

ANNEX

to Commission Implementing Decision adopting an Annual Action Programme for the Republic of Macedonia for the year 2017

1 IDENTIFICATION

Beneficiary	The Republic of Macedonia
CRIS/ABAC Commitment references / Budget lines	2017/040-200 - 22.02 01 01 2017/040-202 - 22.02 01 02
Total cost	Total Cost: EUR 51,610,065 as follows: 2017/040-200 – EUR 26,460,065 - 22.02 01 01 2017/040-202 - EUR 25,150,000 - 22.02 01 02
EU Contribution	EU Contribution: EUR 44,643,780 allocated to: 2017/040-200 - EUR 20,943,780 - 22.02 01 01 2017/040-202 - EUR 23,700,000 - 22.02 01 02
Management Mode/ Entrusted entities	<ul style="list-style-type: none"> • Direct management by the European Commission • Indirect management with beneficiary country for: <ol style="list-style-type: none"> 1) Action 1: Participation in Union Programmes (UP), where implementation will consist in the payment of the IPA part of the financial contribution to the programmes by the National Fund. 2) Action 4: EU Support for Education, Employment and Social Policy – Activities planned for achieving Result 2 (Equitable access to quality inclusive education at all levels) and Result 3 (Improved employability and access to labour market and decent work) <p>The entity entrusted with budget implementation tasks is the Central Financing and Contracting Department in the Ministry of Finance (CFCD).</p>
Final date for concluding <u>Financing Agreements</u> with the IPA II beneficiary	At the latest by 31 December 2018
Final date for concluding <u>delegation agreements</u> under indirect management	At the latest by 31 December 2018
Final date for concluding <u>procurement and grant contracts</u>	3 years following the date of conclusion of the Financing Agreement, with the exception of the cases listed under Article 189(2) Financial Regulation
Final date for operational implementation	6 years following the date of conclusion of the Financing Agreement.
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement.

Programming Unit	DG NEAR, D3: the Republic of Macedonia, Kosovo
Implementing EU Delegation	EU Delegation to the Republic of Macedonia

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

- Rationale for the selection of the specific sectors under this programme:

Two sectors - *democracy and governance* and *education, employment and social policies*, - have been selected for support under this programme. The selection has been made on the grounds of:

- The need to concentrate significant financial assistance on a limited number of key priorities, thus improving the dynamics of changes in the selected sectors and strengthening the impact of the Instrument for Pre-Accession Assistance (IPA II) funds on the relevant reforms.
- The relevance with the key fundamentals outlined in the Enlargement Strategy¹ and the continued commitment of the Commission to the public administration reform in support of meeting the Copenhagen and Madrid membership criteria.
- The strategic planning, presented in the Indicative Strategy Paper² (ISP), which allocates 8% of all EU funds to the sector of education, employment and social policies. So far this sector has not benefited of EU funds under IPA II. The ISP also identifies some recurrent priorities such as the participation in the Union programmes.
- The maturity in the implementation of the sector approach, where both sectors have been identified as well advancing, having set clear strategic objectives and disposing of an acceptable administrative capacity to back up the implementation of the IPA actions.
- Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors:

The country benefits from IPA and other donors support in the selected sectors since 2007. Yet, the reforms in these sectors require a long-term approach, based on clear political commitment. The previous experience outlines some important aspects that have to be considered.

- Political turbulences have affected the efficiency of the public administration and further on, the implementation of the IPA assistance. The continuation of the sector reforms and the extension of the high-level dialogue is a pre-requisite for successful implementation of the EU funds.
- The national authorities need to demonstrate strengthened commitment to achieving the expected results independently of the implementation modality. While the EU Delegation may act as contracting authority, achieving the outcomes and impact of the actions remains primarily a responsibility of the national authorities. Hence, ownership

¹ COM(2016) 715 final of 9.11.2016: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions / 2016 Communication on EU Enlargement Policy – https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_strategy_paper_en.pdf

² Indicative Strategy Paper for the Republic of Macedonia (2014-2020) adopted on 19/08/2014 - https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2014/20140919-csp-republic-of-macedonia.pdf

must be strengthened and the efforts for improving the beneficiaries' performance uphold.

