РЕПУБЛИКА МАКЕДОНИЈА МИНИСТЕРСТВО ЗА ФИНАСТИРИ RATION IDENTIFICATION SHEET 50.09-43799 23.12 Support of the Inspection Services to Fight Undeclared Work

1. Operating Structure:

Operating Structure for Human Resources Development Component of IPA (OS), as per Article 16 of the Governmental Decree on DIS, shall comprise of CFCD and the respective structures for IPA implementation established within the Ministry of Education and Science (MES) and the Ministry of Labour and Social Policy (MLSP). The Operating Structure shall be responsible for managing and implementing the Operational Programme Human Resources Development (OPHRD) 2007-2013 in accordance with the principle of sound financial management, as per Article 9 of the Governmental Decree on DIS, point 6 of Annex A of the Framework Agreement and Article 28 of IPA IR.

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2. Title of the Operation:

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Support to the Inspection Services to Fight Undeclared Work

3. Measure

Measure 1.4: From informal to formal

4. Description of the Operation

4.1 Synthetic description

The size of the grey economy represents one of the major challenges for the country. Having in mind that the existence of informal economy has implications in many areas, including employment, social security, health and safety, migration, employment relations and macroeconomic policy, addressing this phenomenon is one of the priority areas of the government's interventions with many specific measures and activities addressing different factors that contribute to informal employment.

Within the scope of these initiatives and measures a great deal of consideration and efforts should be directed towards strengthening the capacities of the labour inspection and providing conditions for their much larger, systematic and coordinated involvement in the efforts to fight informal work and unregistered employment.

The operation will include the following activities:

1. Survey on undeclared work

A survey will be carried out on undeclared work. For the development of adequate policy measures as well as efficient solutions to tackle undeclared work, it is of the utmost importance to have sufficient and accurate information not only about the extent of the phenomenon but also about the nature, causes and effects of undeclared work. This survey will also have to study the relation between unemployment and undeclared work as well as the effectiveness of approaches and measures already undertaken.

2. Strengthening the capacity of inspection services

This component should be implemented by using a participative approach and involving all the staff of the State Labour Inspectorate.

The following activities will be undertaken under this component:

A. Assessment of the global situation and needs of the State Labour Inspectorate to improve its fight against undeclared employment in a way to be more effective (legislation, organization, means, skills, etc.). Propose best practices and EU experiences.

- B. Development of a strategy for improving the effectiveness of the State Labour Inspectorate in this field. This strategy will integrate an action plan/programme.
- C. Implementation of this action plan/programme. The overall objective will be to strengthen the State Labour Inspectorate's capacities, improving their knowledge and skills, ease their day to day work, implementing new (or improved) approaches in issues relating to undeclared work.

Other institutional actors with connected activities with the issue of undeclared work will be invited to attend activities implemented within the project. Some specific activities within the training plan will be foreseen to develop skills and strengthen interactivities and coordination between the State Labour Inspectorate and the other institutional stakeholders.

3. Involvement of social partners to reduce the number of people engaged in the grey economy

As important stakeholders of the employment policy and actors of the labour market, social partners should be involved all along the project. Involvement of workers' and employers' representatives actively in the fight against undeclared work is crucial for achieving any result in the field. Strengthened interaction is needed.

Hence it is foreseen that social partners will benefit from specific activities.

4.2 End recipient(s)

- The Ministry of Labour and Social Policy;
- The State Labour Inspectorate.

4.3 Duration

15 months.

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4.4 Target groups

- State Labour Inspectorate;
- Relevant line ministries and bodies;
- Social partners.

4.5. Expected output, results and impact and indicators

Indiantona	Baseline	Target	Definitions and	Source of
Indicators		Target	presumptions	data

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Outputs				
Study about the undeclared work and its characteristics	0	1		Database, Project Promoters
Number of trained labour inspectors on issues related to combating unregistered employment	0	100	-	Database, Project Promoters
Result				
Strengthen capacities of the State Labour Inspectorate in addressing the unregistered work	0	80%	Percentage of persons that participated in the training programme successfully passed trainings	Database, Project Promoters

4.6 Links with other measures or IPA programmes (if any)

This operation is linked with Operation "Support to the national employment policy" of Priority Axis 1 – Measure 1.2.

5. Implementation arrangements, risks and assumption

5.1 Institutional framework: operation coordination unit/steering committee/regional and/or provincial authorities/technical assistance team/other)

The IPA Coordinator of the Ministry of Labour and Social Policy shall establish a Steering Committee (SC). The role of the SC shall entail provision of strategic, political and technical guidance to the project, monitoring progress and assistance where possible in overcoming any obstacles to progress in any aspect of the contract.

The SC members will involve relevant stakeholders (as deemed appropriate), such as:

- The Ministry of Labour and Social Policy;
- Representatives of other relevant ministries;
- Trade Unions;
- Employers' Organizations;

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- Representative from Central Financing and Contracting Department and
- Other relevant bodies.

The EC Delegation will participate to the Steering Committee as observer.

5.2 (Procedures for the implementation of the operation: call for proposals/direct implementation by national institutions without prior call for proposals/call for tenders)

This operation shall be implemented through an international restricted procedure for 1 service contract.

Contrac t Type	Deadline for Submitti ng Draft ToR /TS /	Completi ng TD/and	Deadlin e for Publica tion of	Shor t List Phas	e for Tender / Call for Propos als	for Tenders/ Applicati	Evalu ation	Contrac t Approv al Date	Contrac	t Contrac	Date of
Service	01/10	03/10	05/10	07/1 0		10/10	10/10	01/11	03/11	04/11	06/12

5.3 Risks and assumptions

Risk:

- Relevant data is not available;
- Low level of engagement of all employees in the State Labour Inspectorate;
- Lack of participation on the side of the social partners and/or local authorities.

Assumptions:

- Stakeholders' attitude towards improvement of the situation of undeclared work is open and positive;
- Participative environment in State Labour Inspectorate created by the top management.

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