when the conflict of interest is identified, as a result, the GAC member will be replaced

### 3.4 Municipalities

Municipalities will be responsible for identifying-assessment their social services needs and demand, for preparing and submitting applications for social services together with potential applicants, for signing Grant agreement, as well as for supervision and reporting regarding the implementation of the activities with PMU and SWCs' support and ensuring that the environmental and social standards and practices are met.

### 3.5 Social Work Centers

The SWCs will play a significant role in providing support in the developing the social services at the local level. The SWCs will be responsible for screening, orientation about the services, and referral of the beneficiaries to the providers of the services. They will work closely with the municipalities on M&E of the quality of services provided by the service providers.

## 4. STEPS THAT SHALL BE FOLLOWED FOR ADMINISTRATION OF THE GRANTS FOR DEVELOPMENT OF SOCIAL SERVICES

1. Needs assessment and Information Dissemination
2. Public Call for inviting the municipalities/ potential service providers to express interest to apply for a grant for development of social services
3. Support in preparation of project proposal
4. Public Call for inviting the municipalities/ potential service providers to apply for a grant for development of social services
5. Preparation of applications
6. Submission of applications
7. Environmental screening procedure
8. Selection of potential service providers
9. Preparation of environmental documentation
10. Grant Agreement signing
11. Financial management and accounting

### 4.1. Information Dissemination and Needs assessment

#### 4.1.1 Information Dissemination

Representatives from the SSIP project shall organize meeting with representatives from all the municipalities and shall organize separate regional meetings with the representatives from

municipalities that work on social issues in order to share information regarding this Program. In addition, representatives from the SSIP project shall visit/contact each of the municipalities and the respective SWCs, local CSO and shall organize the focus group discussions on which they will be informed about the possibilities for financing projects for developing of social services in the Municipalities.

The meetings with the municipalities and the SWCs and the focus group discussions shall be used for informing the presents about the selection process of the service providers, the contracts signing and the contract implementation process. The SSIP representatives will offer direct support to the Municipalities/potential service providers for filling the Application form. Copy of the GOM for social services shall be published on the MLSP web site and shall be given to all Municipalities, interested service providers and others interested parties.

The Municipalities shall publish a call for identifying interested service providers, The interested providers shall express their interest and shall contact the municipalities and if the municipality deems that the proposed social service to be developed by the service provider is needed, the Municipality together with the interested provider shall submit the application. The Municipalities shall be informed that they can also apply for grant as a potential service provider. Each municipality will be able to submit multiple grant applications with different providers for different social services, as well as grant applications by Municipality itself as a service provider. Also the Municipalities can jointly apply for developing a joint social service (for example when the municipalities are located next to each other and they want to develop a social service that shall cover the joint needs of the municipalities). One service provider can receive grant funds for establishing of a certain service only once.

#### **4.1.2 Needs assessment**

Before publishing the public call for inviting the municipalities/potential service providers to apply for a grant for development of social services, needs assessment shall be conducted through analysis of the municipal social development plans, programs discussions with SWCs, current service providers etc.

The municipalities in coordination with the respective SWCs and taking into account the results of the discussions conducted shall be asked to fill up a list of identified social needs in their municipality. The list of identified needs for social services by municipality shall be shared with the World Bank and published on the SSIP web site.

#### **4.2. Public Call for inviting the municipalities/ potential service providers to express interest to apply for a grant for development of social services**

The Ministry of Labor and Social Policy-PMU will launch a Public Call for inviting the municipalities/potential service providers to express interest for a grant for development of social services. The Call will be announced in two national newspapers (one in Macedonian and one in Albanian) and published at the official MLSP website. The Call will provide the following minimum information:

- Brief summary of the Grant Program;

- Description of the intention of the call: To inform the potential applicants that for those that will express interest, support shall be provided by the MLSP regarding the preparation of the application documentation including the project proposal;
- Contact details from the SSIP PMU members for obtaining assistance in preparation of the Application;
- Deadline for expression of interest (place and date).

#### **4.3. Support in preparation of the project proposals**

To the municipalities/potential service providers that have expressed interest for receiving a grant for development of social services, direct support shall be provided for preparation of the application documents including the project proposals, by the expert hired within the SSIP.

**Project proposal for the service to be developed** (in respect to the Rulebook for Norms and Standards for Providing Social Services): type, scope, conditions, content and quality of the services planned to be provided to the beneficiaries. The project proposal shall justify the need of the proposed services to be developed, shall describe the type and the planned number of beneficiaries, hours per beneficiary, the area where the activity shall be performed, the premises, and the equipment that shall be used, number and qualification of staff that shall be engaged, the envisaged costs for establishing and running the service, i.e. budget breakdown, quality assurance and other details regarding the quality of the service that is planned to be delivered by the applicant.

#### **4.4. Public Call for inviting the municipalities/ potential service providers to apply for a grant for development of social services**

The Ministry of Labor and Social Policy-PMU will launch a Public Call for inviting the municipalities/potential service providers to apply for a grant for development of social services. The Call will be announced in two national newspapers (one in Macedonian and one in Albanian) and published at the official MLSP website. The Call will provide the following minimum information:

- Brief summary of the SSIP project;
- Priority list of social needs that are identified as needed by municipality
- Information where the Application form can be obtained (MLSP web site and directly from the PMU)
- Type of documents requested for submission;
- Selection criteria;
- Contact details from the SSIP PMU members for obtaining assistance in preparation of the Application;
- Deadline for application (place and date).

Note:

- The public call shall be published after adopting the:

- Rulebook for Norms and Standards for Providing Social Services,
  - Cost Methodology for Establishing of the Services proposed, including pricing list and
  - Rulebook for Cost Methodology for Delivering of the Services proposed, including pricing list become effective/are prepared
  - Rulebook for the type and scope of the services paid by the beneficiaries and the amount of participation in the costs of the beneficiaries and persons and the persons who are obliged to support them
- The domestic and foreign legal entities or individuals may not be a founder or co-founder of a centre for social work, an institution for asylum seekers, institution for behavioral improvement, a group home for children at risk, a centre for resocialization of children at risk, a centre for resocialization of children in conflict with the law, foster family and institution for residential accommodation.

Municipalities/potential service providers will have one month to submit an application. The Public Call for applications shall be launched at least once per year, prior to the year of the project closure or until on-lending funds are fully committed.

#### **4.5. Preparation of applications**

Municipalities/potential service providers shall fill the application form and shall submit the documents required with close collaboration and assistance from the PMU members

The application form is given in Annex 2 to this GOM

#### **4.6. Submission of applications**

The interested potential service providers shall submit an Application to the MLSP which will include the following information:

- Details of the Applicant/potential service providers including data for the proposed project coordinator
- Mandatory documents to be enclosed :
  - a) Project proposal for the service to be developed(in respect to the Rulebook for norms and standards for providing social services): type, scope, conditions, content and quality of the services planned to be provided to the beneficiaries. The project shall justify the need of the proposed services to be developed shall describe the type and the planned number of beneficiaries, the area where the activity shall be performed, the premises, and the equipment that shall be used, number and qualification of staff that shall be engaged, the envisaged costs for establishing the service and /or running, i.e. budget breakdown, quality assurance and other details regarding the quality of the service that is planned to be delivered
  - b) Filled Environmental and Social Screening (ESS) Check List

#### **4.7. Environmental screening procedure**

For each submitted application an environmental screening procedure shall be undertaken by the PMU Environmental and Social Expert in order to: determine the environmental risk associated with the proposed project activities, assign respective environmental categories (A, B and C category) and identify the type of environmental and social due diligence document to be developed by a project applicant if selected for financing, or reject applications which are unacceptable due to the nature of the proposed activities, for example project classified as Category A:

- Category “A” projects is large scale projects with high environmental and social risks and they are not eligible for financing under the SSI project.
- Category “B” projects are divided into two groups B and B+ based on project activities and potential impacts, and for these projects different environmental and social due diligence instruments need to be applied for project impact assessment.
- Category “C” projects are those projects for which no additional impact assessment is required.