- There is a need for greater transparency and information sharing with civil society and non-state stakeholders to ensure that sector policy priorities enjoy large societal support. To enhance this process, the actions have been subject to public consultations. Further, the implementation process not only envisages a stronger coordination with civil society organisations, but also their participation in meeting the action objectives, in particular through the opening of the planned grant schemes for participation of the civil society actors. The development of a new administrative culture of cooperation with civil society and non-state actors need to be strongly encouraged, also through enhanced participation of civil society organisations (CSOs) in sector working groups.
- Further efforts will be needed to strengthen the coordination among all stakeholders to ensure an efficient framework for sector support. Lack of stakeholder consultation and coordination mechanisms has been recognised as one of the weaknesses of implementing the sector wide approach in the country. A comprehensive stakeholder coordination platform is being developed, but needs to be further strengthened.

List of Actions foreseen under the selected Sectors/Priorities:

Sector Democracy and Governance

INDIRECT MANAGEMENT WITH THE IPA II beneficiary		OTHER IMPLEMENTATION ARRANGEMENTS (DIRECT MANAGEMENT)	
Action 1: Support to participation in the Union Programmes (UP)	EUR 7,293,780		
		Action 2: EU Integration Facility (EUIF)	2,450,000
		Action 3: EU Support to the Public Administration Reform & Statistics	11,200,000
TOTAL	EUR 7,293,780		EUR 13,650,000

Sector Education, employment and social policies

INDIRECT MANAGEMENT WITH THE IPA II beneficiary		OTHER IMPLEMENTATION ARRANGEMENTS (DIRECT MANAGEMENT)	
Action 4: EU Support for Education, Employment and Social Policy – Results 2 and 3	EUR 12,650,000	Action 4: EU Support for Education, Employment and Social Policy – Results 1,4 and horizontal (evaluation)	EUR 11,050,000
	EUR 12,650,000	TOTAL	EUR 11,050,000

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

SECTOR	DEMOCRACY AND GOVERNANCE	EUR
		20,943,780
<i>Action 1</i>	<i>Support to participation in Union Programmes (UP)</i>	<i>Indirect management beneficiary country</i>
		<i>by</i>
		<i>EUR</i>
		<i>7,293,780</i>

(1) Description of the Action, objective, expected results and key performance indicators

The Country Strategy Paper stipulates that financial assistance can be provided through co-financing the country's participation in relevant Union Programmes and Agencies. The objective of this action is to ensure participation of the Republic of Macedonia in Union Programmes by co-financing the costs of the entry-tickets/participation fees for selected Union Programmes in areas such as education, culture, civil protection, private sector developments, labour market and employment, taxation, research and technological development (RTD). Thus IPA will facilitate the progressive transfer of know-how and the strengthening of capacities of the relevant administrative bodies benefiting from the participation in Union Programmes and Agencies.

The following results are foreseen:

- Enhanced participation of the Republic of Macedonia in Union Programmes;
- Increased exchanges with EU Member States;
- Strengthened ownership and responsibility (including in financial terms) for participation in Union Programmes;
- Improved awareness in the country on the Union Programmes.

The achievement of the results will be measured through the following indicators:

- Increasing No of projects prepared and funded involving country participation;
- Ratio between the value of the entry ticket and the value of the projects in which the country participates;
- Number of beneficiaries involved in international projects;
- Number of promotion events and measures.

The Union Programmes (2014-2020) shall be gradually open for the participation of the Western Balkan countries. The beneficiary country has expressed its interest in participating in 13 programmes; however the current action programme will only cover the participation in 11 of them as follows:

1. Horizon 2020
2. COSME (Programme for competitiveness of enterprises and SMEs)
3. Europe for Citizens
4. Culture (Creative Europe)
5. Media (Creative Europe)
6. Customs
7. Fiscalis

8. Civil Protection Mechanism
9. Erasmus plus
10. Programme for Employment and Social Innovation (EaSI) Progress strand
11. Erasmus plus external strand

Participation in other Union Programmes will be determined at a later stage or has been settled down through other country programmes.

