

United Nations Development Programme

"Creating job opportunities for all"

Project Document

Country:	The former Yugoslav Republic of Macedonia
PSD	By 2020, more women and men are able to improve their livelihoods by securing decent and sustainable employment in an increasingly competitive and job-rich economy
Outcome(s):	
Expected Outcome(s):	National institutions have improved capacities to develop, implement and monitor policies and measures that help to generate more sustainable jobs
Expected Output(s):	<p>The Programme shall enable: to boost entrepreneurship and create 960 sustainable jobs in start-up businesses; Support for the growth of micro and small enterprises in their introduction of new products and services, that will lead to the opening of 150 new jobs; Establishment of local partnerships resulting in the engagement of 200 people who are hard to employ and motivation of 1000 unemployed people - members of social exclusion risk groups - to be actively involved in the labour market and active employment programmes and measures; Introduction of innovations and new technologies and practices in business processes that enable accelerated growth of small companies and creation of quality jobs;</p> <p><u>Measurable outputs:</u> 960 jobs in 910 start-up businesses created; 150 new jobs in micro and small enterprises created; Engagement of 200 registered unemployed persons through community works; 1000 unemployed people - members of social exclusion risk groups - identified and supported to get involved in the labour market and/or active employment programmes and measures; Support for 10 small businesses by making models/plans to improve their prospects for growth.</p>
Implementing Partner:	UNDP, Ministry of Labour and Social Policy, Employment Service Agency

Other Partners: Ministry of Education and Science, Adult Education Centre, Local Self-Government Units, Agency for Promotion of Entrepreneurship of the Republic of Macedonia, Roma Information Centres, Centres for Social Work.

Brief Description The Programme will contribute to the effective implementation of the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2016 (OP) in terms of the following components: self-employment, support for growth of micro and small enterprises to create new jobs, community works and other activities to increase the readiness of vulnerable groups to engage in ALMMs and the labour market. The Project will deepen its partnership with national institutions responsible for the development and implementation of ALMMs. These partnerships will provide better results both in terms of the implementation of such Programmes/Measures and a better understanding of the actual situation regarding the jobs demanded in smaller communities. The Programme will pay special attention to strengthening the partnerships at the local level by promoting a participatory approach to the definition of needs and design of services involving the end users themselves. This Programme will develop models that will provide additional support to already established businesses to improve their performance and profitability, by providing advice on different aspects that will be expected to stimulate growth and sustainability of micro and small companies and create quality jobs.

Programme Period: Feb 2016 - March 2017
 Programme Component: Social Inclusion

Project Title:
“Creating job opportunities for all”

Project Duration: 14 months

Budget:	\$ 4.332.106	244.343.780
	MKD	
GMS Fee:	\$ 121.518	6.853.960
	MKD	
<u>Allocated Resources:</u>		
Government (MLSP)	\$ 1.496.906	84.430.000
	MKD	

Agreed by the Ministry of Labour and Social Policy (MLSP): Ms. Frosina Remenski, Minister

Agreed by the Employment Service Agency (ESA): Mr. Vlatko Popovski, Director

Agreed by the United Nations Development Programme (UNDP): Ms. Louisa Vinton, Resident Representative

Introduction

This Project Document outlines the technical and advisory support to be provided by the United Nations Development Programme (UNDP) to the Ministry of Labour and Social Policy (MLSP) and Employment Service Agency of the Republic of Macedonia (ESA) in the implementation of the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2016 (OP 2016). This Operational Plan reflects the commitment of the Government to implement a comprehensive Programme for Labour Market Services and Active Employment Programmes and Measures (AEPMs), which will contribute to the achievement of knowledge-based sustainable and inclusive growth. This Programme also reflects the priority unemployment reduction actions set out in the Republic of Macedonia's Government Programme, the 2016-2020 National Employment Strategy of the Republic of Macedonia, in accordance with the commitments arising from the Global Jobs Pact of the International Labour Organization (ILO), the European Strategy for Smart, Sustainable and Inclusive Growth - Europe 2020 and programme priorities envisaged under Component 4 of the *Instrument for Pre-Accession Assistance (IPA)*, the World Bank and other international organizations and institutions.

The Status of Employment and Unemployment in the Country

The Government is implementing a wide range of policies and measures to improve economic activity, business sector competitiveness and economic integration of the country in the EU market. GDP per capita is still at a level of only 37 percent of the EU-28 average. The unemployment rate has been decreasing continuously, reaching 25.5% in Q3 2015; The highest unemployment rate, 53.1, was observed in the population aged 15-24. The employment rate reached 42.4%, and the active workforce is 56.9%, which is still considerably below the EU-28 average. The employment rate in the country is by 22.5% lower, and the unemployment rate is almost three times higher than the EU-28 average. The low employment rate and high unemployment rate indicate great human resource potential which is still untapped, and sub-optimal GDP growth rates in the country.

According to the Labour Force Survey, informal employment is more widespread among men where 24.5% go to work without a written contract. The activity to support the formalization of informal employment and the creation of quality and sustainable jobs is an extremely important priority, given the country's commitment to achieving inclusive growth and sustainable competitiveness in the EU labour market.

A special feature of the labour market is the fact that employment/unemployment is concentrated in specific demographic and socio-economic groups, leading to unequal opportunities of access to the labour market. The activity rate among young people aged 15-24 is extremely low, i.e. 32.8%,

which is almost one third of that of persons aged 25-49 (79.3% in Q3 2015). While the activity rate among men is comparable to the EU average, the rate of activity among women draws the overall labour market indicators downwards.

Gender gaps are still present when it comes to women's access to economic services and employment opportunities. Women likely have fewer opportunities to escape poverty than men given that they are less educated and given the high inactivity rates. Although gender gaps are seen across the population, they are particularly present among certain ethnic groups. Activity rates among ethnic minorities are two or three times lower among women than among men. According to gender, the biggest difference of 9.4 percentage points between men and women can be observed in the age group 25-49, while between employed men and women aged 50-64 the difference is 4.6 percentage points (Labour Survey 2014). The available studies verify existence of wage gaps.

One of the central Government's priorities is to improve workers' skills in accordance with the labour market and private sector needs. This is critical to the efficient address of youth employment, given the long transition from school to the workplace. The country has made significant progress in the area of education. However, in spite of high unemployment and labour supply, private companies, especially those with foreign capital, indicate access to quality and skilled labour as one of the key limiting factors of companies' productive and efficient operation.

In 2013, the State has ratified the UN Convention for Persons with Disabilities. However, there are only few initiatives for identification and development of disabled persons' capacities that will ensure their active involvement in the open market, instead of their traditional employment in protected companies. Several reports by national and international entities show that most people with disabilities are still unable to exercise their right to education, and only 15% of children with disabilities are in the formal education system. In 2015 the Ministry of Labour and Social Policy amended the Law on Employment of People with Disabilities, which in consultation with the business sector, should lead to more employment opportunities and better integration of disabled persons in the workplace, thereby improving their inclusion in society.

Small and medium enterprises face particular challenges when marketing their products and trying to integrate themselves in international markets, due to lack of managerial, financial and technical capacity. While foreign companies present in the country have an impact on employment and introduce innovative technologies and new management practices, their limited links with domestic companies do not allow a broader impact on the economy.

Further improvements in the business climate, attracting private investment and improving export potential are essential to the sustainability of the private sector, as well as to its growth and job-creation potential.

The Agency for Promotion of Entrepreneurship and the Fund for Innovation and Technological Development provide co-financing of advisory services and introducing innovation in business processes. However, the existing framework for the provision of support services to small and medium enterprises is not complete, and overall financial and non-financial support focused on start-ups and business accelerators is insufficient.

To address the high unemployment, low labour activity and weak capacities of the companies to create sustainable jobs the country has introduced a comprehensive policy framework, including a National Employment Plan and Youth Employment Action Plan, Action Plan for addressing informal economy, a National Strategy for Vocational Education and Training in the context of Lifelong Learning; National Framework on Qualifications, Skills and Competencies in the context of Labour Market Needs; a National Strategy on Innovations, National Strategy on Poverty Alleviation and Social Inclusion.