The Form for the for the Approval of Project Categorization performed in ESS Check List is given in Annex 3 to this GOM

#### **4.8. Selection of potential service providers**

The Grant Approval Committee shall review the applications and shall select applicants with highest points received.

##### **4.8.1 Prequalification Process**

The prequalification process shall include:

- Determination whether the application is submitted in the required form (according the Application form)
- Determination whether the applicant is submitting application for establishing a certain social service for a first time
- Determination whether the project proposal is submitted in the required form (whether all the required information is given)
- Determination whether the proposed service is applicable to be financed according to the Law (The domestic and foreign legal entities or individuals may not be a founder or co-founder of a centre for social work, an institution for asylum seekers, institution for behavioral improvement, a group home for children at risk, a centre for resocialization of children at risk, a centre for resocialization of children in conflict with the law, and foster family and institution for residential accommodation).
- Environmental screening procedure to determine whether the project is eligible for financing

As a result of the prequalification process conducted, prequalification report shall be prepared

The projects that have been prequalified shall be evaluated according to the Evaluation criteria listed in point 4.8..2 of this Manual

##### **4.8.2 Selection of potential service providers**

The Grant Approval Committee shall evaluate the sub-project proposals that have passed the prequalification process using the following selection criteria grid. In addition, each GAC member shall provide a supplementary write up explaining and justifying why he/she assigned a particular score under each of selection criteria under the reviewed sub-project proposals.

No	SELECTION criteria	Max. score	Total %
<b>A. CAPACITY OF THE APPLICANT (25% = 25p)</b>		<b>25% total</b>	
<b>1.</b>	<b>Previous experience in implementation of relevant/similar projects</b>		
	Applicant/s have strong, relevant experience in project implementation of projects similar in terms of scope, types of investment and scale	10 p	
	Applicant/s have some experience in project implementation of projects similar in terms of scope, types of investment and scale	5 p	
	Applicant/s have no experience in project implementation	0 p	
<b>2.</b>	<b>Sub-Project coordinator's capacity</b>		
	The project coordinator has strong, relevant experience in the area of delivery of social services	10 p	
	The project coordinator has some experience in the area of delivery of social services	5 p	
	The project coordinator has no experience in the area of delivery of social services	0 p	
<b>3.</b>	<b>Sub-Project coordinator's knowledge</b>		
	The project coordinator has strong knowledge and experience in the social protection area	5 p	
	The project coordinator has some knowledge and experience in the social protection area	3 p	
	The project coordinator has no knowledge and experience in the social protection area	0 p	
<b>SUBTOTAL A</b>		<b>max 25 p</b>	<b>25%</b>
<b>B. RELEVANCE (75% = 75p)</b>			
<b>4.</b>	<b>Quality of project proposal</b>		
	Quality of Project proposal (in respect to the Rulebook for norms and standards for	Excellent 50 p Somewhat 30 p Poor 0 p	



providing social services): <ul style="list-style-type: none"> <li>● The Project proposal is well structured and contains all the requested information,</li> <li>● The proposed social service delivery system meets the social standards and needs of the potential beneficiaries</li> <li>● The project proposal envisages inter-municipal cooperation regarding the service delivery</li> <li>● There is quality assurance proposed</li> <li>● Proposed Qualified Key personnel</li> <li>● Access to key equipment</li> <li>● Budget breakdown</li> </ul>	
<b>6.</b>	In line with the indentified needs
The proposed service to be developed addresses the social need/s listed on the Published Priority list of social needs per Municipality	Excellent 25 p Somewhat 15 p Poor 0 p
<b>TOTAL POINTS</b>	

After each public call, the GAC shall select 10 projects that have been evaluated with highest points (arithmetical average score of the total points given by each member of the GAC), maximum 2 projects per Municipality in accordance to the evaluation criteria listed above, with which contract for financing shall be signed

Output of the evaluation process will be an evaluation report with recommendation of projects to be financed

The prequalification report and the evaluation report shall be prepared by the PMU Grant Administration Coordinator or other PMU member

#### **4.9. Preparation of environmental documentation**

For the Projects Classified as Category “B” and “B+”, the Applicant shall prepare and submit the environmental documentation depending of the classified project category: for project classified as Category B+ “Initial Limited Environmental and Social Impact Assessment” (template given in Annex 4) or for project classified as Category B “Environmental and Social Management Plan (ESMP) Checklist (template given Annex 5). If, after completing the ESS Check List and its review by the PMU Environmental Expert, it is determined that the project is classified as “C”, the final Decision will be that the Project is eligible, and that the applicant is not required to prepare additional environmental and social documentation. The submitted document - Initial Limited Environmental and Social Impact Assessment /ESMP shall be reviewed by the PMU

Environmental and Social Expert in order to confirm the quality and completeness of the environmental assessment and environmental documentation of grant/sub-project proposals, and to determine whether all the conditions for signing Grant Agreement are met. The Environmental and Social Expert shall prepare Minutes for quality and completeness of the environmental assessment and environmental documentation of grant/sub-project proposals and shall submit the Minutes to the other PMU and GAC members.

#### **4.10. Grant Agreement signing**

In case when the municipality/s is/are selected as a service provider, Grant Agreement between the MLSP and the Municipality shall be signed. In other cases when the municipality shall not be the service provider, Grant Agreement between the MLSP, the Municipality and the service provider shall be signed.

The grant agreement shall regulate:

- the type of social services, the conditions for providing the service, the duration of the contract, the financing and the supervision,
- the rights and obligations of the service provider and/or Municipality/s,
- the rights and obligations undertaken by the MLSP,
- the type and the number of beneficiaries and the area where the activity is performed,
- the conditions for continuous performance of the activity,
- the conditions for quality performance of the activity, and
- other special conditions depending on the social service.

The grant agreement shall cease to be valid after the expiration of the deadline for which it is concluded and in case of revocation of the work permit.

In the grant agreement the amount of the grant shall be established as ceiling amount calculated as sum of the:

1. Costs for establishing the social service,
2. Total cost for delivering the service per projected number of recipients for 12 months

The costs shall be calculated based on the official Rulebook for Norms and Standards for Providing Social Services, Cost Methodology for Establishing of the Services proposed, including pricing list Rulebook for Cost Methodology for Delivering of the Services proposed and the submitted by the applicant Project proposal including the envisaged costs for establishing and running the service

The ceiling amount of the Costs for establishing the social service shall be calculated based on the Cost Methodology for Establishing of the Services proposed, including pricing list and based on the submitted by the applicant Project proposal including the envisaged costs for establishing and running the service

If the costs for establishment of the service envisaged in the Project proposal are above the costs calculated according the Cost Methodology for Establishing of the Services proposed, including pricing list, the ceiling amount shall be calculated based on the calculation given in the Cost Methodology for Establishing of the Services proposed, including pricing list.