The participation of the Republic of Macedonia in Union Programmes shall follow the specific terms and conditions set out in the International Agreement between the European Commission and the country for each programme, in accordance with the agreements establishing the general principles for participation in Union Programmes.

(2) Assumptions and conditions

EU integration remains a government priority, which entails a continuous political commitment to EU accession and provision of sufficient resources to ensure the national co-financing of the country's participation in the Union programmes.

(3) Implementation arrangements for the action:

Indirect management with the beneficiary country

(3)(a) Entity entrusted with budget implementation tasks

National Fund, Ministry of Finance

(3)(b) Short description of the tasks entrusted to the entity

The implementation will consist in the payment of the IPA part of the financial contribution to the Union programmes by the National Fund.

<i>Action 2</i>	<i>EU Integration Facility (EUIF)</i>	<i>Direct management by the EU Delegation</i>	<i>EUR 2,450,000</i>
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(1) Description of the Action, objective, expected results and key performance indicators

The overall objective of the action is to contribute to a more effective EU integration process. This action replenishes the EU Integration facility (EUIF), created in 2014 as a long-term, flexible, on-going funding mechanism, providing ad hoc support for smaller-scale projects of democratic institutions and public administration bodies.

The specific objectives of the EUIF are:

- 1) To strengthen the capacities of the democratic institutions and public bodies to assume the obligations stemming from the democratic process and the EU accession process;
- 2) To enhance the alignment with the EU acquis and enforce the adopted laws;
- 3) To improve the management of the EU funds and strengthen the sector approach.

The key performance indicators for the EUIF include:

- Number of Urgent Reform Priorities addressed;

- Implementation rate of the supported Sector/sub-sector Strategies (by measure and/or priority);
- Number of legislative acts adopted in an inclusive and evidence-based way and in compliance with the acquis;
- Number of Sector approach criteria met;
- Level of absorption of EU funds improved (contracting and disbursement rate);
- Financial management and control systems operate smoothly indicated by number of major audit findings and audit error rate;
- Degree of public recognition of the EU support.

As direct results of the action:

- Targeted EU support will be provided to public administration and democratic institutions to address specific ad hoc needs in very short time and cut red tape;
- Capacity of the administration to address ad hoc challenges is improved;
- Specific challenges of the democratic process and country's accession are addressed quickly and effectively.

The achievement of these direct results will be measured through:

- Number of project proposals submitted under the EUIF / Number of proposals approved for funding;
- Number of institutions involved in submission of proposals / Number of institutions involved in project implementation;
- Average length of project launch (duration from submission of project proposal until contract signature);
- EUIF Funds implementation rate (EUIF Contracting and disbursement rate);
- Percentage of projects completed successfully/ results delivered - Number of documents adopted, Number of people trained, Number of IT tools put in use etc.;
- Number of people benefiting from the funded projects (data segregated by gender, ethnicity, vulnerability).

(2) Assumptions and conditions

The following assumptions relate to the implementation of this action:

- EU integration remains a government priority, which entails a continuous high-level political commitment to EU accession, support for the reforms and active participation in the sector policy dialogue.
- Macroeconomic and political stability is maintained.
- Key reforms (such as Public Finance Management (PFM), Public Administration Reform (PAR), Judiciary) are launched and well progressing.
- Sufficient interest exists on behalf of the public bodies and democratic institutions to develop and implement projects.

The implementation of the action is conditional on:

- Governmental commitment to the EU accession process translated into allocation of sufficient resources for the sector reforms, high-level support for the reforms and active participation in the sector policy dialogue.
- Governmental commitment on public administration reform which is necessary to build horizontal capacities for policy and legislative development and implementation
- Advancement in the sector approach as per the developed roadmaps.

(3) Implementation arrangements for the action:

Direct management by the EU Delegation.

(3)(c) Essential elements of the action

Procurement:

- a) global budgetary envelope reserved for procurement: EUR 2,450,000
- b) indicative number and type of contracts: 5-10 service/supply/works
- c) indicative time frame for launching the procurement procedure: 12-33 months after the conclusion of the Financing Agreement.

Action 3	<i>EU Support to the Public Administration Reform & Statistics</i>	<i>Direct management by the EUD</i>	<i>EUR 11,200,000</i>
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(1) Description of the Action, objective, expected results and key performance indicators

The overall objective of the action is to reform the public administration in the country in line with the Principles of Public Administration.