UNDP's Relevant Experience in the Area of Employment and AEPs

In 2015 UNDP implemented several components from the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for (OPE 2015) in partnership with the Employment Service Agency. Support is provided in all stages of policy-making, such as the preparation of the Governmental Operational Plan for Active Employment Measures, the establishment of effective operational procedures and result monitoring and evaluation, and support in the implementation of complex employment measures. As a result, 900 people have found secure employment by creating their own companies or formalizing their existing business. Roughly one-third of these new businesses are owned by women, and one-third by young people under 29. Results of the employment programme have been recognized regionally and globally. The Self-employment programme is presented in this year Human Development Report, as one of the global best-practices. 1,332 unemployed candidates underwent a training for strengthening their entrepreneurship and management skills and 1,256 obtained a certificate for successfully completing the training. 67 micro and small companies received help to expand their businesses, creating another 104 jobs.

Another component of this programme contributes to building inclusive labour markets that will provide opportunities for the vulnerable groups.

Youth employment has been a central to UNDP's work in particular in terms of promoting entrepreneurship, business start-up and innovation. In 2015, UNDP continued working with the CSOs active in the area of employment in providing support to youth to get timely information on jobs, volunteering and practice work through the established 4 Youth Clubs and through the PRV.MK web and mobile application. Number of young people who use the mobile application PRV.MK, a smart application that brings the latest job openings directly to a mobile phone, including internships and volunteer positions, has reached 7,100 downloads.

UNDP's support has developed tailored support to promoting employment generation and private sector development programmes to under developed geographic areas as well as population groups that suffer particularly severe labour market disadvantage e.g. Roma community and other hard-to-employ groups. UNDP has piloted successful programme solutions for promoting employment of people at risk of social inclusion. These holistic models for supporting hard-to-employ people create a solid foundation for implementing programs with strong poverty reduction, employment and social inclusion nexus. In 2015, this measure became a part of the OPE 2015 and will continue to be supported in 2016.

The Community Works Programme supported 42 municipalities in tackling social exclusion on two fronts at once. Implemented by the Government, municipalities and UNDP, the Programme offered opportunities to 318 unemployed people to gain valuable skills while also providing social services to the most socially excluded people in the country. Out of the 318 beneficiaries, 43% are young unemployed, aged up to 29. The number of end beneficiaries that received services through this programme reaches over 10,000 of socially excluded people. In addition, 66 people engaged through the Community Works Programme completed vocational training courses in provision of services to the elderly.

Taking on the challenge of the large share of adults who lack educational credentials, UNDP supported development of a Concept Paper of Primary Adult Education and continues in formulating the models required for its operationalization. The concept is founded on the necessity for validation of previously acquired knowledge, as considerably as the formation of a model that is flexible and which enables easier transition of candidates in terms of gaining needed key competencies for completion of the primary education and their subsequent entrance on the labor market.

In June 2015 UNDP initiated additional measure on self-employment of people with disability. The project will enact a comprehensive set of measures that will allow better social inclusion of people with disabilities, including the implementation of the recommendations of the UN Convention on the Rights of Persons with Disabilities. UNDP works in close partnership with civil society organizations and associations of people with disabilities to design workable models for the economic inclusion of people with disabilities. The target is set by the end of 2016 enabling 120 unemployed people with disabilities to start their own businesses, while providing additional opportunity for employment of two more people per business.

I. STRATEGY

Institutional support envisaged by this Project foresees a multi-sectoral approach and technical support in key aspects of employment policy-making. By the direct participation in implementation of the Operational Plan for Labour Market Services and Active Employment Programmes and Measures, and other initiatives to encourage employment, UNDP will strive to promote sustainable development policies that support rapid and inclusive growth, increasing the competitiveness and capacity of the private sector to generate jobs.

To realize Project goals, the Programme will pay special attention to strengthening the capacity of staff in MLSP and ESA, including the employees in Employment Centres and Centers for Social Work to implement AEPs currently supported by UNDP. The aspect of capacity building is integrated across all Programme Components, with a focus on strengthening not only the individual capacities through training and experience sharing, but also institutional and systemic level capacities. National institutions' capacity building will also be directed towards local levels that are responsible for the implementation of policies on employment, education, social inclusion, and programmes for support of the private sector in its communities.

By providing support to municipalities, activities will be focused on people at risk of social exclusion in order to provide them with access to social services and promote social entrepreneurship.

Employment programmes by their nature involve a multi-sectoral approach and involvement of a wide range of institutions. For these reasons, it is essential that the existing mechanisms of inter-institutional coordination be strengthened and intensive cooperation and a clear division of responsibilities and activities between institutions at the central and local level be established. UNDP will continue to support this process and provide institutional support for the integrated management of AEPs at both central and local levels.

In addition, in the implementation of programmes to encourage entrepreneurship and the Community Works Programme, innovative approaches and working practices will be promoted primarily in the support of start-ups by young unemployed people, development of existing micro and small businesses, as well as the design and delivery of social services for people at risk of social exclusion by hard-to-employ persons.

In close cooperation with government agencies and institutions, Project Objectives should be achieved through three major Outputs:

Output 1 – Technical expertise and financial support for generation of 960 new jobs through Self-Employment Programme

Output 2 – Support to growth of micro and small enterprises through new technologies and practices to enable quality job creation

Output 3 – Partnerships established with local actors result in job activation and increased outreach to employment opportunities of 1,200 hard-to-employ persons and individuals at risk of social exclusion

Activities under Project Output 1 - Technical expertise and financial support for generation of 960 new jobs through Self-Employment Programme:

Self-Employment Programme will be implemented through a range of activities determined by the Operational Guidelines for the Implementation of 2016 AEPs. In order to ensure transparency of the process and quality of the candidates selected and business plans developed, the Programme will: launch a Public Call for applying; provide extensive information about the opportunities within the Programme; provide entrepreneurship training and development of business ideas of initially selected candidates; support the preparation of a business plan, set evaluation and selection criteria for business plans prepared; provide assistance in company registration and provide small grants to registered companies through the delivery of equipment and/or materials required. The Programme will also offer support to new entrepreneurs to develop their businesses after they have been registered. During 2016, a total of 910 new companies will be registered, which will provide employment for 960 unemployed persons from ESA's Active Job-seekers Register.

All candidates who show interest to be included in the Self-Employment Programme will be registered by the Employment Centres (EC). Employment Centres will ensure confidentiality and impartiality of the application process. Once the selection/pre-selection is made, successful candidates will receive a four-day training on entrepreneurship, planning and management, access to financial markets, marketing and promotion. Subsequently, through the voucher system, consultants of Agency for Promotion of Entrepreneurship of the Republic of Macedonia (APE) will provide support to successful candidates in the development of their business ideas into viable business plans. Employees in Employment Centres along with the UNDP Project Team will be actively involved in this phase of the process and throughout the Project cycle to provide technical assistance for the smooth running of the process, but also to monitor the timeliness and quality of advisory support provided by external consultants.

1,510 participants in the Self-Employment Programme will become entitled to receive entrepreneurship training. 1,060 of them will be selected to get support in their business plan development. 910 unemployed persons submitting the best business plans will receive assistance in the registration of their own business and a grant in the form of equipment and/or materials for starting the business.

Regarding the realization of each self-employment, grant support amounting to MKD 201,600.00 is envisaged, of which MKD 185,000.00 in the form of direct support for the procurement of equipment and/or materials, while the remaining MKD 16,600.00 will serve to support the basic training on entrepreneurship and doing business for at least 30 hours, a voucher system for a business plan development and support for business registration.

Business plans prepared will be evaluated by a team of independent experts in the area of micro-lending, and the best ones will receive a grant for starting a business, in the form of equipment and/or materials (totaling MKD 185,000.00, or the equivalent of USD 3,280.00).