If the costs for establishment of the service envisaged in the Project proposal are less the costs calculated according the Cost Methodology for Establishing of the Services proposed, including pricing list, the ceiling amount shall be calculated based on budget for establishment of the service given in the Project proposal

Subject to quality service delivery, an annex to the grant agreement can be signed for additional financing of the service delivery

The maximum grant amount given for establishing the social service shall be 30.000 euro converted in Macedonian denars (buing exchange rate published on the National Bank of the Republic of North Macedonia on the date of the public call)

For the Projects Classified as Category “B” and “B+”, Approved Final version of Initial Limited Impact Assessment document i.e. Approved Final version of ESMP Checklist shall be included in the Grant Agreement with the selected service provider. (Grant agreement template is given in Annex 6).

The grant agreement shall stipulate the obligation of the service provider to establish the service within five months after the receiving the advance payment (or within more months when the service provider has performed all his duties and actions to obtain the work permit/license on time but the state procedure has been delayed), i.e to gain work permit (license)necessary for starting operation according to the Law. The MLSP/SSIP representatives shall visit the service provider after five months and if determined that the service is not established and the service provider did not received work permit (license) the MLSP/SSIP shall start a procedure for returning the amount paid with interest rate, and no other payments shall be made to the service provider.

The Ministry of Labor and Social Policy regulates the Norms and Standards for Providing the Social Service in a social protection institution with regard to space, funds, personnel determined according to the degree of qualifications and profiles and other criteria determined according to the type of service and the number of beneficiaries.

#### **4.11. Financial management and accounting**

##### **4.11.1 Project accounts**

Once the Grant Agreement between the Ministry of Labor and social policy and the Service provider is signed, the Service provider must open and maintain a segregated bank account which will capture all transfers of funds related to particular grant.

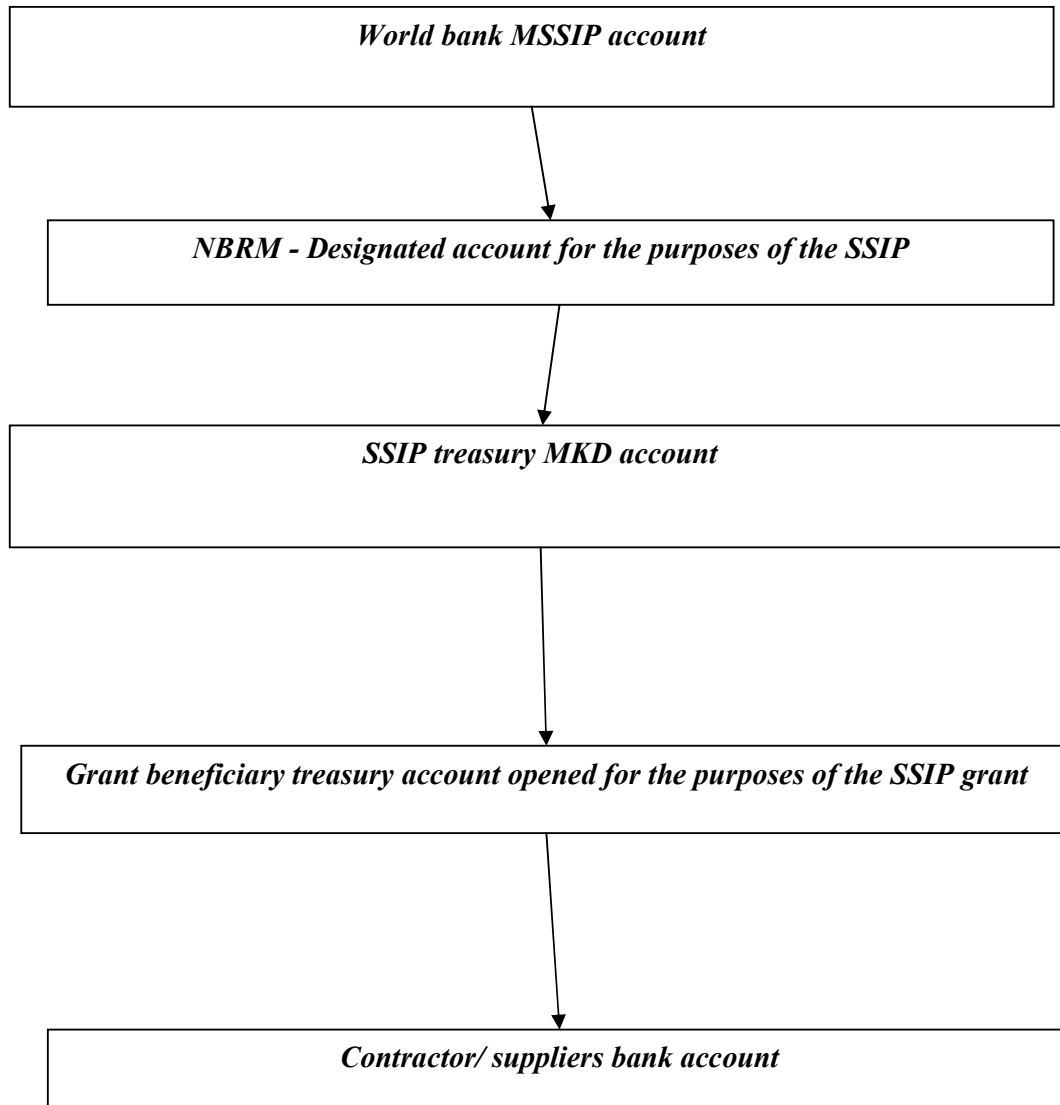
This account will be used exclusively for maintaining the grant funds and is credit only with grant funds.

Service provider i.e recipients of grant funds under the project, should maintain appropriate documentation for the use of funds. This documentation must be available for supervision conducted by PMU either World Bank supervision or external auditor (appointed by the PMU).

##### **4.11.12 Flow of funds**

Flow of funds for social services grants will be from the Designated Account through the Treasury Single Account to the service provider account opened for the purposes of respective grant.

The cash flow for this case is shown in the picture 1. Bellow



**Picture 1**

All disbursement (payments) for local expenditures to suppliers, contractors, consultants, etc., from the Grant funds will be made in the local currency of Republic of North Macedonia (MKD) and for reporting purposes converted into EUR using the buying exchange rate at the NBRM at the date of transfer the grant funds from the MLSP-PMU account to service provider i.e. grant beneficiary.

#### **4.11.3 Eligibility of Expenditure**

Eligible for financing shall be the costs envisaged in the:

- Cost Methodology for Establishing of the Services proposed,
- Rulebook for Cost Methodology for Delivering of the Services proposed,

- Rulebook for Norms and Standards for Providing Social Services,

## 5. MONITORING AND EVALUATION

The Project Development Objective (PDO) of SSIP is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

The PDO Results Indicator related to development of social services is the following:

Number of beneficiaries receiving noninstitutional social services (alternative/nonresidential forms of care) from licensed providers- disaggregated by gender and by ethnic minority, in particular by Roma;

The main responsible entities for collection of data are the MLSP/PMU and the municipalities

The MLSP/ PMU is responsible for monitoring and evaluation of project achievements and will be a focal point to collect all the data and communicate with the WB according to the frequency of reports described in the monitoring arrangement matrix

The PDO level and intermediate results indicators would be monitored using the following sources and methodologies: (a) regular data collection process, including existing administrative data systems; (b) baseline and follow-up surveys; and (c) evaluation reports.