The specific objectives of the action are:

- To optimise overall institutional framework, enhance public service delivery and strengthen ethics, integrity, transparency and accountability of public administration;
- To improve the quality and availability of statistical data and enhance their use in development and coordination of public policies.

The following key performance indicators will be applied to measure how the purpose is achieved:

- Percentage of indicators included in the SIGMA³ baseline measurement report⁴ being improved;
- Percentage of user satisfaction with the administrative services and servants;

³SIGMA (Support for Improvement in Governance and Management) is a joint initiative of the [OECD](#) and the [European Union](#), principally financed by the EU.

⁴<http://www.sigmaxweb.org/publications/Baseline-Measurement-2015-RMacedonia.pdf>

- Corruption perception index (score and positive trend) and Global Corruption Barometer;
- Percentage of statistics aligned with EU *acquis* (Social, Business and National Accounts) / Compliance level calculated with the method of Eurostat's strategy for statistical cooperation under IPA II increased to 85% based on the currently existing EU *acquis* in statistics;
- Availability of statistical infrastructure for rational and efficient statistical production (business register, population register and other registers linked to each other in an interoperable way);
- Availability of IT infrastructure for efficient statistical production (Integrated data collection system, IT system for classification management, Metadata driven IT system for editing, imputation, validation, aggregation and analysis);
- Use of the harmonised statistics in state planning (Indicators dashboard /Number of indicators/harmonised statistics used in strategic planning, monitoring and reporting on key documents i.e. Economic Reform Programme, Employment and Social Reform Programme, key sector strategies).

The action is expected to deliver the following results:

- Streamlined and optimised institutional framework;
- Strengthened systems ensuring transparency, integrity and ethics in the public institutions;
- Improved delivery, quality, number and scope of public services to citizens and to business (e-Government);
- Improved alignment with the *acquis* in the field of macro-economic, business and social statistics;
- Strengthened capacity in production and dissemination of EU compliant statistics.

(2) Assumptions and conditions

The following assumptions relate to the implementation of this Action:

- The Government further supports the reform of the regulatory and institutional framework in line with EU standards and policies;
- The country implements the newly adopted PAR Strategy according to the adopted action plans;
- Cooperation among the national partners is assured (state administrations, institutions, CSOs, private sector, etc.);
- Cooperation among the owners of administrative data sources is ensured and access to relevant administrative data is given for statistical production purposes;
- Relevant staff in the public administration is retained with adequate skills and turnover contained;
- Government is willing to change administration operations to take advantage of the functionality offered by the new technologies;
- The national support system for SMEs responds to the business sector needs;
- Financial and human resources necessary to implement the reform are allocated and made available timely and in line with the milestones of the PAR Strategy 2017-2022.

The main pre-condition for implementation of this Action is the finalisation and adoption of a credible PAR Strategy 2017–2022 in line with the Principles of the Public Administration. In addition, the implementation of the PAR Strategy will be subject to extended monitoring by the Commission services in coordination with the national stakeholders. Lack of commitment to the implementation of the strategy, indicated by lack of resources for the strategy implementation or big delays in achieving the objectives, targets and indicators of the strategy, may lead to a termination of this Action.

(3) Implementation arrangements for the action:

Direct Management by the EU Delegation.

(3)(c) Essential elements of the action (for direct management)

Procurement:

- a) global budgetary envelope reserved for procurement: EUR 11,200,000
- b) indicative number and type of contracts: 9 service/supply
- c) indicative time frame for launching the procurement procedure: 6-12 months after the conclusion of the Financing agreement, with the exception of the contract for evaluation of the action impact, the procurement for which will be launched in the third quarter of 2021.

SECTOR	<i>Education, Employment and Social Policies</i>	EUR 23,700,000
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<i>Action 4</i>	<i>EU Support for Education, Employment and Social Policies</i>	<i>Direct Management by the EUD</i>	<i>EUR 11,050,000</i>
		<i>Indirect management by Beneficiary Country</i>	<i>EUR 12,650,000</i>

(1) Description of the Action, objective, expected results and key performance indicators

The overall objective of the action is to improve the effectiveness of the country's policy in the sectors of education, employment and social inclusion.