The 15 most successful candidates (of the 910 selected for support), who will present sustainable and innovative business plans that under the evaluation criteria were assessed as businesses that have the greatest potential for growth, will receive a grant totaling MKD 257,000.00 in the form of direct support for procurement of equipment and/or materials.

In addition, the candidates who will develop and present sustainable business plans, which through economic parameters provide sufficient arguments that the successful operation of the business requires two persons, will be allowed to apply for an additional grant totaling MKD 92,000 i.e. USD 1,631, in the form of equipment and/or materials. The founder of the company will be obliged to keep the employee for additional 12 months. Through this model, it is planned to create 50 additional jobs in 2016. The amount that the companies will get for creating additional job equals 277,000 MKD (4,911 USD).

Along with the active role that APE plays during the development of business plans, the Programme will provide advisory services to all companies that will be registered in 2015, within a period of 12 months after the completion of Project Activities.

Within Project Output 1, activities are envisaged to support the Employment Service Agency in its implementation of the Self-Employment through Credit Line Programme. The support will be aimed at providing a two-day advanced training to introduce applicants to the basics of entrepreneurship, planning and company management, and to present the basic know-how on business plan development. In this way, it is expected to improve the quality of business plans produced, and thus increase the percentage of loans approved and disbursed by the banks. In 2016, a two-day training will cover between 500 and 800 candidates.

Given the fact that young people have difficulty in finding a job and equal opportunities in the labour market, owing primarily to their lack of practical work experience and lack of knowledge about the opportunities and benefits offered by Active Employment Measures and Programmes, UNDP has developed the concept of Youth Info Clubs. In 2014, 4 Info Clubs were opened at

university campuses in Skopje, Tetovo, Stip and Bitola. Info Clubs, formed and established under the motto "Transformers", represent another communication channel for direct, immediate and dynamic communication with young people. Active approach will result in greater participation of young people in the labour market by creating and increasing the supply of the private sector.

Activities under Project Output 2 – Support to growth of micro and small enterprises through new technologies and practices to enable quality job creation

This Output provides activities that will help to identify the micro and small companies that have shown positive financial results in the previous 2014 and/or 2015 and have the potential and interest to improve the quality of their existing and introduce new products and services or expand their presence in new markets. The Programme will support entrepreneurs' initiatives to develop innovative technical and technological solutions leading to increased productivity of their legal entities. Micro and small companies, which will apply for support regarding the creation of new jobs, will have to submit a business plan for the sustainable growth of their business, which will provide for the introduction of new products or services, or demonstrate significant improvement in business processes that have positive impact on the environment.

The Programme foresees a series of steps described in the Operational Guidelines, which include active participation, information provision, advisory and technical support from competent institutions such as: ESA, ECs, APE, the Central Registry of the Republic of Macedonia (CRRM), the Public Revenue Office (PRO) and others.

Main activities include: publication of a Public Call to interested companies; submission of applications by interested micro and small enterprises (MSEs), selection of companies with the highest growth potential and quality of the business plan submitted, mediation between interested companies and unemployed candidates, signing of contracts and procurement of equipment and/or materials. The documents regarding companies' work will be received by CRRM and PRO and reviewed by the Selection Committee established for this purpose. Based on the criteria identified in Project Operational Guidelines, the Committee will prepare a list of the most successful companies and business plans, which will be awarded a grant in a total amount of MKD 92,000.00, equivalent to USD 1,631.00, per person employed, in the form of equipment and/or materials. The amount of the grant will be limited to no more than 5 jobs in the same company, including employments supported in earlier stages of implementation of this Programme. After successful mediation between companies and interested unemployed candidates, three agreements will be signed: the first between ESA and the employer, the second between the employer and the employee and the third between ESA, UNDP and employer.

With the support of the Istanbul International Centre for Private Sector in Development (IICPSD) the most disadvantaged people will be supported in finding jobs by strengthening the skills-training programmes in FYR Macedonia. This joint initiative will select one industry sector and one service sector in order to develop partnerships that will increase cooperation and communication among key stakeholder groups. In this way it will be possible to analyse the potential of the sectors for growth and job creation. It will also help the job seekers to gain the right mix of skills that is needed on the labour market. Such an approach would also support the young people, graduating from secondary and tertiary education, possess the skills and competences needed to make a rapid and successful transition to employment.

The Programme will support innovations and new technologies and practices introduced in business processes to enable small companies' accelerated growth and quality job creation. The model will enable additional support to the already established businesses, which should lead to the increase of their competitiveness, and thus the potential for growth and generation of new jobs. Based on previous experiences and needs assessment of young micro and small companies, advisory support will be directed towards the preparation of short and medium-term plans and solutions proposed on better marketing of products and services, i.e. a strategy for marketing and promotion, design and branding; greater use of information technology to improve business processes; and reducing operating costs, improving work environment and control of business devices by introducing energy efficient measures.

Activities under Project Output 3 – Partnerships established with local actors result in job activation and increased outreach to employment opportunities of 1,200 hard-to-employ persons and individuals at risk of social exclusion

In 2016, the Programme will continue to support the work engagement of 200 hard-to-employ unemployed persons through community works, in order for them to acquire skills, increase their confidence and create a better environment for the employment of people who are at risk of social exclusion. The Programme will explore the factors preventing the most vulnerable groups of citizens to get involved in the labour market and offer draft actions to address such factors.

Within this Programme UNDP will offer People Center Design as innovative and participatory approach in the design of social services for citizens who are at risk of social exclusion, such as the elderly, children and people with disabilities, and preschool children. In order to improve the quality of services delivered and increase the sustainability level of services offered, this Programme allows the end beneficiaries of services to get involved in services design in terms of content and delivery method.

The goal of this Programme is to improve the system of social service provision at the local level by complementing the current services or introducing new ones. Also, the Community Works Programme enables social inclusion of registered unemployed persons who have difficulty entering the labour market, but are willing to acquire skills and qualifications and gradually integrate into the regular labour market. Interested candidates will be offered the opportunity to be engaged in the provision of various services in accordance with the needs expressed by the citizens in local communities. The Programme will be implemented by engaging persons on a part-time basis over a period of 6 months. Beneficiaries will receive a monthly allowance of MKD 6,200 per person for 20 hours of work a week. For 50 unemployed who will be engaged in activities aimed at disadvantaged groups, licensed training will be provided on delivering professional services.

Using informative meetings with stakeholders at the local level will provide extensive information sharing and participation of all relevant stakeholders in the local community. In order to increase access and participation of people at risk of social exclusion to employment services and programmes available at the Employment Service Agency, the capacity of Roma Information Centres (RIC), local NGOs, and Centres for Social Work (CSWs) will be strengthened by engaging 9 Mentors and Coaches. Their role is to identify 1000 unemployed people who show interest to engage in the labour market, animate and motivate such people, promote opportunities for employment, further education and self-employment, provide support to candidates upon their employment or registration of their own business and monitor the success of candidates, with the only goal to increase the participation of unemployed persons from vulnerable groups, including unemployed Roma. For this purpose, before the start of the Programmes and Measures of the OP 2016, activities will be undertaken to transfer the necessary information to all groups of citizens. In the implementation of this Programme, special care will be taken of detailed and realistic data collection that will help define some of the reasons for low participation of this target group in the Active Employment Measures. For this purpose, the web portal www.romainfo.mk will be used, where citizens' requests submitted to the relevant RIC can be carefully followed and further processing of services to such citizens can be ensured. This will improve communication with the citizens of this target group and enable better access to information.

At the same time, the team of Mentors and Coaches engaged, in cooperation with Employment Centres, will continue to identify and develop individual socio-economic profiles of interested citizens who have difficulties to find employment and are at risk of social exclusion, which will enable the provision of integrated support, tailored to individual needs.