In addition, an operational and performance audits will be conducted each year to assess and review the implementation of the competitively awarded grants for development for social services

## 6. ENVIRONMENTAL REQUIREMENTS

All sub-projects have to be in compliance with local and national environmental rules and regulations, as well as with environmental policy of the World Bank. The Municipalities and the PMU will ensure that an environmental assessment (EA) was carried out during the project preparation and implementation, in line with the procedures outlined in the Environmental Assessment and Management Framework (EAMF). Furthermore, it will ensure that environmental monitoring as required will be carried out during project implementation.

## 7. SUPERVISION OF THE PROJECT IMPLEMENTATION

The Supervision of the project implementation, i.e. the work of the service providers shall be conducted by the MLSP, the Institute for Social Activities and by the Social Work Centers that are covering the municipalities where the services shall be developed.

The SWCs shall visit the service providers at least one per month in order to check whether they are fulfilling the contract obligations for service delivery.

In addition, the SWCs shall be entitled to approve or reject the monthly report submitted by the service provider regarding the delivery of service including the number of actual beneficiaries,

## ANNEX 1 -Component I - SSIP Project: Promoting social inclusion through improved access to social benefits and services

The objective of this component will be to strengthen the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups not currently covered. In the initial phase, the project will support social services policy development and implementation. In parallel and to strengthen the Government's capacity for service delivery, the project will support the development of a social welfare information system that integrates the CBMIS and LIRIKUS (the platform for social services). The second-stage activities will involve piloting and testing interventions that aim to develop noninstitutional services at the local level. Throughout project implementation, a set of activities will support capacity building of the MLSP and its agencies involved in social service delivery, such as the SWCs. The overall focus will be on promoting human-centered design approaches, which can facilitate inclusion of the vulnerable categories of the population. Social audit meetings will be organized for direct beneficiaries to achieve transparency, disclosure, and beneficiary oversight for supported subprojects. Subcomponents and activities to be supported by this component are detailed in the following paragraphs.

Subcomponent 1.1. Developing legislative and policy framework. This subcomponent will finance technical assistance for social services policy development and implementation, including through the (a) implementation of a needs assessment; (b) development of standards and accreditation and licensing processes for social service providers; and (c) development of social and child protection laws, regulations, and guidelines. These activities will support setting up a comprehensive system of social services, based on the solutions that will be adopted in the new Law on Social Protection in 2019.

Social services are currently provided in 11 residential institutions of social care and as the following types of noninstitutional care: immediate social service, assistance to a person or family, home care, day care and temporary care, placement in foster families, placement in a small group home, and assisted living. Supervision of professional work, setting of the service standards, and monitoring of social service providers are the responsibility of the Institute for Social Activities (ISA), which is expected to assume additional roles in the coordinating bodies under the project. Both noninstitutional and residential services are mainly provided by the public institutions, although the system allows involvement of nongovernmental organizations, private persons, and associations as service providers. Most of the social services are centrally organized, established, and financed (by the MLSP). The process of decentralization is still in the initial stage, and municipalities currently do not assume the social protection responsibilities.

The proposed project activities will contribute to the complete overhaul of the system of social service provision and implementation of new service models, using the mechanisms laid out in the following paragraphs.

Subcomponent 1.2. Piloting a grant mechanism for development of noninstitutional social services. The subcomponent will support piloting a grant mechanism that will test interventions and promote development of (noninstitutional) social services at the local level. The subcomponent will finance (a) Grants for Social Services Subprojects designed to develop noninstitutional social services, including immediate social service, assistance to a person or family, home care, day care, temporary care, placement in foster families, placement in a small group home, and assisted living

and (b) advice for the preparation of Social Services Subproject proposals and the carrying out of an assessment on municipal social services needs and demand. The grants will be financed by the MLSP and will target innovative services provided by municipalities and non state providers. The municipalities, based on their local and regional plans, will determine their needs for particular services and will apply to a public call announced by the MLSP. Technical assistance on local need and demand assessments, as well as grant proposal/application preparation, will be provided under the project. Particularly, the project will support initial assessments of the municipal capacities and provide technical assistance tailored to the needs of each municipality. A grant application will be submitted by one or more municipalities, together with potential providers (preferably licensed or in the licensing process), for a type of service for which the need has been identified. The GAC will be responsible for evaluating and selecting grant proposals for project financing. The GAC will be guided by criteria described in the Grant Operations Manual (GOM) (previously approved by the World Bank). To ensure both sustainability and scalability of the proposed services, the municipalities may be obliged to provide services even after the completion of the grant program or when applying for grant financing in the subsequent public calls.<sup>1</sup> Given the novel approach, all the lessons learned in the process of grant implementation and subsequent evaluations of services provided should feed into development of updated social service standards.

Subcomponent 1.3. Developing integrated social welfare information system. This subcomponent will support development of a social welfare information system that integrates CBMIS and LIRIKUS. The integrated social welfare information system covering both social assistance benefits and services would also include simplified and more efficient administrative procedures. The CBMIS currently provides a platform for the delivery of all cash transfers and includes the following modules: eligibility determination for benefits, payments and financial module, controls module, analytics/stats, security, and so forth. It has interfaces for different levels of work (views)—social worker, supervisor, head of SWC, accountant, head of payments department, payments officer, state secretary in MSLP, and so on. Each user has different access levels and personal identification numbers. The eligibility module operates as an ‘integrated social registry’ that allows people to apply for various types of benefits ‘rights’ through a single process, with annual recertification. Self-reported information is complemented by data exchange with other administrative systems under an interconnectivity (interoperability) project that seeks to link administrative systems for 14 institutions (they already have real-time connectivity between the MLSP, the Pension and Disability Fund, and the State Employment Agency). The institutions have memorandums of understanding for data exchange but do not yet have ‘rectification protocols’ to reconcile differences or errors in information across agencies. For payments, the system issues a certificate to enrolled beneficiaries, who bring the certificate to the payment service provider of their choice (partnerships with 10 banks), and the bank then sends back the record to the MLSP to link the account of the beneficiary to the bank for benefits payments. Payments are made monthly.

The remaining challenges in the information system development would be to (a) update information systems with the upcoming sweeping social assistance and child protection reforms, (b) integrate the information systems for cash and services (which are currently separate); (c) upgrade or strengthen LIRIKUS functionalities to go beyond profiling and referrals for social services and allow for monitoring of services provided, case management and tracking, grievances

---

<sup>1</sup>The evidence from a similar project in Serbia (implemented through the Social Innovation Fund) shows that one quarter of all home assistance/care services established throughout the country was initially project financed. (Source: Vukovic and Calosevic. 2009. *Socijalna zastita, regionalnenedjednakosti i moguca nova uloga Fonda zasocijalneinovacije*. Beograd: UNDP)



and complaints (still paper based), norms and standards, protocols for referral and counter referral, and improving analytics and reporting; (d) continue expanding and strengthening interoperability across the agencies (with better interagency coordination, stronger interconnectivity framework, memorandums of understanding, protocols for rectification, information update, and information security); (e) strengthen data quality and cross-checks; (f) enhance adaptability of the social safety net and strengthen it for disaster response;<sup>2</sup> and (g) undertake journey mapping for citizen interface with the systems, simplifying business processes, and offering e-services window—to improve the ‘human-centered’ aspects of the system and reduce barriers to inclusion.

The LIRIKUS system for social services was developed separately from benefits. It serves two key functions: (a) supporting information for the profiling of applicants according to 22 risks and (b) supporting social workers in making referrals to service providers according to those profiles. The key risks include disabled, mental health patients, orphans, children of divorced parents, divorcing couples, pregnancy, minors under 16 years entering marriage, elderly, single parents, victims or perpetrators of domestic violence, victims of sex abuse, homeless, former prisoners, those in conflict with law, asylum seekers, alcohol/substance abusers, human trafficking victims, prostitutes, and so on. Services are categorized into 7–8 broad categories (and many subcategories) and there is a registry of over 2,000 services and service providers.