The specific objective of the action is to reduce the high rate of unemployment, increase labour market participation, in particular of young people and women, increase access to quality education and training, improve skills matches and modernise the social protection system

The following key performance indicators will be applied to measure how the purpose is achieved:

- Number of persons in employment, including self-employment 6 months upon benefiting from employment programmes or services of this Action;

- Percentage of early leavers from education and training: percentage of population aged 18-24 with, at most, a lower secondary education and not in further education and training;
- Decreased drop-out rates (segregated data for primary, secondary-gymnasium, VET);
- Number of persons benefiting from non-institutional (alternative) community based social services;
- Trade Union density rate and Employers organisations density rate.

The following direct results are expected:

- Strengthened sector governance, policy framework and statistics;
- Equitable access to quality inclusive education at all levels;
- Improved employability and access to labour market and decent work;
- Improved quality and availability of social services.

(2) Assumptions and conditions

The following assumptions relate to the implementation of this action:

- The country continues to address the priorities, objectives and measures set out in the Employment and Social Reform Programme and the respective sub-sector planning documents, meet their obligations as defined in the Accession Partnership and the National Programme for the Adoption of the Acquis and provide the needed funding for this.
- Social partners, civil society organisations, universities, schools, training and consultancy providers, business sector, municipalities demonstrate a will and capacity to be involved in implementation of the activities.
- There is indigenous interest in entering in social entrepreneurship, employment and education on behalf of the target groups.
- Economic stability to ensure job creation and revenue flow.
- Political stability to ensure all commitments are implemented.

The following conditions will apply:

- Given the importance of the sector reform for achieving the results of this action, the signature of the planned contract is conditional on the adoption of the following key documents: Economic and social reform programme and Comprehensive education strategy and action plan containing realistic budget estimations 2017-2020.
- The beneficiary institutions should demonstrate sufficient capacity and provide adequate resources to allow the implementation of the activities and the absorption of the envisaged IPA aid. The beneficiary country must ensure continuity in the efforts to improve the education, employment and social integration policies and guarantee the sustainability of what has been achieved under IPA I.

(3) Implementation arrangements for the action:

The action will be implemented under two management modalities:

- Direct management by the EU Delegation will be the modality for the implementation of the activities designed for achieving Result 1 (Strengthened sector governance, policy framework and statistics) and Result 4 (Improved quality and availability of social services), as well as for the horizontal activity (evaluation).

- Indirect management with beneficiary country is selected as the implementation modality for the activities designed in the context of Result 2 (Equitable access to quality inclusive education at all levels) and Result 3 (Improved employability and access to labour market and decent work).

(3)(a) Entity entrusted with budget implementation tasks

Central Contracting and Financing Department (CFCD), Ministry of Finance

(3)(b) Short description of the tasks entrusted to the entity

The entrusted entity shall be responsible for carrying out all tasks relating to the implementation of the activities designed for achieving Result 2 and Result 3 of the action in accordance with the principle of sound financial management and for ensuring the legality and regularity of the underlying transactions and the expenditures occurred in the implementation of the relevant part of the action. In particular, the entrusted entity shall be responsible for procurement, contracting and payments, contract management, monitoring of the implementation at contract and action level, for provision of information and ensuring adequate visibility of the EU support, for reporting on the implementation and achievement of the results and indicators, and the evaluation thereof whenever relevant.

(3)(c) Essential elements of the action (for direct management)

Procurement:

- a) the **global** budgetary envelope reserved for procurement: EUR 4,350,000
- b) the indicative number and type of contracts: 5 service/supply
- c) indicative time frame for launching the procurement procedure: 6-12 months after the conclusion of the Financing agreement, with the exception of the contract for evaluation of the action impact, which is expected to be launched in the third quarter of 2021

Grant – Call for proposal (1) "Optimisation and improvement of the social community services"

- a) Objectives and foreseen results:

The objective of the grant scheme is to optimise and improve the social community services and enable persons with disabilities and others to live in the community with appropriate community based support. The grant scheme will result into the development and implementation of new social services or expanding and improving already existing social services such as community based housing, small group homes, day-care centres, home-care, personal assistance, rehabilitation and other support social services. The grant scheme is expected to decrease the number of persons entering into institutional care and increase the number of vulnerable persons living in the community.