III. FRAMEWORK OF RESULTS AND RESOURCES

Anticipated outcome according to UNDP Programme's Results and Resources Framework:

By 2020, more women and men are able to improve their livelihoods by securing decent and sustainable employment in an increasingly competitive and job-rich economy

Output 1.1: National institutions have improved capacities to develop, implement and monitor policies and measures that help to generate more sustainable jobs

Outcome Indicators listed in the UNDP Programme's Results and Resources Framework, including baseline situation and targets:

Indicator 1.1: Share of new private-sector jobs attributable to active labor market measures

Baseline (2014): 12.5%

Target (2020): 14%

Data source: UNDP, Employment Service Agency (ESA), State Statistical Office

Partnership Strategy: The Programme will contribute to the effective implementation of the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2016 (OP) in terms of the following components: self-employment, support for growth of micro and small enterprises to create new jobs, community works and other activities to increase the readiness of vulnerable groups to engage in ALMMs and the labour market. The Project will deepen its partnership with national institutions responsible for the development and implementation of ALMMs. These partnerships will provide better results both in terms of the implementation of such Programmes/Measures and a better understanding of the actual situation regarding the jobs demanded in smaller communities. The Programme will pay special attention to strengthening the partnerships at the local level by promoting a participatory approach to the definition of needs and design of services involving the end users themselves. This Programme will develop models that will provide additional support to already established businesses to improve their performance and profitability, by providing advice on different aspects that will is expected to stimulate growth and sustainability of micro and small companies and create quality jobs.

Project Title and Identifier (ID by ATLAS): **"Creating job opportunities for all"**

ANTICIPATED OUTPUT PARAMETERS	OUTPUT PARAMETER	PLANNED ACTIVITIES	RESPONSIBLE ENTITIES	INPUT PARAMETERS
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	TARGETS FOR (YEAR)			
<p>Output 1- Technical expertise and financial support for generation of 960 new jobs through Self-Employment Programme:</p> <p>Baseline: Unemployment 25.5% (Q3 2015)</p> <p>The SME sector is facing difficulties in terms of growth and new jobs generation</p> <p>National Employment Strategy has identified the informal economy as one of the key factors of high unemployment rates</p> <p>The Government continues with efforts to reach the vulnerable groups with defined measures in its 2016 OP</p> <p>Indicators: Number of self-employments supported</p> <p>Number of participants who completed the training on business plans development</p>	<p>(2016) 910 self-employments/small businesses and 50 additional jobs established in the newly formed small businesses</p> <ul style="list-style-type: none"> - 30% young people aged up to 29 - 35% women - 15 Roma 	<p>Activity 1 – Self-Employment Programme</p> <p>1.1 Call for applications and promotion of self-employment opportunities</p> <p>1.2 Development of Operational Guidelines</p> <p>1.3 Selection of applicants</p> <p>1.4 Training to develop business ideas and entrepreneurial skills</p> <p>1.5 Support for development of business plans</p> <p>1.6 Evaluation and selection of business plans</p> <p>1.7 Registration of companies founded</p> <p>1.8 Hiring additional 50 people within the 910 newly-established companies</p>	<p>Ministry of Labour and Social Policy</p> <p>Employment Service Agency of the Republic of Macedonia / Employment Centres</p> <p>Agency for Promotion of Entrepreneurship of the Republic of Macedonia</p> <p>UNDP</p>	<p>Four-day training on development of business ideas and entrepreneurial skills for all Programme participants</p> <p>Technical assistance for business plan development</p> <p>Provision of start-up equipment and/or materials for the best business plans</p> <p>Provision of additional equipment and/or materials for the most innovative business plans</p>

<p>% of women employed % of youth aged up to 29 Number of Roma employed % of self-employment and additional employment, per business activity of the company registered</p>		<p>1.9 Providing small capital grants for the procurement of necessary equipment and/or materials to the companies established. Providing an additional grant for the procurement of equipment and materials to the most innovative businesses</p> <p>1.10. Support for business development of newly established companies in the period after their registration</p> <p>1.11. Two-day entrepreneurship training for beneficiaries of Self-Employment through Credit Line Programme</p> <p>1.12 Engaging young assistants and volunteers (students) that will work part-time in the 4 Info Clubs</p> <p>1.13 Organizing exchange of knowledge with relevant institutions' representatives to improve their skills in the creation and implementation of AEPMs</p>	<p>Technical assistance for the preparation and provision of tools and standardized forms and templates for monitoring the transparency and efficiency of the Self-Employment Programme</p> <p>Mentorship, information dissemination, networking of business start-ups</p> <p>A two-day training to develop business ideas and entrepreneurial skills of Self-Employment through Credit Line</p>
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				Programme beneficiaries
<p>Output 2 - Support to growth of micro and small enterprises through new technologies and practices to enable quality job creation</p> <p>Baseline: A large number of micro and small companies, with an average of around 3 employees, and a small number of medium-sized enterprises</p> <p>Micro and small enterprises (MSEs) limited in their ability to grow and thus hire more workers.</p> <p>Indicators: Number of additional jobs created in successful small companies % of young staff aged up to 29 % women employees</p> <p>Number of companies that submitted viable plans for expansion of their businesses -% of micro enterprises (up to five employees) that applied</p>	<p>(2016) Up to 150 additional jobs supported</p> <p>50% of the supported micro and small enterprises show increased financial results</p> <p>10 fast growing companies supported</p>	<p>Activity 2 - Supporting the growth of micro and small enterprises to create 150 new jobs;</p> <p>2.1 Call for applications and promotion of Programme opportunities among interested companies</p> <p>2.2 Selection of companies that submitted the best and most innovative business plans to increase the number of employees</p> <p>2.3 Mediation between companies and unemployed persons for the purpose of their employment</p> <p>2.4 Signing an agreement between ESA and employers; Signing a contract with the beneficiary/company for the purchase of equipment and materials</p> <p>2.5 Providing small capital grants to companies through the procurement of necessary equipment/materials</p>	<p>Ministry of Labour and Social Policy</p> <p>Employment Service Agency of the Republic of Macedonia - Employment Centres</p> <p>UNDP</p>	<p>Provision of equipment and/or materials for the most innovative and best quality business plans</p> <p>Advisory assistance for the preparation and provision of tools and standardized forms and templates for monitoring the transparency and efficiency of the Programme for Financial Support of Legal Entities</p> <p>Advisory assistance, mentorship, information dissemination,</p>

