IPA III Operation Identification Sheet

1. **Title of the Operation:**

“Supporting Authorities to Effectively Manage OP “Jobs and Opportunities”.

1. **Managing Authority:**

The Ministry of Labour and Social Policy (MLSP)

1. **Intermediate bodies responsible for the Implementation of the Operation:**

The Ministry of Finance (MF), Central Financing and Contracting Department (CFCD) (Intermediate Body for Financial Management - IBFM)

1. **Compatibility and coherence with the Operational Programme**

**4.1 Title of the programme**

Operational Programme “Jobs and opportunities” Multiannual Operational Programme on sector human capital in favour of the Republic of North Macedonia for 2024-2027

**4.2 Title of the relevant Area of support:**

Area of support 3 - Other Support

1. **Description of the Operation**

**5.1 Contribution to the achievement of the Operational Programme:**

Considering the wider contextual coverage of the programme and the level of allocation to the sector, the programming, monitoring, tendering and contract management for IPA III OP structure[[1]](#footnote-1) should be strengthened to achieve the maximum benefits from IPA funds.

During the implementation period of IPA I and II, MLSP and other relevant institutions gained significant capacity. The IPA III period, with its novelties and new areas of interventions, requires both re-structuring of the current system and capacity-building activities to cope with the challenges of the new period. The IPA I and II periods of implementation made it clear that the ownership and involvement of the leading institutions of the sector play a significant role in the successful utilisation of funds. Therefore, capacity building for OP beneficiaries (ESA and other departments within the MLSP) is especially important for a new period.

The central institutions in the sector need support, especially on programming for the development of solid project pipelines. Therefore, the main stakeholders' programming, monitoring and project management capacity should be improved.

The IPA III period requires progress on waiving the ex-ante controls and improving the institutional capacity to prepare North Macedonia for the responsibilities under the structural funds and cohesion policy. Therefore, the Managing Authority, as well overall structure involved in the IPA indirect management (Indirect Management with the Beneficiary Country - IMBC), should be further supported to increase its human capacity and operational abilities.

Generating new employment opportunities, providing targeted training, and implementing a robust retention policy is essential. This is essential for retaining experienced personnel and ensuring the successful execution of long-term projects, programmes, and strategies in the employment and social protection sectors.

Strategic efforts to increase stakeholder engagement and support are required to address inadequate visibility and communication. This will be accomplished through visibility and communication initiatives ensuring the programme’s benefits are widely understood.

Transparency and accountability are fundamental to the management of EU financial assistance. Consequently, the effective operation of existing monitoring and reporting mechanisms is crucial, necessitating diligent tracking of progress, performance evaluation, and identification of improvement areas by the MA, as well as overall IMBC for this OP. The observance of standard procedures for monitoring IPA programmes, forming Sectoral Monitoring Committees (SMCs), and providing technical assistance will support these efforts.

Thus, the interventions for ‘Supporting Authorities to Effectively Manage OP ‘Jobs and Opportunities’ will contribute towards accomplishment of OP Specific Objective (Outcome) for ‘*Increased readiness of North Macedonia for EU accession negotiations under Chapter 22’.*

**5.2 Overall Objective of the Operation:**

To increased readiness of North Macedonia for EU accession negotiations under Chapter 22.

**5.3 Specific Objectives of the Operation:**

To improve management of EU financial assistance in the human resources development sector in accordance with EU requirements and best practices.

**5.4 Outputs:**

*Activity 1 - Support to sustainable human resources policy for the IPA Structures*

* Strengthened human resources capacities and retention of IPA structure for OP “Jobs and Opportunities”.

*Activity 2 – Support to the Implementation of the SOP “Jobs and Opportunities”*

* Enhanced capacities of relevant staff for preparation, management, implementation, monitoring, audit and control of OP “Jobs and Opportunities”*.*

*Activity 3 – Improving the technical capacities of the MA and IPA structure for Implementation of OP Jobs and Opportunities*

* Improved physical and working space conditions for staff employed in IPA III structure.
* Upgraded functionalities of MIS system.

The above-listed outputs will contribute to achievement of relevant output 3.1 Improved management of EU financial assistance in accordance with EU requirements and best practices as defined in IPA III 2024-2027 Operational Programme “Jobs and Opportunities”.