- b) The essential eligibility criteria:

The applicants eligible for funding can be legal entities or natural persons. Funding can be granted to civil society organisations and private entities.

Participation will be open to applicants established in the Republic of Macedonia.

The types of actions eligible for financing can cover direct services to specific target groups, investments, capacity building, research, advocacy, monitoring,

communication and visibility activities, as well as other activities directly linked to the objectives of the grant scheme.

- c) The essential selection criteria are financial and operational capacity of the applicant.
- d) The essential award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.
- e) Maximum rate of EU co-financing
The maximum possible rate of EU co-financing for grants under this call is 90 % of the eligible cost of the action. 10% co-financing should be provided by the grant beneficiaries.
- f) Indicative amount of the call: EUR 1,700,000
- g) Indicative date for launch of the call for proposals:
The call for proposals will be launched within the timeframe of 6 months after the conclusion of the Financing agreement, indicatively in the first quarter of 2018.

Grant – Call for proposal (2) "Support to social enterprises"

- a) Objectives and foreseen results:
The objective of the grant scheme is to enhance the economic independence and increase the social impact of the social enterprises. The grant scheme will result into improving the performance of social enterprises on the market or stepping-up on new markets, developing new services, improving the services to the clients as well as ensuring better protection of the employees of the social enterprises. Funds can be provided for establishing new social enterprises or extending the scope of work of existing social enterprises.
- b) The essential eligibility criteria:
The applicants eligible for funding can be legal entities or natural persons. Funding can be granted to civil society organisations, and private entities.
Participation will be open to applicants established in the Republic of Macedonia.
The types of actions eligible for financing can cover investments in equipment or technologies, capacity building and advisory support, market research, business, financial, IT marketing or other services, communication and visibility activities, as well as other activities directly linked to the objectives of the grant scheme.
- c) The essential selection criteria are financial and operational capacity of the applicant.
- d) The essential award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.
- e) Maximum rate of EU co-financing
The maximum possible rate of EU co-financing for grants under all calls is 90 % of the eligible cost of the action. 10% co-financing should be provided by the grant beneficiaries.
- f) Indicative amount of the calls: EUR 500,000
- g) Indicative date for launch of the call for proposals:
The calls for proposals will be launched within the timeframe of 12 months after the conclusion of the Financing agreement, preferably in the third quarter of 2018

Grant – Call for proposal (3) "Combating discrimination by improving inclusiveness in compulsory education"

a) Objectives and foreseen results:

The objective of the call for proposals, which has to results in the selection of one grant, is to strengthen the school participation and improve the quality of additional teaching service offered to vulnerable children from minority origin, children with disabilities and other groups of vulnerable children. Two key results are expected. First, the grant will ensure the development and implementation of a scholarships and tutoring support scheme and will improve the system for identification of vulnerable children and students and those with special needs at municipal and school level. The capacities of the national authorities to manage similar schemes in future will also be upgraded. Second, the grant will improve the competences of school staff dealing with vulnerable groups and will provide support to teachers working with students and parents in either carrying out formative assessments or targeted/tailored instruction.

b) The essential eligibility criteria:

The applicants eligible for funding can be legal entities such as civil society organisations or international organisations.

Participation will be open to applicants established in the Republic of Macedonia or in a Member State of the European Union or in a country covered by Article 10 of the IPA Regulation 236/2014 as well as to international organisation operating in the country.