<p>- % of small enterprises (staff of 5 to 50 people) that applied</p> <p>% of supported initiatives that will enable the development of innovative solutions</p> <p>% of supported initiatives that will enable the development of technological solutions contributing to green jobs creation</p> <p>Number of companies that effectively use environmental resources to generate their own energy</p>		<p>2.6. Supporting business development of micro-businesses</p> <p>2.7. Supporting fast-growing businesses with provision of grants for equipment and advisory services</p> <p>2.8 Developing a model for skills-training programmes in one industry sector and one service sector</p>		<p>networking of small businesses</p> <p>Advisory assistance to companies with the potential to growth</p>
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<p>Output 3 – Partnerships established with local actors result in job activation and increased outreach to employment opportunities of 1,200 hard-to-employ persons and individuals at risk of social exclusion</p> <p>Baseline: Unemployed persons from vulnerable groups face difficulties and obstacles in job search and employment</p> <p>Local government is facing difficulties in the promotion and implementation of Employment Programmes that meet the needs of vulnerable groups</p> <p>Local institutions show limited pro-activity in meeting the social needs of local community residents</p> <p>There is a need for more specialized and customized programmes for work activation of vulnerable groups' representatives</p> <p>Indicators:</p>	<p>(2016) Community Work Programme provides work engagement for 200 unemployed vulnerable groups' candidates.</p> <p>Services for activation of individuals at risk of social exclusion include 1000 unemployed persons registered in ESA Register, who are members of groups at risk of social exclusion</p>	<p>Activity 3 a) Programmes for increased work activation of persons from vulnerable groups and members of groups at risk of social exclusion</p> <p>3.1 Meetings for information exchange with stakeholders at the local level and definition of social services according to citizens' needs</p> <p>3.2 Preparation and delivery of Community Works Programmes by municipalities</p> <p>3.3 Expression of interest by unemployed applicants and end beneficiaries</p> <p>3.4 Evaluation and selection of the best draft programmes</p> <p>3.5 Monitoring and support of local stakeholders involved in the Programme</p>	<p>Ministry of Labour and Social Policy Employment Service Agency of the Republic of Macedonia – Employment Centres Centres for Social Work Local Government Units RIC, local NGOs UNDP</p>	<p>Technical assistance for the preparation and provision of tools and standardized forms and templates for implementing and monitoring the Community Works Programme</p> <p>Advisory assistance for the development of training that will contribute to increased awareness of engaged persons to identify the key factors that contribute to social exclusion of certain groups of citizens</p> <p>Advisory and technical assistance for the</p>
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<p>Number of registered unemployed persons of the hard-to-employ group engaged</p> <p>% of employed youth aged up to 29</p> <p>Number of activated, motivated and supported individuals at risk of social exclusion</p> <p>% of supported young people aged up to 29</p> <p>% of increase in the number of end beneficiaries - recipients of social services - interested to participate in AEPMs</p> <p>Number of participants in the training on professional services who have acquired the relevant license</p> <p>Number of Programme associates that will acquire basic knowledge on how to identify possible factors of social exclusion of certain groups</p>		<p>3.6. Training and promotion of the model for creation of social services aimed at individuals</p> <p>3.7. Support for municipalities selected to deliver prototype solutions as a result of innovative methodologies in social service creation</p> <p>3.8 Providing licensed training for unemployed persons engaged to deliver professional services to one of the vulnerable groups</p> <p>b) Services for activation of individuals at risk of social exclusion</p> <p>3.9 Hiring a team of 6 Coaches and 3 Mentors for employment</p> <p>3.10 Informing, motivating and introducing individuals at risk of social exclusion to employment opportunities or improving their position in the labour market in 12 municipalities</p>	<p>Ministry of Labour and Social Policy</p> <p>Employment Service Agency of the Republic of Macedonia – Employment Centres</p> <p>Centres for Social Work</p> <p>Local Government Units</p> <p>RIC, local NGOs</p> <p>UNDP</p>	<p>establishment of a network of beneficiaries/ designers of social services aimed at individuals</p> <p>Advisory and technical assistance to create the Programme for delivering professional services</p> <p>Advisory assistance, information dissemination, networking with CSWs, ECs, Local Government Units, RICs, NGOs</p> <p>Mentoring, profiling of professional and educational capacity through a detailed</p>
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		<p>3.11. Support for employment, self-employment or improvement of professional capacity and position in the labour market (application and completion of a given employment measure)</p> <p>3.12 Monitoring the activities envisaged by the Programme</p>	<p>Questionnaire about profiling and support in: choosing a measure from AEPMs, and the process of application and completion of a certain AEPM measure</p> <p>Daily on-site monitoring of activities by Coaches. Mentors will continue their services to candidates involved in a given measure.</p>
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IV. ANNUAL WORK PLAN BUDGET

Year: 2016

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE ENTITY	BUDGET PLANNED, 2016			
		Q1	Q2	Q3	Q4		Source of finance	Budget description	MKD	USD
Baseline situation and indicators, including annual goals	List of results from activities and related actions									
Output 1 - Technical expertise and financial support for generation of 960 new jobs through Self-Employment Programme	1.1 Call for applications and promotion of self-employment opportunities	X	X			ESA				
	1.2 Development of Operational Guidelines	X				UNDP				
	1.3 Selection of applicants	X	X	X		UNDP				
	1.4 Training to develop business ideas and entrepreneurial skills		X	X		UNDP	30072 - ESA	72100 Contractual services-companies	5,285,000	93,701
	1.5 Support for development of business plans		X	X	X	UNDP	30072 - ESA	72100 Contractual services-companies	12,296,000	218,003
	1.6 Evaluation and selection of business plans		X	X		UNDP	30071 - MLSP (savings and VAT returns)	71300 Local Consultant	116,600	2,067
	1.7 Registration of companies founded		X	X	X	UNDP	30072 - ESA	72100 Contractual services-companies	1,365,000	24,201
	1.8 Hiring additional 50 people within the 910 newly-established companies (procurement of necessary equipment and/or materials)		X	X	X	UNDP	30072 - ESA	72100-Contractual services; 72200-Equipment; 72300-Materials; 72400-Com.equipment	4,600,000	81,556

1.9 Providing small capital grants for the procurement of necessary equipment and/or materials to the companies established. Providing an additional grant for the procurement of equipment and materials to the most innovative businesses			X	X	UNDP	30071 - MLSP	72100-Contractual services; 72200-Equipment; 72300-Materials; 72400-Com.equipment	65,484,000	1,161,002
					UNDP	30072 - ESA		83,924,850	1,487,950
1.10 Project management			X	X	UNDP	04000 - UNDP	71400; 61100; 62100; Individual contractual services	2,126,420	37,700
					UNDP	30071 - MLSP (savings and VAT returns)	71400 Individual contractual services	11,082,385	196,486
					UNDP	30071 - MLSP (savings and VAT returns)	71600 Local Travel	275,247	4,880
					UNDP	30071 - MLSP (savings and VAT returns)	72100 Contractual services-companies	400,000	7,092
					UNDP	30071 - MLSP (savings and VAT returns)	73100 Rental and maintenance	1,599,520	28,359
					UNDP	30071 - MLSP	72500 Supplies	225,612	4,000

							(savings and VAT returns)			
	1.11 Two-day entrepreneurship training for beneficiaries of Self-Employment through Credit Line Programme		X	X	X	UNDP	30071 - MLSP (savings and VAT returns)	72100 Contractual services-companies	2,000,000	35,459
	1.12 Engaging young assistants and volunteers (students) that will work part-time in the 4 Info Clubs	X	X	X	X	UNDP	30071 - MLSP (savings and VAT returns)	72100 Contractual services-companies	564,030	10,000
	1.13 Organizing exchange of knowledge with relevant institutions' representatives to improve their skills in the creation and implementation of AEPMs			X		UNDP	04000 - UNDP	72100 Contractual services-companies	1,128,060	20,000
	1.14 Revision					UNDP	30071 - MLSP (savings and VAT returns)	72100 Contractual services-companies	0	0
	TOTAL Output 1								192,472,723	3,412,455
Output 2 - Support to growth of micro and small enterprises through new technologies and	2.1 Call for applications and promotion of Programme opportunities among interested companies		X			ESA				0
	2.2 Selection of companies that submitted the best and most innovative business plans to increase the number of employees		X			UNDP				0

practices to enable quality job creation	2.3 Mediation between companies and unemployed persons for the purpose of their employment		X			UNDP				0
	2.4 Signing an agreement between ESA and employers; Signing a contract with the beneficiary/company for the purchase of equipment and materials			X		UNDP				0
	2.5 Providing small capital grants to companies through the procurement of necessary equipment/materials			X	X	UNDP	30072 - ESA	72100-Contractual services; 72200-Equipment; 72300-Materials; 72400-Com.equipment	12,212,389	216,520
	2.6. Supporting business development of micro-businesses established through Self-employment programme				X	UNDP	30072 - ESA	72100 Contractual services; 71400 Individual contractual services	1,650,000	29,254
	2.7 Developing a model for skills-training programmes in one industry sector and one service sector		X	X	X	UNDP	04000 - UNDP	72100 Contractual services; 71400 Individual contractual services	2,806,000	49,749
	2.8 Supporting fast-growing businesses with provision of grants for equipment and advisory services		X	X	X	UNDP	30072 - ESA	72100-Contractual services; 72200-Equipment; 72300-Materials; 72400-Com.equipment	5,442,478	96,493
	2.9 Experts support for assesment and evaluation of potential beneficiaries (companies)		X	X	X	UNDP	30072 - ESA	72100 Contractual services; 71400	492,000	8,723