**5.5 Indicative activities:**

*Activity 1 - Support to sustainable human resources policy for the IPA III Structures*

* Financing the salaries and fees of additional expert staff in MA and IBFM based on selection and recruitment procedures in compliance Commission[[2]](#footnote-2) and national rules,
* Supporting retention policy measure through financing the top-ups fees of salaries of IPA OP structure under the Indirect Management of Beneficiary Country (IMBC) [in the Managing Authority, Office of the National IPA Coordinator (NIPAC) (Department for Coordination of European Funds and Other Foreign Assistance), National Authorising Officer (NAO), Management Structure (MS) in the Ministry of Finance (MF), Intermediate Body for Financial Management (IBFM) in the Ministry of Finance (MF) and Audit Authority (AA)],

The expenditures mentioned under above shall be financed, if the following conditions, are met:

* Adoption of the legal base for the retention policy measures.
* Staff concerned will be directly recruited (or seconded) to IPA III OP structure (MA and IBMF) to execute exclusively tasks related to the management and implementation of OP “Jobs and Opportunities” and it will be supported with duly documented decisions of competent institutions.
* Period of employment and/or secondment will not exceed the final date of eligibility of IPA III 2024-2027 OP “Jobs and Opportunities” laid down in its Financial Agreement (FA).

*Activity 2 – Support to the Implementation of the OP “Jobs and Opportunities”*

* Support in the management and control systems and performance of MA supervisory role in OP management.
* Support MA in quality control of implementation documents, tender dossiers, contract related documents, etc.
* Support in new implementation arrangements, including ex-post control, specific expertise and knowledge.
* Capacity building of relevant staff for preparation, management, implementation, monitoring, audit, and control of OP.
* Engagement of assessors for grant proposals;
* Supporting the organization of Sector Monitoring Committee (SMC), Sector Working Group (SWG) and ad-hoc meetings.
* Programme level or thematic evaluations, surveys, etc.
* Supporting the publicity and visibility activities and information dissemination due to implementation of OP, including organising trainings and information sessions.
* Conducting the OP external evaluations.
* Financing other operating expenditures[[3]](#footnote-3) related to the management and implementation of IPA III OP “Jobs and Opportunities”.
* Providing technical support and (further) development of the Management Information System (MIS) in regard to preparation, management, implementation, monitoring, audit and control of projects funded.
* Capacity building of staff within ESA to become Intermediary Body.

*Activity 3– Improving the technical capacities of the MA and remaining IPA structure for Implementation of OP Jobs and Opportunities*

* Modernization and/ or adaptation of working premises.
* Purchase of IT equipment and furniture, purchase of vehicle(s) for monitoring visits, etc.

**5.6 Indicators[[4]](#footnote-4):**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Indicator** | **Baseline**  **(2022)** | **Target (2032)** | **Source** |
| **Overall objective** | % of EU funds absorbed under OP | 0 | ≥90% | Annual reports on program implementation; NAO reports |
| **Specific Objective** | Number of completed OP projects | 0 | ≥15 | Annual reports on program implementation |
| Staff turnover rate[[5]](#footnote-5) | 0 | ≤ 10% | Annual reports on program implementation; NAO reports |
| **Outputs** | Number of staff trained | 0 | ≥60 | Project progress reports |
| Number of tender procedures and call for proposal procedures published | 0 | ≥10 | CFCD procurement plan and publications |

**5.7 Indicative location(s):**

Republic of North Macedonia, City of Skopje

**5.8 Duration:**

*Activity 1 Support to sustainable human resources policy for the IPA III Structures* – 96 months (8 years)

*Activity 2* *Support to the Implementation of the SOP “Jobs and Opportunities”*– 36 months (3 years)

*Activity 3* *Improving the technical capacities of the MA and remaining IPA structure for Implementation of OP Jobs and Opportunities* – 24 months (including 12 months warranty period) each contract.

**5.9 End recipients and target group(s):**

*End recipients:*

* Managing Authority for the OP: the relevant department responsible for managing EU Programmes and Funds,
* Office of the National IPA Coordinator (NIPAC) (Department for Coordination of European Funds and Other Foreign Assistance),
* National Authorising Officer (NAO),
* Management Structure (MS): IPA Funds Management Department within the Ministry of Finance (MF),
* Intermediate Body for Financial Management (IBFM): Central Financing and Contracting Department (CFCD) within the Ministry of Finance (MF),
* Audit Authority (AA),
* Employment Service Agency.

*Target groups*

* Ministry of Labour and Social Policy staff,
* Ministry of Finance staff,
* National IPA Coordinator staff in its office set in the Department for coordination of EU funds and other foreign assistance at the Secretariat for European Affairs (SEA),
* Audit Authority staff,
* Employment Service Agency staff.

1. **Implementation arrangements**

**6.1 Institutional framework:**

*Activity 1 - Support to sustainable human resources policy for the IPA III Structures*

This operation shall be implemented through a Direct Award Contract to national institution(s) involved in managing the OP.

The MF/CFCD shall act as a Contracting Authority (CA) and shall be responsible for preparation of an application, organising negotiations, preparing/ signing the contract, payments, accounting, and shall have overall responsibility and supervision of contract’s implementation. The EUD in Skopje shall execute ex-post control over the whole procedure and shall be kept fully informed on the progress by means of regular briefings during the course of intervention. The Project Steering Committee (PSC) comprising the representatives of the bodies of the IPA OP structure and other relevant stakeholders shall be established to monitor the implementation of this intervention.