The proposed project will support integrating the CBMIS and LIRIKUS and adapting the system in line with the provisions of the new social protection law (to be adopted in 2018). This would enable early and improved identification of actual individual/family needs, more poor or vulnerable individuals and families receiving support, and better case management (that is, referrals, tracking, and monitoring) using the integrated social welfare information system. The new system will allow the cash transfers recipients to automatically access a range of social and child protection services, as needed. Conversely, all individuals and families who are entitled to social services would be able to benefit from streamlined access to cash benefits (if the need has been determined). A new human-centered approach and integrated information system will enhance targeting and prioritization of beneficiaries for services (including the ECEC). This will also include developed referrals between social services, preschools, and other relevant institutions. The focus will be on the beneficiaries (including the preschool children), their needs, and facilitation of their inclusion in the system of benefits and services.

Subcomponent 1.4. Capacity building. This subcomponent will provide support for carrying out (a) capacity-building activities on social assistance policy revisions and development; (b) capacity-building activities, including for the design, implementation, and analysis of evaluations and survey data; and (iii) rehabilitation works, including provision of relevant equipment, of selected offices within the MLSP, CSW, and other borrower’s agencies involved in the provision of social services. Capacity-building activities would focus on strengthening a central policy unit engaged in analytical and M&E activities for the MLSP. The unit would oversee various analytical activities, including the design, implementation, and analysis of evaluations and survey data, which would feed into policy development. Training activities for the MLSP staff and its agencies would be financed under this component to support the implementation of project-related activities. The project would need to finance increased outreach activities by the system (SWCs and other institutions at the local level) to include more poor and vulnerable people in the system of social benefits and services. Additionally, this subcomponent will finance technical assistance

---

<sup>2</sup> Macedonia’s population, environment, and economy are highly exposed to natural disasters, such as earthquakes, floods and wildfires. The effects of climate change may have a negative impact on the citizens and the country’s overall development objectives. The project will strengthen the capacities of institutions and programs to better deal with disaster and climate risk reduction.

and training activities to support strengthening the capacity of local governments/municipalities for future service provision. The subcomponent may also finance goods and small works (renovation) of office spaces in the MLSP, SWC, and other government institutions involved in social service delivery. The renovation of office spaces will include considerations of climate risks and will address climate mitigation by including energy efficiency measures. The interventions will enable reduction of energy consumption, such as through use of energy efficient lighting, windows, or improved heating system.

ANNEX 2- Application Form

MINISTRY OF LABOUR AND SOCIAL POLICY  
SOCIAL SERVICES IMPROVEMENT PROJECT

**APPLICATION FORM**

**for financing a project for development of social services**

Date: \_\_\_\_\_

**I. Name of applicant (Municipality/s or other potential service provider)**

\_\_\_\_\_

**I.1. Contact information**

- Address: \_\_\_\_\_
- Telephone: \_\_\_\_\_
- E-mail: \_\_\_\_\_
- Contact person: \_\_\_\_\_

**II.Type of social service that shall be developed and why**

(describe) \_\_\_\_\_  
\_\_\_\_\_

**II.1 Type of social service in accordance to the Law on social protection (circle)**

1. Professional help and support services,
2. Counseling services,
3. Home Support Services,
  1. Assistance and care in the home and
  2. Personal Assistance.
4. Community Support Services
5. Outside-family services.
  1. Assisted living

**II.2 Planned number of beneficiaries**

**III.Type of service provider in accordance to the Law on social protection (describe)**

\_\_\_\_\_

**IV. The proposed social service shall address the social needs listed on the social needs identification list**

A) Yes            B) No

**V. The potential service provider is the Municipality/s**

A) Yes            B) No

IV.1 If not, the Municipality confirms that the proposed social service to be developed by the applicant is needed

A) Yes            B) No

**VI. Environmental and Social Screening (ESS) Check list**

**VI.1 Instruction for fulfillment:**

Objectives of the ESS check list

The environmental and social screening (ESS) check list will support you (the Municipality) to determine the sub - project category (A / B (B+ or B) / C) based on assessment criteria (type of activity and preliminary impact assessment). The screening process will identify the required type of environmental due diligence document to be used for impact assessment for your project.

**VI.2 .Structure of the check list**

PART 1: General information about the project and proponent applicant provides information about the proponent/applicant, project activities and relevant documents already prepared, feasibility study, EIA report...)

PART 2: Screening for category “A” projects lists large scale projects with significant adverse environmental and social impacts with long term regional/national impacts (they are excluded by financing under the SSI project).

PART 3: Screening for category “B” and “C” projects includes type of activities for small scale projects and preliminary assessment criteria to evaluate potential environmental and social impacts of your project.

**VI.3 How to fulfill the check list?**

The ESS check list need to be fulfilled by the responsible person from the Municipality(proponent/applicant) taking into account the project location, project type activities, sensitive areas around the project location and possible adverse environmental and social impacts that might occur. You need to preliminary evaluate the possible impacts in terms of intensity, time of occurrence and geographical scale. The overall assessment of the impact will lead you to the project category.

Category “A” projects are large scale projects with high environmental and social risks and they are not eligible for financing under the SSI project.

Category “B” projects are divided into two groups B and B+ based on project activities and potential impacts, and for these projects different environmental and social due diligence instruments need to be applied for project impact assessment.

Category “C” projects are those projects for which no additional impact assessment is required.

#### VI.4. How to fulfill the check list?

Please, complete the ESS check list and at the end provide your overall assessment of potential impacts and categorize your project.

Please, sign completed ESS check list and submit it to the for approval as part of the Application.

After the approval of the ESS check list the Project Management Unit within the Ministry of Labour and Social Policy (MLSP PMU) will inform you about the following steps and the environmental due diligence instruments to be applied to your project.

PART 1		GENERAL INFORMATION ABOUT THE PROJECT AND PROPONENT/APPLICANT	
Municipality (Proponent/ Applicant's) name:			
Address (street and number, postal code and city):			
Project name			
Main Project activities			
Responsible person completing the ESS Check-list:			
ESS Check-list completion date:			
Obtained relevant documents (approved Environmental Impact assessment- EIA Report, obtained permits, etc.)			
PART 2	ENVIRONMENTAL AND SOCIAL SCREENING FOR LARGE SCALE PROJECTS		
Type of Project Activity			
● Trade in wildlife and wildlife products prohibited under the CITES convention		<input type="checkbox"/> YES	<input type="checkbox"/> NO
● Release of genetically altered organisms into the natural environment		<input type="checkbox"/> YES	<input type="checkbox"/> NO
● Manufacturing, distribution and sale of banned pesticides and herbicides		<input type="checkbox"/> YES	<input type="checkbox"/> NO
● Drift seine netting in the marine environment		<input type="checkbox"/> YES	<input type="checkbox"/> NO
● Manufacturing, handling and disposal of radioactive products		<input type="checkbox"/> YES	<input type="checkbox"/> NO
● Hazardous waste storage, treatment and disposal		<input type="checkbox"/> YES	<input type="checkbox"/> NO
● Manufacturing of equipment and appliances containing Chlorofluorocarbons (CFCs) and other substances regulated under the Montreal Protocol		<input type="checkbox"/> YES	<input type="checkbox"/> NO