									Individual contractual services				
	TOTAL Output 2									22,602,867	400,739		
Output 3 - Partnerships established with local actors result in job activation and increased outreach to employment opportunities of 1,200 hard-to-employ persons and individuals at risk of social exclusion	3.1 Meetings for information exchange with stakeholders at the local level and definition of social services according to citizens' needs		X			UNDP	04000 UNDP	-	72705 Special Events		240,000	4,255	
	3.2 Preparation and delivery of Community Works Programmes by municipalities		X			UNDP						0	
	3.3 Expression of interest by unemployed applicants and end beneficiaries		X			UNDP						0	
	3.4 Evaluation and selection of the best draft programmes and working engagement of unemployed people		X			UNDP	30072 - ESA		72600 -Micro-capital Grant		7,440,000	131,908	
	3.5 Monitoring and support of local stakeholders involved in the Programme		X			UNDP						0	
	3.6. Training and promotion of the model for creation of social services aimed at individuals		X			UNDP						0	
	3.7 Providing licensed training for unemployed persons engaged to deliver professional services to the vulnerable groups				X	X	UNDP	04000 UNDP	-	72145 Training and educational services		1,500,000	26,594
	3.8 Hiring a team of 6 Coaches and 3 Mentors for employment		X	X	X	X	UNDP	30072 - ESA		71400 Individual contractual services		1,692,000	29,998
							UNDP	04000 UNDP	-	71400 Individual contractual services		1,224,000	21,701
3.9 Informing, motivating and introducing individuals at risk of social exclusion to employment opportunities or improving their	X	X	X	X		UNDP						0	

	position in the labour market in 12 municipalities									
	3.10 Monitoring the activities envisaged by the Programme	X	X	X	X	UNDP			0	0
	3.11 Support for employment, self-employment or improvement of professional capacity and position in the labour market (application and completion of a given employment measure)		X	X	X	UNDP			0	0
	3.12 Promotion of Active measures and programmes of OP 2016	X	X	X	X	UNDP	30071 - MLSP (savings and VAT returns)	72100 Contractual services; 74200-Audio-visual; 72705 Special events	1,680,000	29,786
	Total Output 3								13,776,000	244,242
	Programme Budget								228,851,590	4,057,436
	GMS (General Management Support, 3%)						30071 - MLSP; 30072 - ESA		6,853,960	121,518
	Direct Costs (ISS)						30071 - MLSP; 30071-MLSP (savings and VAT returns)		4,614,564	81,814
	TOTAL BUDGET								240,320,114	4,260,768

Note: Official 2016 UN Exchange Rate in February USD 1 = MKD 56.403

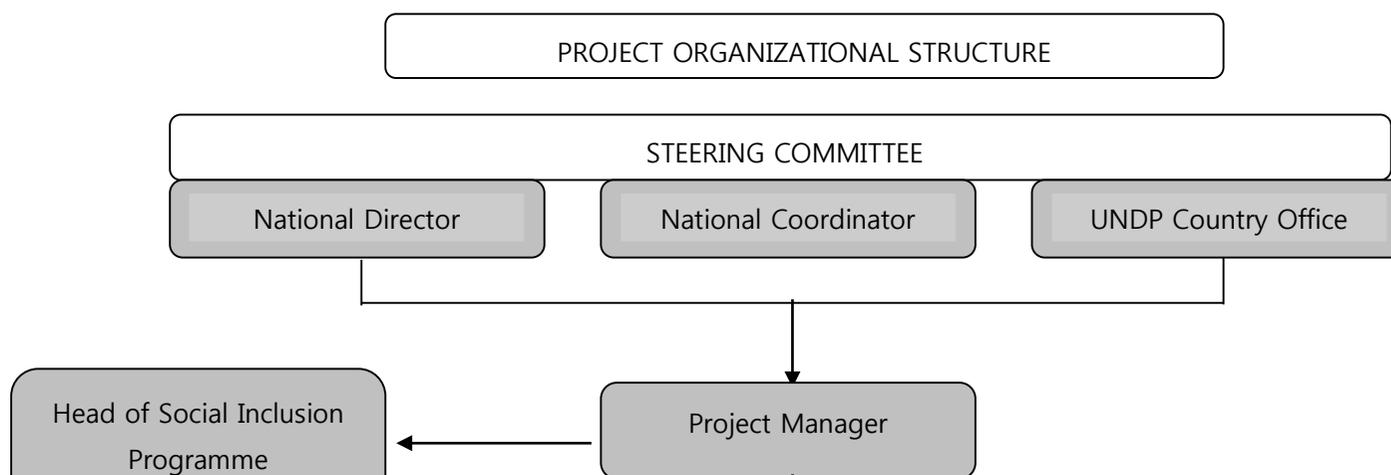
Year: 2017

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE ENTITY	BUDGET PLANNED, 2017			
		Q1	Q2	Q3	Q4		Source of finance	Budget description	MKD	USD
Baseline situation and indicators, including annual goals	List of results from activities and related actions									
Output 1 - Technical expertise and financial support for generation of 960 new jobs through Self-Employment Programme	1.9 Providing small capital grants for the procurement of necessary equipment and/or materials to the companies established. Providing an additional grant for the procurement of equipment and materials to the most innovative businesses	X				UNDP	30072 - ESA	72100-Contractual services; 72200-Equipment; 72300-Materials; 72400-Com.equipment	20,021,150	354,966
	1.10 Project management	X			UNDP	30071 - MLSP (savings and VAT returns)	71400 Individual contractual services	4,402,935	78,062	
						30071 - MLSP (savings and VAT returns)	71600 Local travel	68,812	1,220	
						30071 - MLSP (savings and VAT returns)	73100 Rental and maintenance	533,173	9,453	
	1.14 Audit	X				UNDP	30071 - MLSP (savings and VAT returns)	72100 Contractual services-companies	282,015	5,000
Total for Output 1								25,308,085	448,701	

Output 2 - Support to growth of micro and small enterprises through new technologies and practices to enable quality job creation	2.5 Providing small capital grants to companies through the procurement of necessary equipment/materials	X				UNDP	30072 - ABPM	72100-Contractual services; 72200-Equipment; 72300-Materials; 72400-Com.equipment	1,587,611	28,148
	2.8 Supporting fast-growing businesses with provision of grants for equipment and advisory services	X				UNDP	30072 - ABPM	72100-Contractual services; 72200-Equipment; 72300-Materials; 72400-Com.equipment	707,522	12,544
Total for Output 2									2,295,133	40,692
Programme Budget									27,603,217	489,393
GMS (General Management Support, 3%)									0	0
Direct Costs (ISS)									0	0
TOTAL BUDGET									27,603,217	489,393

Note: Official 2016 UN Exchange Rate in February USD 1 = MKD 56.403

Management Arrangements



Implementation Arrangements

Overall Management

The Project shall be implemented using the National Implementation Modality (NIM), whereby the Government shall entrust UNDP to provide services related to procurement, recruitment, contracting and execution of direct payments to suppliers under the conditions regulated by the Letter of Agreement on Service Provision and Project Support between the Government and UNDP. UNDP shall assume the primary responsibility for reporting, regular bookkeeping, monitoring and evaluation, as well as oversight of implementation partners. UNDP shall provide support in Project implementation and operational implementation of Project Activities, as well as technical and advisory assistance. The Ministry of Labour and Social Policy and the Employment Service Agency of the Republic of Macedonia shall be the main partners.

The specific roles of Project Partners shall be as follows:

- a) The **Minister of Labour and Social Policy** is a **National Project Director (NPD)** and **Chair of the Project Steering Committee**. He shall coordinate the cooperation with the relevant line ministries and other partners on issues relating to the Employment Programme.*
- b) **ESA's Director** is a **National Project Coordinator (NPC)**. Under the guidance of the National Project Director, the National Coordinator shall participate, create conditions, and where necessary, timely remove any institutional obstacles that may affect the ongoing Project implementation.*
- c) **The Project Manager (PM)** shall be responsible for the daily management and supervision of the Project. He/she shall follow the instructions of the Head of UNDP's Social Inclusion Programme and report to the **Steering Committee (SC)**.