*Activity 2 – Support to the Implementation of IPA III SOP*

This operation shall be implemented through Service Contract.

The MF/CFCD shall act as a Contracting Authority (CA) and shall be responsible for launching the award procedure, organising tendering procedure, preparing/ signing the service contract, payments, accounting, and shall have overall responsibility and supervision of contract’s implementation. The EUD in North Macedonia shall execute ex-post control over the whole procedure and shall be kept fully informed on the progress by means of regular briefings during the course of intervention. The Project Steering Committee (PSC) shall be established. The technical assistance team will be the project team of the Contractor.

*Activity 3 – Enhancing the Capacities for Implementation of IPA III SOP Jobs and Opportunities (modernisation of premises)*

This operation shall be implemented through two contracts: Works Contract and Supply contract(s).

The MF/CFCD shall act as a Contracting Authority (CA) and shall be responsible for launching the simplified tender procedure by sending the invitation to a list of 3 tenders, organising evaluation procedure, preparing/ signing the works contracts, payments, accounting, and shall have overall responsibility and supervision of contract’s implementation. The EUD in North Macedonia shall execute ex-post control over the whole procedure and shall be kept fully informed on the progress by means of regular briefings during the course of intervention. With regard to institutional framework for the implementation of Works Contract, the Project Steering Committee (PSC) established for Activity 1 shall also monitor the implementation of this project.

**6.2 Proposed monitoring structure and methodology:**

The day-to-day technical and financial monitoring of the implementation of this operation will be a continuous process, and part of the responsibilities of the Department for European Integration and International Cooperation, which will transform into Department for EU Programmes and Funds in MLSP as the Managing Authority for the OP “Jobs and Opportunities”. To this aim, the department will establish a permanent internal, technical, and financial monitoring system for the programme.

The Managing Authority for the SOP shall in particular: design adequate monitoring and reporting procedures, considering the internal reporting division of roles and responsibilities. As well, other institutions defined as target groups under section 5.9 will have to follow monitoring and reporting procedures, considering the internal reporting division of roles and responsibilities in regard to the interventions.

Every report produced by contractors shall provide an accurate account of implementation of the operation, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible, at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators.

The overall progress will be monitored through participation of various stakeholders, such as European Commission/ EU Delegation, NIPAC, NAO, Management structure, MA, IB, Final Beneficiaries, AA, and other institutions and civil society organisations.

1. **Maturity**
   1. **Required procedures and contracts for the implementation of the operation and their sequencing:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Activity** | **Type of contract** | **Type of procedure** | **Launch of the procedure**[[6]](#footnote-6) | **Contracted/ Contract start** | **Duration of the contract** |
| ***Activity 1 –***  *Support to sustainable human resources policy for the IPA III Structures* | Operating grant | *Direct award to national public body* | N+1 | N+1 | 96 months |
| ***Activity 2 -*** *Support to the Implementation of IPA III SOP* | Service | *International restricted* | N\* | N+1 | 36 months |
| ***Activity 3 –*** *Enhancing the Capacities for Implementation of IPA III SOP Jobs and Opportunities* | Works | *Simplified Procedure* | N+1 | N+1 | 12 months + 12 months (DLP) |
| Supply | *Local open* | N+1 | N+1 | 12 months + 12 months (warranty period) |

*\*Launch of tender procedure with suspensive clause.*

* 1. **Supporting documents**

*Activity 1 - Support to sustainable human resources policy for the IPA III Structures*

*Type of procedure*: Direct award operating grant to national public bodies

The Invitation Letter to the Applicant to Submit a Proposal will be prepared during year N.

*Activity 2 – Support to the Implementation of IPA III OP*

*Type of procedure*: International Restricted Procedure for Service Contract

The Terms of References (ToR) will be prepared in year N.

*Activity 3 – Improving the technical capacities of the MA and remaining IPA structure for Implementation of OP Jobs and Opportunities*

*Type of procedure*: Simplified Procedure for Works Contract

The Technical Specification (TS) will be prepared within the Technical Assistance project (intervention 2) during year N+1.

*Type of procedure:* Local Open Procedure for Supply Contract (1-3 Supply Contracts signed).

The Technical Specifications (TS) will be prepared with Technical Assistance in year N+1.

1. **Risks and assumptions**

**Risks encountered might be:**

* Insufficient commitment by all relevant stakeholders to maintain the project sustainability;
* Lack of coordination among key institutions involved;
* Low interest for joint collaboration among all stakeholders;
* Insufficient human and technical capacities of the relevant institutions;
* Policy and legal changes in national context;
* Insufficient commitment by the highest political level;
* Potential delays in procurement procedures;
* Ineligible expenditures that might occur during the implementation of IPA III OP.