The types of actions eligible for financing can cover direct educational, health care, childcare services to specific target groups, scholarships, investments, capacity building, research, advocacy, monitoring, communication and visibility activities, as well as other activities directly linked to the objectives of the respective grant scheme and provided in the Republic of Macedonia.

c) The essential selection criteria are financial and operational capacity of the applicant.

d) The essential award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.

e) Maximum rate of EU co-financing

The maximum possible rate of EU co-financing for grants under all calls is 90 % of the eligible cost of the action. 10% co-financing should be provided by the grant beneficiary.

f) Indicative amount of the calls: EUR 2,500,000

g) Indicative date for launch of the call for proposals:

The calls for proposals will be launched within the timeframe of 12 months after the conclusion of the Financing agreement, preferably in the second quarter of 2018

Grant – Call for proposal (4) "Facilitating social inclusion of Roma"

a) Objectives and foreseen results:

The objective of the grant scheme is to facilitate the social inclusion of Roma people in society. The grant scheme will result into developing new or improving existing services aimed at better integrating Roma people in school, work or the community, improving housing and living conditions, ensuring better access to health and child care.

b) The essential eligibility criteria:

The applicants eligible for funding can be legal entities or natural persons. Funding can be granted to public and administrative bodies, civil society organisations, public enterprises or private entities.

Participation will be open to applicants established in the Republic of Macedonia or in a Member State of the European Union or in a country covered by Article 10 of the IPA Regulation 236/2014 as well as to international organisation.

The types of actions eligible for financing can cover direct services to specific target groups, scholarships, investments, capacity building, research, advocacy, monitoring, communication and visibility activities, as well as other activities directly linked to the objectives of the respective grant scheme.

c) The essential selection criteria are financial and operational capacity of the applicant.

d) The essential award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.

e) Maximum rate of EU co-financing

The maximum possible rate of EU co-financing for grants under all calls is 90 % of the eligible cost of the action. 10% co-financing should be provided by the grant beneficiaries.

f) Indicative amount of the calls: EUR 1,000,000

g) Indicative date for launch of the call for proposals:

The calls for proposals will be launched within the timeframe of 16 months after the conclusion of the Financing agreement, preferably in the first quarter of 2019.

Grant - Direct grant award (5) "Strengthening the social dialogue"

a) Objectives and foreseen results:

The objective of this direct grant is to further strengthen the National Economic and Social Council (NESC) and enhance the social dialogue at national and local level, particularly as regards labour rights, labour disputes, as well as addressing key labour market challenges. It will result into extending NESC legal mandate and competences, enhancing NESC's participation in the national policy dialogue over economic and social reforms, and improving the capacities of the NESC standing committees on labour relations and wages, employment and labour market policy, social security and occupational safety and health. The contract will also re-adjust and strengthen the mechanism for peaceful settlement of labour disputes. It is also expected to impact significantly on the implementation of some fundamental rights, including freedom of association, right to strike, right to collective bargaining. The action will also result into improved social dialogue at local level, where 15 local economic and social councils (LESCs) have been already created. These LESCs will be further empowered to play the role of a driver in concluding local employment pacts, addressing among other youth unemployment. Finally, the contract is expected to strengthen the capacities of the social partners through investing into their local and regional offices (where needed) and dramatically improving the services offered.

b) Justification for the use of an exception to calls for proposals:

The International Labour Organisation (ILO) has been designated as the contractor for the implementation of Activities 1.2, 1.3 and 1.4. on the grounds of Article 190 (1) (f)⁵ of the Rules of Application and based on:

⁵**Article 190 (1)(f) of the Rules of Application** - The direct awards are based on Article 190 (1)(f) of the Rules of Application on account of its technical competence and high degree of specialization on migration issues.

- Technical competence and high degree of specialisation of ILO in promoting, managing and advocating for effective and efficient social dialogue involving governments, employers and workers representatives at central and local level and implementing policies safeguarding the rights at work.
 - The transfer of know-how as regards social protection and dialogue on work-related issues is an integral part of ILO's mandate. The ILO has developed an undeniable capacity to offer expert advice, technical cooperation and operational assistance to states, intergovernmental, non-governmental organizations and other stakeholders.
 - With its significant global footprint and mandate to facilitate social dialogue, ILO is uniquely placed in the country to provide efficient and cost-effective technical support solutions covering the full package of planned activities.
- c) the name of the beneficiary: UN International Labour Organisation (ILO)
- d) The essential selection criteria are financial and operational capacity of the applicant. The award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.
- e) indicative amount of the grant: EUR 1,000,000
- f) Maximum rate of EU co-financing:
The maximum possible rate of EU co-financing for grants under this call is 90 % of the eligible cost of the action. 10% co-financing should be provided by the grant beneficiary.
- g) Indicative date for signing the grant agreement: Q4 2018