The Project Manager shall be responsible for:

- Preparation and implementation of Project Work Plan;
- Responsible use of resources, including financial ones, and delivery of results in accordance with the approved Work Plan;
- Recording and resolving, within the level of tolerance approved by Project Steering Committee, the practical problems and obstacles that arise during the implementation, and reporting and proposing solutions to problems that exceed the delegated authority;
- Preparation of Quarterly and Annual Project Reports;
- Consistency and integrity of the working methodology applied.

Management of Project funds shall be performed in accordance with UNDP financial rules and regulations, based on the approved Annual Work Plan and detailed Budget. Project Team shall be responsible for timely and transparent reporting on resources allocated and Project results achieved.

Project funds must not be used for VAT payment. The Government shall bear all such costs and ensure a VAT return to all suppliers involved in Project Activities.

e) **Project Steering Committee (PSC)** is the main coordinating body that manages the implementation of this Project.

Project Steering Committee shall:

- *Promote and support the institutional arrangements necessary for effective implementation of the Project;*
- *Provide guidance and recommendations regarding Project Strategy and Objectives;*
- *Approve Operational Guidelines;*
- *Promote the Project, mobilize additional resources and/or decide on the resources available for Project Activities or their extension;*
- *Approve Work Plans and ensure that they are in line with Project priorities;*
- *Perform periodical audits and supervision of financial and programme achievements;*
- *Review summarized Quarterly Financial Reports and Progress Reports on Programme Implementation and if necessary, make comments and suggestions for improvement.*

Project Steering Committee consists of NPD, NPC, UNDP Deputy Resident Representative, Director of APE and State Secretary of MES. Meetings shall be held periodically, but no later than every 6 months.

Besides the main partners of the Project, i.e. the Ministry of Labour and Social Policy and Employment Service Agency of the Republic of Macedonia, the implementation of this Project involves: the Agency for Promotion of Entrepreneurship of the Republic of Macedonia (APE), Ministry of Education and Science (MES), Adult Education Centre (AEC) and the Directorate for Execution of Sanctions (DES).

Implementation Procedures

UNDP shall, in close cooperation with ESA, APE, CVET and AEC, develop Operational Guidelines containing detailed procedures and necessary forms and templates for the implementation of measures envisaged in the Project in accordance with 2016 OP: 1) Self-Employment Programme; 2) Programme for Financial Support of Legal Entities (micro and small enterprises and artisans) to open new jobs; 3) Training in labour market demanded occupations; 4) Community Works Programme.

Operational Guidelines are a key document that describes the methodology and process of implementation of Project Activities. This document describes the requirements and procedures for application and participation in Programmes, as well as templates for all forms to be used in measure implementation. Operational Guidelines also specify the methods of training on

occupations demanded in the labour market. In addition, this document provides an overview of monitoring and communication activities.

Daily Management

UNDP Office shall be responsible for activities related to the daily implementation and monitoring of Project Activities. UNDP shall also be responsible for training and capacity building of Employment Centres' staff and consultants to be hired for the Project. Project Team will consist of: Project Manager, 1 Administrative Assistant, 1 Procurement Assistant, 3 Coordination Officers, 4 Monitoring Officers, 2 Monitoring Assistants, 1 Communications Specialist and 1 Database Manager.

In addition, there will be the **Project Coordination Team** consisting of:

1. Representatives from MLSP's Labour Department;
2. Representatives from ESA's Department of Active Labour Market Measures;
3. Representatives of APE's Sector for Support and Promotion of Entrepreneurship;
4. Representatives of UNDP Country Office.

UNDP Country Office shall be responsible for monitoring the overall management, streamlining and providing guidelines on Project implementation, including the administration and payment of Project funds. It shall be responsible for ensuring regular cooperation and timely reporting to the Government.

V. MONITORING AND EVALUATION FRAMEWORK

Project monitoring and evaluation shall ensure:

- Transparency of processes;
- Timely information on whether Employment Programmes and Measures are implemented in accordance with anticipated goals, target groups and timeframe;
- Assessment of implemented Programmes and Measures' effects on the basis of predetermined criteria and indicators of success;

In order to ensure **transparency of processes**, at critical points during the implementation of Employment Programmes and Measures, UNDP Monitoring Officers and Employment Centres' representatives shall inspect the accuracy of data and information obtained from the applicants, including by joint site visits for the purpose of authentication.

More specifically:

a) Employment Centres shall check the data provided by unemployed candidates during the phase of application;

b) UNDP and Employment Centres shall assess the accuracy of information provided in the business plans developed with the assistance of APE consultants. Therefore, those responsible for monitoring from UNDP and Employment Centres shall visit a selected sample of applicants, not more than 5% of the total number. The sample will cover candidates properly distributed by age, gender, ethnicity, region and urban/rural residence;

c) Employment Centres and UNDP shall monitor the process of supporting the applicants in various stages, such as the preparation of business plans, mediating and matching the applicants with APE consultants, and the preparation and submission of business plans. During the matching process, all applicants shall be given informative brochures containing information on their rights and responsibilities. In order to assess the quality and efficiency of services provided by consultants, Monitoring Officers shall conduct a telephone survey on a random sample of applicants. Responsible persons in Employment Centres shall organize discussions with focus groups composed of applicants with the aim to obtain information on their satisfaction or dissatisfaction with the services.

d) Employment Centres and UNDP shall monitor the process of procurement of equipment and/or materials by organizing joint field visits. For this purpose, standardized forms shall be used to document the business registration and status of equipment and/or materials purchased.

In order to receive timely information on whether the Employment Programmes and Measures are implemented in line with Project's envisaged goals and timeframe, the Project shall set clear progress monitoring benchmarks in the form of targets, indicators and timeframe for implementation of specific activities. This will enable the preparation of timely and systematic reports on all important aspects and steps in the implementation of Programmes, and will also provide information about the distribution of candidates according to their age, gender, ethnicity, education, etc.

Benchmarks shall be included in the middle and at the end of various stages of Project implementation, such as the stage of application for participation in the Self-Employment Programme; during the preparation of business plans; registration of companies etc. These critical points will be used to assess progress/achievement of objectives set, and the level of participation of different target groups in Employment Programmes and Measures, such as women, youth, Roma and other vulnerable groups. For this purpose, in addition to the information collected from the field, UNDP Monitoring Officers and Employment Centres will systematize the information collected through the Statement of Termination of Participation in the Programme, which will allow to obtain information about the reasons for leaving the Programme and to take prompt corrective measures.

In order to **assess the impact, and financial and economic benefits** of Employment Programmes and Measures, Project Partners shall jointly establish a set of indicators, as well as the dynamics of

data collection and analysis. The set of carefully selected indicators shall be used to establish a system for monitoring of the companies registered in previous years.

Project monitoring shall be performed by Employment Centres and UNDP Project Team doing **daily monitoring** to ensure transparency in all processes and exchange of information between the institutions involved, and to get applicants' feedback with regard to the procedures.

Periodic Reporting

a) **Annual Project Report** shall be prepared by the Project Manager and shared with Project Steering Committee Members. It shall include progress against targets during the calendar year.

b) **Final Project Report** shall be prepared at the very end (operational closure) of Project Activities in order to assess the overall performance of the Project and provide analysis and suggestions on possible improvements over the next year. This Report shall serve as a basis for discussion of the Steering Committee on Project achievements and Project contribution to the results accomplished. If necessary, the Final Report may include other stakeholders, as well.

Quality management to achieve the Outputs of Project Activities

Output 1 - Technical expertise and financial support for generation of 960 new jobs through Self-Employment Programme		
Result of Activity 1	<i>Activity 1</i> <i>Self-Employment Programme</i>	Start: 1 February 2016 End: 31 March 2017
Objective	960 new jobs created in 910 small businesses	
Description	Self-Employment Programme shall be implemented in accordance with the objectives and specifics listed in the OP 2016. Interested unemployed candidates will go through a competitive and transparent selection process. The candidates with the best business ideas will be trained in entrepreneurship, business development, and access to finance, etc. 910 best business plans will be registered and supported with small capital grants in the form of equipment and/or materials for starting a business.	