- Manufacturing of electrical equipment containing polychlorinated biphenyls (PCBs) in excess of 0,005 % by weight  YES  NO
- Manufacturing of asbestos containing products  YES  NO
- Nuclear reactors and parts thereof  YES  NO
- Tobacco, unmanufactured or manufactured  YES  NO
- Tobacco processing machinery, and Manufacturing of firearms  YES  NO
- Distilled alcohol for consumption  YES  NO

**Preliminary Assessment of Potential Impact**

- Does the Project have adversely long term regional/national impact on natural habitats?  YES  NO
- Does the Project have adversely long term regional/national impact on forests and forested areas?  YES  NO
- Does the Project have adversely long term regional/national impact on physical cultural heritage?  YES  NO

--	--

**PART 3 ENVIRONMENTAL AND SOCIAL SCREENING FOR SMALL TO MEDIUM SCALE PROJECTS**

Project name:			Preliminary assessment of potential impacts		
Activity/Impact	Y (yes)	N (no)	Minor/local / short term	Moderate/local / medium term	Major/regional/ long term
<b>Building rehabilitation/reconstruction</b>					
Site specific vehicle traffic					
Increase dust and noise from demolition and or construction					
Generation of construction waste					
<b>New construction</b>					
New land required for construction					
Excavation impacts and soil erosion					
Increase sediment loads in receiving waters					
New access roads required					

and specific vehicle traffic					
Increase dust and noise from demolition and or construction					
Generation of construction waste					
Will the sub-project cause dust and noise pollution after its completion?					
<b>Individual wastewater treatment system</b>					
Effluent and/or discharging into receiving waters					
Will the sub-project contribute to pollution of international waters?					
Will the sub-project cause water pollution after its completion?					
Energy efficiency of the new kindergarten facility?					
<b>Acquisition of land</b>					
Encroachment on private property					
Relocation of project affected persons					
Involuntary resettlement					
Loss of assets, property, houses, agricultural produces etc.					
Impacts on livelihood incomes					
<b>Hazardous or toxic materials</b>					
Removal and disposal of toxic and or hazardous demolition and or construction waste					
Storage of machine oils and lubricants					
Asbestos, PCB's, pollution from unspent PV batteries					
Will the sub-project emit greenhouse gases (CO <sub>2</sub> , NO <sub>x</sub> , O <sub>3</sub> ) or ozone depleting substances (CFC, methyl bromide etc.)					

<b>Impacts on forests and/or protected areas<sup>3</sup></b>					
Sensitive habitats - National parks and game Reserve, Wet-lands, Areas with rare or endangered flora or fauna					
Areas with outstanding Scenery/tourist site					
Disturbance of locally protected habitat					
Damage of wildlife species and habitat					
Encroachment on designated forests, buffer and/or protected areas					
Introduction of exotic or alien species					
Will the sub-project involve the use of forest trees or other natural as building materials?					
<b>Traffic and Pedestrian Safety</b>					
Site specific vehicle traffic					
Site is in a populated area					
<b>Other physical and environmental issues and concerns</b>					

<b>Overall impact assessment of the small scale Project</b>	<b>Minor/local / short term</b>	<b>Moderate/local / medium term</b>	<b>Major/regional / long term</b>	<b>Comments</b>
<b>Categorization of the Project done by the Proponent/Grant Applicant</b>	<b>Project Category: B<sup>+</sup></b> The project has major/moderate environmental and social impact.	<b>Project Category: B</b> The project has moderate/minor environmental and social impact.	<b>Project Category: C</b> The project has minor or no environmental and social impacts.	

<sup>3</sup> Proposed sub-projects which may adversely impact natural habitats, forests and forested areas, physical cultural heritage, will be automatically categorized as category A project and they will be excluded from support by SSIP.



<b>Additional comments</b>	
----------------------------	--

ESS Checklist prepared by: \_\_\_\_\_  
 Signature of responsible person \_\_\_\_\_  
 Date of fulfilment: \_\_\_\_\_

**VII. Mandatory enclosed documentation- Project proposal**

**Project proposal for the service to be developed** (in respect to the Rulebook for norms and standards for providing social services) : type, scope, conditions, content and quality of the services planned to be provided to the beneficiaries. The project shall describe the type and the planned number of beneficiaries, number of beneficiaries, number of hours per beneficiary the area where the activity shall be performed, the premises, and the equipment that shall be used, number and qualification of staff that shall be engaged, , the envisaged costs for establishing the service, i.e. budget breakdown , quality assurance and other details regarding the quality of the service that is planned to be delivered signed by the applicant

*Signed by: \_\_\_\_\_, Potential service provider*

*Signed by: \_\_\_\_\_, Mayor/s of the respective Municipality/s where the social service is proposed to be developed*

(if the social service shall be developed by the Municipality itself, the application form shall be signed only by the Municipality Major)

## ANNEX 3- Approval of Project Categorization Performed in ESS Check List

**Approval of Project Categorization performed in ESS Check List**

The fulfilled ESS Check List provided by Proponent

\_\_\_\_\_ for the Project

\_\_\_\_\_ was reviewed by MLSP ESE and WB ES

Specialist and the following comments has been provided:

Additional comments provided by MLSP ESE/WB ES for Project categorization:


<b>Categorization of the Project done by MLSP ESE and approved by WB ES Specialist</b>	<b>Project Category: B<sup>+</sup></b> The project has major/ moderate environmental and social impact.	<b>Project Category: B</b> The project has moderate/ minor environmental and social impact.	<b>Project Category: C</b> The project has minor or no environmental and social impacts.
<b>Environmental and social Due Diligence Instruments</b>	The Proponent need to prepare <u>Initial ESIA with ESMP (the outline of the document will be provided by MLSP PMU)</u>	The Proponent need to prepare <u>ESMP Check-list (the outline of the document will be provided by MLSP PMU)</u>	The Proponent should not prepare any environmental and social documentation.

Project Categorization issued by MLSP/PMU ESE: \_\_\_\_\_

Signature of responsible person: \_\_\_\_\_

Date: \_\_\_\_\_

## ANNEX 4 -Template of content of “Initial Limited Environmental and Social Impact Assessment (for Category B+)”

### Content

#### INTRODUCTION

#### PROJECT DESCRIPTION

#### BASELINE DATA

- Geology and soil
- Climatic characteristics
- Seismology
- Sensitive receptors
- Air quality
- Waste
- Soil
- Flora and Fauna
- Noise

#### POTENTIAL IMPACT AND IMPACT ASSESSMENT

- Potential Impacts on the Air quality
- Potential Impacts on water and soil
- Impact of generated waste streams
- Potential impacts on occupational and community (especially for students) health and safety
- Noise Impact
- Potential Impacts on the Flora and Fauna
- Potential Impacts on Cultural Heritage

#### ENVIRONMENTAL AND SOCIAL MITIGATION PLAN

#### ENVIRONMENTAL AND SOCIAL MONITORING PLAN



Template of the ENVIRONMENTAL AND SOCIAL MITIGATION PLAN

**I. Civil Works Implementation phase**

Potential impact	Impact scale	Proposed mitigation measures	Responsibility	Costs
<b>Project activity:</b>				
<i>a) OH&amp;S issues</i>				
<i>b) Waste management</i>				
<i>c) Water quality</i>				
<i>d) Noise</i>				
<i>e) Air quality</i>				

Potential impact	Impact scale	Proposed mitigation measures	Responsibility	Costs
<b>Project activity:</b>				
<i>a) OH&amp;S issues</i>				
<i>b) ACM Waste management</i>				