3 BUDGET

3.1 INDICATIVE BUDGET TABLE - COUNTRY ACTION PROGRAMME FOR REPUBLIC OF MACEDONIA

	Indirect Management with the IPA II beneficiary			Other implementation arrangements			MM ⁶	Total EU contribution for 2017		
	EU Contribution	IPA II beneficiary Cofinancing	Total expenditure	EU Contribution	IPA II beneficiary Cofinancing	Total expenditure				
Objec tivel 2017/0 40: 200) (CRI S	1 - Democracy & Governance	7,293,780	5,259,285	12,553,065		13,650,000	257,000	13,907,000		20,943,780
	Action 1: Support to participation in Union Programmes	7,293,780	5,259,285	12,553,065	Facility				IM BC	7,293,780
					Action 2: EU Integration	2,450,000	0	2,450,000	DM	2,450,000
					Action 3: EU Support for PAR & Statistics	11,200,000	257,000	11,457,000	DM	11,200,000
-202)	7 - Education, Employment and Social Policies	12,650,000	682,000	13,332,000	7 - Education, Employment and Social Policies	11,050,000	768,000	11,818,000		23,700,000
	Action 4: EU Support for Education, Employment and Social policies	12,650,000	682,000	13,332,000	Action 4: EU Support for Education, Employment and Social policies	11,050,000	768,000	11,818,000	Mix	23,700,000
TOTALS	19,943,780	5,941,285	25,885,065		24,700,000	1,025,000	25,725,000		44,643,780	

⁶ IMBC = Indirect management with beneficiary country; DM = Direct management by EU Delegation, Mix = Indirect management with beneficiary country and Direct management by the EU Delegation

4 IMPLEMENTATION MODALITIES AND GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES

DIRECT MANAGEMENT:

Part of this programme shall be implemented by direct management by the Union Delegation in accordance with article 58(1)(a) of the Financial Regulation and the corresponding provisions of its Rules of Application.

Procurement shall follow the provisions of Part Two, Title IV Chapter 3 of the Financial Regulation No 966/2012 and Part Two, Title II, Chapter 3 of its Rules of Application.

Grant award procedures shall follow the provisions of Part Two Title IV Chapter 4 of the Financial Regulation No 966/2012 and Part Two Title II Chapter 4 of its Rules of Application.

Under the Financial Regulation, Parts One and Three of the Financial Regulation and its Rules of Application shall apply to external actions except as otherwise provided in Part Two, Title IV.

The Commission may also use services and supplies under its Framework Contracts concluded following Part One of the Financial Regulation.

Twinning:

Twinning projects shall be set up in the form of a grant agreement, whereby the selected Member State administrations agree to provide the requested public sector expertise against the reimbursement of the expenses thus incurred.

The contract may in particular provide for the long-term secondment of an official assigned to provide full-time advice to the administration of the IPA II beneficiary as resident twinning advisor.

Twinning grant agreement shall be established in accordance with relevant provisions of Part Two Title IV Chapter 4 of the Financial Regulation and Part Two Title II Chapter 4 of its Rules of Application. Parts One and Three of the Financial Regulation and its Rules of Application shall apply to external actions except as otherwise provided in Part Two, Title IV.

INDIRECT MANAGEMENT:

Part of this programme shall be implemented by indirect management by the Republic of Macedonia in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

The general rules for procurement and grant award procedures shall be defined in the Financing Agreement and the relevant delegation agreements between the Commission and the entrusted entity implementing such action.

5 PERFORMANCE MONITORING ARRANGEMENTS

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Country Strategy Paper.

In the specific context of indirect management by IPA II beneficiaries, the National IPA Co-ordinator (NIPAC) will collect information on the performance of the actions and programme (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by DG Enlargement and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by Sectoral Monitoring committees, which will ensure a monitoring process at sector level.

In addition, evaluation is envisaged and included in the budget of the programme to assess the efficiency, effectiveness, impact and sustainability of two key actions, namely Action 3: European Support for PAR& Statistics and Action 4: EU Support for Education, Employment and Social policies.