Quality Criteria <i>How/with what indicators will the quality of Activity Result be measured?</i>	Quality Method <i>Means of verification. Which method will be used to determine whether the quality criteria have been met?</i>	Assessment Date <i>When will quality be assessed?</i>
Timely and extensive promotion of the opportunities offered by the Self-Employment Programme; Number of applications submitted; Percentage of drop-outs;	Databases of ESA Employment Centres; field visits; Surveys prepared	May 2016
The best draft business plans were selected for support; Number of companies registered.	Random Surveys; field visits; telephone interviews with candidates	December 2016
Satisfaction with the training conducted to develop entrepreneurial and business skills; Number of candidates who have attended training (four-day and two-day training events); Number of business ideas/plans developed	Field visit; Reports by the company hired to conduct the training; APE Reports; results from the Questionnaires completed.	April-May 2016 June-July 2016
Timely and efficient provision of small grants for the purchase of necessary equipment and/or materials for the companies registered.	Joint field visits by Employment Centres' staff and UNDP; Standard verification forms and templates; Data from the Central Registry of the Republic of Macedonia; Quarterly Reports prepared and shared with national institutions.	January 2017

Output 2 - Support to growth of micro and small enterprises through new technologies and practices to enable quality job creation

Result of Activity 2	<i>Activity 2</i> Support for additional employments	Start: 2 Feb 2016 End: 31 Mar 2017
Objective	Up to 150 new jobs created in successful micro and small enterprises registered for at least one year	
Description	<p>Support of the Programme for Additional Employments in order to encourage the growth of innovative and successful MSEs and craft shops. Financial support will be provided through a transparent and competitive selection process. Companies presenting the best business plan and financial performance in the previous year will be supported by a small capital grant for creating new jobs. This Programme will contribute to the creation of 150 new jobs by the end of 2016.</p> <p>10 existing companies will be provided with individualized technical assistance and training through an elaborate plan for the implementation of manufacturing innovations and improved marketing of their products and services</p>	
Quality Criteria <i>How/with what indicators will the quality of Activity Result be measured?</i>	Quality Method <i>Means of verification. Which method will be used to determine whether the quality criteria have been met?</i>	Assessment Date <i>When will quality be assessed?</i>
Timely and extensive promotion of the opportunities offered by the Programme for Support of Additional Employments in MSEs and craft shops; Number of business plans received for MSEs' development.	Field visits; Surveys conducted	May 2016
Number of additional jobs generated	Databases of ESA Employment Centres	Jan 2017
Timely and efficient provision of small grants for the procurement of necessary equipment and/or materials for selected companies, for each new job.	<p>Joint field visits by Employment Centres' staff and UNDP;</p> <p>Standard data verification forms and templates;</p> <p>Quarterly Reports prepared and shared with national institutions;</p>	January 2017

Number of developed innovative business plans with great growth potential	Analyses prepared by experts in entrepreneurship, marketing techniques and energy efficiency measures.	
Number of developed business plans that include support for green jobs		

Output 3 – Partnerships established with local actors result in job activation and increased outreach to employment opportunities of 1,200 hard-to-employ persons and individuals at risk of social exclusion		
Result of Activity 3	<i>Activity 3</i> Programmes for increased work activation of persons from vulnerable groups and members of groups at risk of social exclusion	Start: 1 March, 2016 End: 31 March, 2017
Objective	Work activation and familiarization with employment opportunities of 1200 hard-to-employ persons and individuals at risk of social exclusion;	
Description	<p>The 200 registered unemployed persons belonging to either the vulnerable or hard-to-employ groups will be given the opportunity to acquire and/or complete their knowledge and skills, and to be recruited part-time for a period of 6 months, which will encourage them to better integrate in the labour market and their local community</p> <p>Identification of 1000 unemployed persons who show interest to engage in the labour market and their animation and motivation by promoting the opportunities for employment and further education, employment, and self-employment. Candidates will be provided with support after their employment or registration of their own business, and candidate success will be monitored</p>	
Quality Criteria <i>How/with what indicators will the quality of Activity Result be measured?</i>	Quality Method <i>Means of verification. Which method will be used to determine whether the quality criteria have been met?</i>	Assessment Date <i>When will quality be assessed?</i>
Timely and extensive promotion of the opportunities offered by the	Field visits; Applications approved/selected; Surveys prepared	April 2016

Community Works Programme (in the municipality); Number of municipalities' submissions/applications prepared according to the model for creation of services aimed at individuals		
Number of temporary jobs opened	Databases of ESA Employment Centres; Random Surveys; field visits; telephone interviews with applicants	June-November 2016
Successful implementation of innovative solutions for the design/delivery of social services using the methodology focused on individuals' needs	Joint field visits of employees in Employment Centres, Centres for Social Work, included NGOs and UNDP	June-November 2016
Number of people trained to deliver professional services to the elderly	UNDP's Reports	March -December 2016
Number of innovative solutions supported through the participation of end beneficiaries in the development of social services	UNDP's interventions	March -December 2016

VI. LEGAL CONTEXT

This Project Document is the instrument referred to in Article 1 of the Standard Agreement on Basic Assistance signed between the Government of the Former Yugoslav Republic of Macedonia and the United Nations Development Programme on 30 October, 1995.

This Project Document allows for amendments signed solely by the UN/UNDP Resident Representative, once he/she makes sure that the Signatories to this Project Document have no objections regarding the changes proposed. Amendments allowed are as follows:

1. Revisions of, or amendments to, the Annexes of the Project Document.
2. Revisions which do not relate to significant changes in terms of immediate Project Objectives, Project Outputs or Activities, caused by changes in previously agreed input resources, including financial resources, or increase in costs due to inflation.

3. Mandatory annual revisions that allow phase adjustment of the implementation to the agreed input parameters or increased costs for experts or other resources.

Procurement Contracts shall be signed and implemented only after complete transfer of government funds to UNDP, in accordance with the presented Payment Schedule given below.

SPECIAL CLAUSES

All financial calculations and reports shall be expressed in US dollars and Macedonian denars.

If an unpredictable increase in expenditures or liabilities is expected or occurs (whether due to inflationary factors, fluctuations in exchange rates or unforeseen events), UNDP shall provide notification thereon and promptly provide an additional estimate of additional funds needed.

In accordance with UNDP Executive Board's Decisions and Directives, the Government's resources shall be burdened with the following:

- a) 3% to cover the cost of General Management Support (GMS) provided by UNDP Main Office and UNDP Country Office;
- b) Direct cost of Implementation Support Service (ISS) provided by UNDP Country Office and/or Subject of Execution/Implementing Partner.

The ownership title over the equipment purchased through UNDP for Grant Programme beneficiaries of the Self-Employment and Additional Employment Programmes in micro and small enterprises and craft shops shall be directly transferred to the beneficiaries.

The contribution shall be subject solely to internal and external audit procedures envisaged by financial regulations, rules and directives of UNDP.

LIST OF ABBREVIATIONS

- ESA - Employment Service Agency
- AEPs - Active Employment Programmes and Measures
- AES - Agency for Entrepreneurship Support
- LSGU - Local Self-Government Unit
- MIS - Management Information System
- MES - Ministry of Education and Science
- MP - Manager of Project
- MLSP - Ministry of Labour and Social Policy
- NPD - National Programme Director
- NPC - National Project Coordinator
- PSC - Project Steering Committee
- OP - Operational Plan
- OG - Operational Guidelines
- PM - Project Manager
- RIC - Roma Information Centres
- UNDP - United Nations Development Program
- EC - Employment Centre
- AEC - Adult Education Centre
- CR - Central Registry
- CVET - Centre for Vocational Education and Training
- CSW - Centre for Social Work
- GMS - General Management Support
- ISS - Implementation Support Services