**Assumptions envisaged might be:**

* National authorities adopt retention policy in public administration;
* All stakeholders available and committed to the implementation of interventions;
* All stakeholders demonstrate a real willingness and capacities for joint cooperation;
* Consistent policy and strong commitment by the highest political level to maintain stable human resources management within IPA structure;
* Full coordination and transparency in the work of all key counterparts involved;
* Procurement procedures organized and conducted in line with pre-determined deadlines and according the procedures;
* Sound financial management and efficient implementation of projects’ contracts.

1. **Sustainability:**

Overall, the interventions will contribute and support of IPA III structures for sound financial management of OP. Investments in IPA structures, in forms of enhancing the human capacities through strengthening of their knowledge and skills, supporting retention policy measures and improvement of physical capacities, shall contribute to higher performances of staff employed in IPA III structures.

1. **Gender equality and empowerment of women and girls, equal opportunity, Roma, minorities and vulnerable groups (where relevant):**

The projects will contribute to the promotion of gender equality and women’s empowerment through promotion of active participation in project implementation. As well, increasing the male and female staffing and leadership within the IPA structures are crucial. The projects will be G0 gender neutral.

Relevant stakeholders (public and/or non-state actors) affected by the issues to be addressed by these interventions are enlisted under section 5.9 of this OIS. Their roles and mandates and any institutional, organisational and/or capacity issues to be covered by this action are defined with scope of legal provisions due to organization of state institutions.

Specific attention, where feasible through IPA III OP funded projects, will be paid to the most vulnerable groups, including Roma, by applying the principle of “doing no harm”. The impact to these groups will be analysed through the evaluation works that will be undertaken for this OP.

**11) Requested financing from the European Commission:**

The requested financing for the Operation from the European Commission will be 2 420 833 EUR [[7]](#footnote-7)(or 85% of total operation budget).

**12) Co-financing:**

The co-financing of the Operation will be ensured by the national public contribution in amount of 427 206 EUR (or 15% of total operation budget).

**13) Budget breakdown:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **EU contribution (EUR)** | **EU contribution percentage** | **National co-financing (EUR)** | **National co-financing percentage** | **Total expenditure (EUR)** |
| ***Activity 1*** *–*  *Support to sustainable human resources policy for the IPA III Structures* | TBD | TBD | TBD | TBD | **TBD** |
| ***Activity 2*** *–*  *Supporting the Implementation of IPA III OP* | 1 232 500 | 85% | 217 500 | 15% | **1 450 000** |
| ***Activity 3*** *–*  *Enhancing the Capacities for Implementation of IPA III OP Jobs and Opportunities* | 85 000 | 85% | 15 000 | 15% | **100 000** |
| 382 500 | 85% | 67 500 | 15% | **450 000** |
| **Total** | **1 700 000** | **85%** | **300 000** | **15%** | **2 000 000** |

1. Managing Authority (Department for European Integration and International Cooperation, which is to be transformed into a Department for EU Programmes and Funds in MLSP) and the project preparation capacity of the beneficiaries, National IPA Coordinator (NIPAC), National Authorising Officer (NAO), Management Structure (MS) performed by the IPA Funds Management Department within the Ministry of Finance (MF) and Intermediate Body for Financial Management (IBFM) whose functions performed by the Central Financing and Contracting Department (CFCD) within the Ministry of Finance (MF) and Audit Authority (AA). [↑](#footnote-ref-1)
2. PRAG Manual and Financing Agreement. [↑](#footnote-ref-2)
3. Those operating expenditures related to publicity and visibility activities on OP level, organization of SMC and SWG meetings, local travel costs for fuel for on-the-spot visits/ checks, auxiliary expenditures for IPA structure, etc. [↑](#footnote-ref-3)
4. *Indicators checked for the action from the IPA III Results Framework* [SWD\_2022\_445\_1\_EN\_document\_travail\_service\_part1\_v2.pdf (europa.eu)](https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-12/SWD_2022_445_1_EN_document_travail_service_part1_v2.pdf) [↑](#footnote-ref-4)
5. Staff Turnover Rate (%) = (Number of staff who left the organisation during the period (year)/ Average number of staff during the period(year)) x 100. "Number of staff who left the organisation during the period" can be calculated by looking at the number of departures (whether voluntary or involuntary) over a specific period, such as a financial year. The "average number of staff during the period" is typically calculated by adding the number of staff at the start of the period to the number of staff at the end of the period, and then dividing by two. [↑](#footnote-ref-5)
6. ‘N’ refers to the year of signature of Financing Agreement. [↑](#footnote-ref-6)
7. *The amount presented is total amount for the Area of Support 3 in line with the OP allocations, however total amount for this OIS is still to be determined depending on the allocations for the top ups. Same refers to the national co-financing amount*. [↑](#footnote-ref-7)