**II. Operational phase**

Potential impact	Impact scale	Proposed mitigation measures	Responsibility	Costs

Template of ENVIRONMENTAL AND SOCIAL MONITORING PLAN

**I. Civil Works Implementation phase**

**II. Operational phase of the sub – project**

What parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored ?	When is the parameter to be monitored (frequency of measurement)?	Why is the parameter to be monitored?	Cost		Responsibility	
					Construction	Operations	Reconstruction/adaptation of school facilities into the kindergarten facilities	Operations of the Kindergarten facility
<b>Project activity:</b>								

What parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored ?	When is the parameter to be monitored (frequency of measurement)?	Why is the parameter to be monitored?	Cost		Responsibility	
					Construction	Operations	Reconstruction/adaptation of school facilities into the kindergarten facilities	Operations of the new Kindergarten facility
<b>Project activity:</b>								

Signature of responsible person from the Municipality: \_\_\_\_\_

Date: \_\_\_\_\_

ANNEX 5-“Template of Environmental and Social Management Plan (ESMP) Checklist (for Category B)”

1. Short introduction to the sub-project
    - 1.1. Project description and planned activities
    - 1.2 Sensitive receptors
  2. Overview of environmental impacts
  3. Purpose of the ESMP Checklist and disclosure requirements
  4. Application of ESMP Checklist
  5. Monitoring and reporting procedures and distribution of responsibility
  6. Table part of ESMP Checklist
  7. Annexes
- Annex 1 Location information

5.1 INSTITUTIONAL & ADMINISTRATIVE

<b>PART 1: INSTITUTIONAL &amp; ADMINISTRATIVE</b>		
Country		
Sub-Project title		
Scope of sub-project and particular activities		
Institutional arrangements (Name and contacts)	<b>Project management</b>	
Implementation arrangements (Name and contacts)	<b>Supervision</b>	
<b>SITE DESCRIPTION</b>		
Name of site		
Describe site location (geographic description)		Annex 1: Site information (figures from the site) <input type="checkbox"/> Y <input type="checkbox"/> N
<b>LEGISLATION</b>		
Identify national & local legislation & permits that apply to sub-project activity(s)		
<b>PUBLIC CONSULTATION</b>		
Identify when / where the public consultation process took place and what		



were the remarks from the consulted stakeholders	
<b>INSTITUTIONAL CAPACITY BUILDING</b>	
Will there be any capacity building?	<input type="checkbox"/> N or <input type="checkbox"/> Y

## 5.2 ENVIRONMENTAL /SOCIAL SCREENING

<b>PART 2: ENVIRONMENTAL /SOCIAL SCREENING</b>		
Will the site activity include/involve any of the following:	Activity	Status
	B. Building rehabilitation/adaptation	<input type="checkbox"/> Yes <input type="checkbox"/> No
	C. New construction	<input type="checkbox"/> Yes <input type="checkbox"/> No
	D. Individual wastewater treatment system	<input type="checkbox"/> Yes <input type="checkbox"/> No
	E. Historic building(s) and districts	<input type="checkbox"/> Yes <input type="checkbox"/> No
	F. Acquisition of land <sup>4</sup>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	G. Hazardous or toxic materials <sup>5</sup>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	H. Impacts on forests and/or protected areas	<input type="checkbox"/> Yes <input type="checkbox"/> No
	I. Handling / management of medical waste	<input type="checkbox"/> Yes <input type="checkbox"/> No
	J. Traffic and Pedestrian Safety	<input type="checkbox"/> Yes <input type="checkbox"/> No

## 5.3 MITIGATION MEASURES CHECKLIST

<b>ACTIVITY</b>	<b>PARAMETER</b>	<b>MITIGATION MEASURES CHECKLIST</b>
<b>A. General Conditions</b>	Notification and Worker Safety	
<b>B. General</b>	Air Quality	

<sup>4</sup> Land acquisitions includes displacement of people, change of livelihood encroachment on private property this is to land that is purchased/transferred and affects people who are living and/or squatters and/or operate a business (kiosks) on land that is being acquired.

<sup>5</sup> Toxic / hazardous material includes and is not limited to asbestos, toxic paints, removal of lead paint, etc.

Rehabilitation and /or Construction Activities	Noise	
	Water Quality	
	Waste management	
C. Individual wastewater treatment system	Water Quality	
E. Acquisition of land	Land Acquisition Plan/Framework	
F. Toxic Materials	Asbestos management	
	Toxic / hazardous waste management	
I Traffic and Pedestrian Safety	Direct or indirect hazards to public traffic and pedestrians by construction activities	

5.4 ENVIRONMENTAL AND SOCIAL MONITORING PLAN

<b>Phase</b>	<b>What (Is the parameter to be monitored) ?</b>	<b>Where (is the parameter to be monitored) ?</b>	<b>How (is the parameter to be monitored) ?</b>	<b>When (Define the frequency or continuous) ?</b>	<b>Why (is the parameter being monitored) ?</b>	<b>Cost (if not included in project budget)</b>	<b>Who (Is responsible for monitoring)</b>
<b>During activity preparation</b>							
<b>During activity implementation</b>							
<b>During activity supervision</b>							

Signature of responsible person from the Municipality: \_\_\_\_\_  
 Date: \_\_\_\_\_

ANNEX 6: Grant Agreement Format

**SOCIAL SERVICE IMPROVEMENT PROJECT**

**Loan # 8902- MK**

**GRANT AGREEMENT No. **XXX****

between

**MINISTRY OF LABOR AND SOCIAL POLICY OF THE REPUBLIC OF NORTH  
MACEDONIA**

(HEREINAFTER REFERRED TO AS THE "MINISTRY")

And

**SERVICE PROVIDER (Name of Service Provider)**  
(HEREINAFTER REFERRED TO AS THE " **SERVICE PROVIDER** ") and  
**MUNICIPALITY/S (Name of Municipality/s)** (HEREINAFTER REFERRED TO AS THE  
"MUNICIPALITY/S")

FOR DEVELOPING SOCIAL SERVICES

Skopje, (month, year)

<sup>i</sup> In case the Municipality is the service provider the agreement shall be signed only between the MLSP and the Service Provider, i.e. the Municipality

### GRANT AGREEMENT No **xx**.

THIS AGREEMENT (“Agreement”) is entered into this **(date)**, by and between<sup>6</sup>:

1. **Ministry of labor and social policy of the Republic of North Macedonia (hereinafter called the “Ministry”)**, having its principal place of business at Dame Gruev 14, 1000 Skopje, Republic of North Macedonia, and
2. **xxx (hereinafter called the “Municipality”)**, having its principal place of business located at **xxxx**, Republic of North Macedonia and **xxx (hereinafter called the “Service Provider”)**, having its principal place of business located at **xxxx**, Republic of North Macedonia.

THE PARTIES hereby agree as follows:

#### ARTICLE I-GENERAL CONDITIONS

I.1 The Ministry agrees to finance the Project Proposal Ref. No (xx) dated (xx) submitted by the Municipality/Service Provider for development of Social Services for (type).

II.2 (description of the service to be provided- type, scope, conditions, content and quality of the services planned to be provided to the beneficiaries number of beneficiaries, number of hours per beneficiary )

#### ARTICLE II- GRANT AMOUNT AND PURPOSE

II.1 The Ministry shall provide a Grant in ceiling amount of **xxxx** for financing the Project for development of Social Services (“Project” in the following text). The Grant Amount shall be used solely for financing a development a social service for (xx). The Grant amount shall be calculated as sum of the:

1. Costs for establishing the social service,
2. Total cost for delivering the service per projected number of recipients for 12 months

The costs shall be calculated based on the official Rulebook for Norms and Standards for Providing Social Services, Cost Methodology for Establishing of the Services proposed, including pricing list, Rulebook for Cost Methodology for Delivering of the Services proposed, including pricing list, Rulebook for the type and scope of the services paid by the beneficiaries and the submitted by the applicant Project proposal including the envisaged costs for establishing and running the service

---

<sup>6</sup> In case the Municipality is the service provider the agreement shall be signed only between the MLSP and the Service Provider, i.e. the Municipality

The ceiling amount of the Costs for establishing the social service shall be calculated based on the Cost Methodology for Establishing of the Services proposed, including pricing list and based of the submitted by the applicant Project proposal including the envisaged costs for establishing and running the service

If the costs for establishment of the service envisaged in the Project proposal are above the costs calculated according the Cost Methodology for Establishing of the Services proposed, including pricing list, the ceiling amount shall be calculated based on the calculation given in the Cost Methodology for Establishing of the Services proposed, including pricing list.

If the costs for establishment of the service envisaged in the Project proposal are less the costs calculated according the Cost Methodology for Establishing of the Services proposed, including pricing list, the ceiling amount shall be calculated based on budget for establishment of the service given in the Project proposal

### ARTICLE III- PAYMENT

III.1 The payments shall be made directly to Service provider by the Ministry, i.e by the SSIP Project Management Unit:

III.1.1 50% of the Total Costs for establishing the social service in accordance to the official Cost Methodology for Establishing of the Services proposed, including pricing list shall be paid to the Service provider within 15 days after signing of this Grant agreement in amount of XXX, after opening special grant account by the service provider and after submitting the request for payment ,

III.1.2 50% in amount of XXX of the Total Costs for establishing the social service in accordance to the official Cost Methodology for Establishing of the Services proposed, including pricing list shall be paid to the Service provider within 15 days after Submitted invoices/receipts for the costs incurred for the first payment of 50% for establishing the service and after submitting request for payment.

III.1.3 Monthly costs for delivering the service per actual number of service recipients (who have a decision obtained from the SWCs that have need of the particular social service) excluding the participation costs define in the Rulebook for the type and scope of the services paid by the beneficiaries and the amount of participation in the costs of the beneficiaries and persons and the persons who are obliged to support them, shall be paid for 12 months based on:

1. Approved by the respective SWCs monthly report submitted by the Service provider where the actual number of recipients (who have a decision obtained from the SWCs that have need of the particular social service) shall be listed
2. Submitted copy of the work permit (license)

3. Submitted request for payment

4. Submitted invoices/receipts for the costs incurred for the second payment of 50% for establishment of the social service

If the costs incurred according to the submitted invoices/receipts (for the first and second payment for establishment of the service) are above the amount received for establishing, the difference shall be covered by the service provider. Otherwise if the amount-costs are less than the amount received, then the difference shall be deducted from the monthly payments to the service provider, i.e. the service provider shall receive less amount or shall not receive any payments in order to cover the difference in the amount received and spent.

#### ARTICLE IV-TERMS AND CONDITIONS

IV.1 The Grant amount stipulated in the article II.1 of this Grant Agreement shall be used only for financing the establishing and delivery of social service.

IV.2 The Service provider must open and maintain a segregated bank account which will capture all transfers of funds related to particular grant. This account will be used exclusively for maintaining the grant funds and is credit only with grant funds.

IV.3 After the establishing the social service, in the calculation of the actual number of recipients for which the monthly payments shall be done, only those beneficiaries that have obtained decision from the SWCs that have need of the particular, social service shall be calculated.

IV.4 The Service provider must maintain appropriate documentation for the use of the funds. This documentation must be available for supervision conducted by PMU either World Bank supervision or external auditor (appointed by the PMU).

IV.5 Eligible for financing shall be the costs envisaged in the: Cost Methodology for Establishing of the Services proposed, Rulebook for Cost Methodology for Delivering of the Services proposed, and Rulebook for Norms and Standards for Providing Social Services,

IV.6 The service provider must establish the service within five months after the receiving the first payment (or within more months when the service provider has done all his duties and actions to obtain the work permit/license on time but, the state procedure has been delayed) i.e to gain work permit (license) necessary for starting operation according to the Law. The MLSP/SSIP representatives shall visit the service provider after five months (or more for reasons not attributed to the service provider) and if determined that the service is not established and the service provider did not received work permit (license) the MLSP/SSIP/SWC shall start a procedure for returning the advance amount paid with interest rate, and no other payments shall be made to the service provider.

IV.7 The service provider shall submit each month a report to the Ministry and to the SWCs regarding the delivery of the services (the type the actual number of beneficiaries, number of hours of service per week per beneficiary, the structure of the beneficiaries, the area where the activity is performed, the premises, and the equipment that is used, number and qualification of staff that is engaged, quality assurance measures taken, etc)

IV.8 Subject to quality service delivery, an annex to this grant agreement can be signed for additional financing the delivery of a service already established under to this Grant Agreement

#### ARTICLE V-SUPERVISION AND MONITORING OF THE WORKS

The Supervision of the project implementation, i.e. the work of the service providers shall be conducted by the MLSP and by the Social Work Centers that are covering the municipalities where the services shall be developed.

The SWCs shall visit the service providers at least one per month in order to check whether they are fulfilling the contract obligations for service delivery.

In addition the SWCs shall be entitled to approve or reject the monthly report submitted by the service provider regarding the delivery of service including the number of actual beneficiaries including the number of hours provided

#### ARTICLE VI -CHANGES, AMENDMENTS AND NOTIFICATIONS

VI.1 Changes to this Grant Agreement can be made any time, by signing Grant Agreement Amendment between the Parties in writing

VI.2. Any notifications related to this Grant Agreement made by the Parties shall be submitted in written.

VI.3 The changes and amendments to Grant Agreement shall enter into force from the date of their signing or from any other date specified therein.

#### ARTICLE VII -DURATION OF THE GRANT AGREEMENT

VII.1 The Grant Agreement enters into force on the date of the signature of both parties and remains effective till agreement obligations are fulfilled but not later than the Social Services Improvement Project End Date.

#### ARTICLE VIII -TERMINATION OF THE GRANT AGREEMENT

VIII.1 The Parties at any time can claim termination of this Grant Agreement on the basis of due justification.



ARTICLE VIX - FORCE MAJEURE

VIX.1. In case of Force Majeure- wars, natural disasters, embargo, inhibit normative acts issued by the State, which have direct impact on this Agreement and hamper its fulfillment, time limits of this Grant Agreement and the terms of its implementation shall be prolonged for the period of the Force Majeure.

VIX.2 In case of Force Majeure conditions the parties are obliged to inform each other thereof in written.

ARTICLE X – DISPUTE RESOLUTION

X.1. This Grant Agreement shall be governed by the laws of Republic of North Macedonia regarding all disputes, and difference in opinions under this Grant Agreement.

Done in 4/6 originals in the Macedonian language.

Skopje, this day of, XXX

FOR THE MINISTRY OF LABOUR  
AND SOCIAL POLICY

FOR THE MUNICIPALITY XXX

Signed by \_\_\_\_\_

Signed by \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

FOR THE SERVICE PROVIDER

Signed by \_\_\_\_\_

Title: \_\_\_\_\_

Minister of Labor and Social Policy



Mila Carovska

*Am*