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ASSESSMENT OF MUNICIPAL SOCIAL SERVICES IN MACEDONIA

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EXECUTIVE SUMMARY

The report explores options for developing social services provided by municipalities, with a focus on identifying incentives and resources to motivate local governments for initiating such investments.

Gap between service needs and supply

The current legislation adequately describes the social services required for sustainable social development and inclusion. However, the actual provision of local social services is very limited and most municipalities seem to attach a low priority to their development.

Only about one in five rural municipalities have a kindergarten, and the existing facilities are not sufficient to meet local needs. Considering the current demographic trends, kindergarten capacities would need to be tripled to reach the Barcelona targets (enrollment rate of 33% for age 0-2 and 90% for age 3-5). Some municipalities have established youth centres with an aim to promote intercultural relations and prevention of juvenile delinquency. A few municipalities maintain nursing homes for the elderly.

Other municipal social services are only provided sporadically and with limited capacity. According to the latest available statistics, home-based services (for the elderly and the disabled) are not provided by any of the municipalities on a regular basis. Other sources suggest that some municipalities do provide such services in cooperation with CSOs, but these initiatives are typically very small scale and not yet integrated into the regular operations of the municipality, so that their sustainability is questionable. In SILC 2016, about 5% of households reported an unmet need for home-based care. The potential need for home-based services for the elderly is likely to be higher, considering that about 15 % of the population aged over 64 live alone, and a further 30% live with their partner (without children or other persons) and about two thirds of the elderly population live on a small income (though not necessarily poor, they are in the bottom quintile of the income distribution).

The potential for change

In the current system local governments have limited resources and little incentive to expand social services. The existing facilities (mainly kindergartens and nursing homes) are financed primarily by central government subsidies and municipalities are expected to cover the costs of any further services from their own resources, which are very limited. Moreover, the provision of additional services is an option but not an obligation: the legal and financial incentives to expand service provision are weak.

The overview of theoretical considerations also suggests that the political incentive for providing social services is weak (or even negative) for some of the services. This suggests that the scope for development within the existing framework is limited to those areas where municipalities may expect significant political gains: services that cover the middle class as well as the poor and possibly those that are highly valued by the local community.

The financial capacity of local municipalities is limited though of course with some regional variation. Given the high inactivity rate in the country, volunteering represents a significant potential. International donations and loans are a further important resource, especially for infrastructure and



human resource investments. Private investment may play a role in some services, notably nursing homes.

There are several pilot projects in Macedonia (and the Balkans) that may be used as a source of inspiration for local service development. As most of these projects have been financed by international donors, they are relatively well documented (see Chapter 5 and Appendices 5-6). There is however limited information on what determines municipalities' willingness (and ability) to participate in such projects and to maintain the facilities developed in the projects.

Based on a review of the attributes of the social services to be provided at the local level, the study identifies five main types of service where municipalities may be expected to make substantial investments. These include community or family based childcare, institution-based childcare, youth centres, home-based care for the elderly and the disabled and nursing homes. Further investment in these areas can be best encouraged by the expansion of central government subsidies. The study identifies some additional options relying on CSOs, volunteering and private donors, and explores the scope for involving private investment (PPP) and inter-municipal cooperation (IMC) as well.

The main contribution of this study is to provide

- arguments and examples for developing services
- recommendations on improving financial and administrative incentives
- guidance to municipalities on how to decide which services to develop first
- options and good practice examples on developing particular services
- guidance on how to empower users and other stakeholders.



1. INTRODUCTION

1.1. AIMS OF THE STUDY

As defined by the call, the aim of this assignment is to contribute to creating a more enabling environment for efficient sharing and outsourcing of local social service delivery and increasing the legal and institutional space for alternative ways of that delivery.

The assignment involves four main tasks:

1. Assess the current legal framework and national/regional/local strategies that determine the local provision of social services in terms of incentives and role division between the central and local level. Recommend amendments to resolve any dysfunctionalities identified.
2. Assess needs for local social services delivery and identify feasible ways for the public provision of these services in cooperation with private and civil sector. Review ongoing projects and government measures regarding the decentralization of competences to provide such services.
3. Identify viable options for integrating social vulnerabilities into the local development framework and recommend methods to:
 - a. empower municipalities and other local development actors to pursue integrated and inclusive local development and to adopt successful approaches and models;
 - b. build inclusive communities that will pro-actively participate in the preparation and implementation of integrated local development programs;
 - c. promote an effective co-designing role and improved access to community-based social services for the vulnerable groups within the local population.
4. Harmonise recommendations with the outputs of relevant ongoing development projects and existing strategic documents.

The added value of this study is to (1) identify the barriers to good quality service delivery across the country and (2) recommend measures, tools or mechanisms that may reduce or remove these barriers. The study will go beyond describing barriers and as much as possible identify the underlying causes, and focus on solutions that tackle these. Lastly, as there is considerable variation across municipalities in the quality and capacity of social services, the recommended solutions will pay particular attention to those lagging behind.

1.2. METHODOLOGY

As the timeline of the project was very tight, we devised an approach that relied on the secondary analysis of existing resources as much as possible in order to have ample capacity to identify dysfunctionalities and opportunities in the existing legal framework and institutional setup, and to generate meaningful solutions.

Accordingly, we used five main sources of information:

- Desk review of legislative and policy documents to map the legal framework and existing evaluations of the policy challenges, map main stakeholders, and review existing projects.¹
- Survey of a sample of municipal home pages to assess gaps and visibility of existing service provision, supplemented where possible by

¹ The authors greatly acknowledge valuable comments by Maja Gerovska Mitev who reviewed the final draft of the report.



- Available administrative and statistical information (e.g. municipal budgets and staff) on local service provision.
- Secondary analysis of SILC microdata to identify needs and regional dispersion in needs.
- Interviews to complement and verify conclusions based on the above sources.

Though this approach does not yield an accurate and detailed map of needs and services for each of the eight planning regions of Macedonia, it enables us to assess the regional diversity of problems. SILC has a relatively rich set of variables for the assessment of needs and is readily available. Consistent with the aim of promoting the empowerment of municipalities, we propose that the assessment of needs and service gaps and the choice of priorities at the local level may be conducted by local municipalities in cooperation with the relevant local stakeholders in a subsequent project.

For the survey of home-pages, we used a sample of 31 of the current 84 administrative units. Though admittedly this did not provide an in-depth description of existing services, it was more feasible than online surveys and interviews, within the time constraints. Also, considering the relatively high internet penetration in the country, it provided a basis for assessing the scope for the use of on-line tools for engaging and informing users.

Interviews were conducted by Memet Memeti and Hyrije Alili-Abazi with representatives of the main stakeholder groups, i.e. ministry officials, municipalities, public and private (non-profit) social service providers, and development agencies.

To assess the range of viable options for ensuring the provision of high quality and accessible social services, we reviewed theoretical arguments (outlined in detail in Chapter 6) as well as the legal framework (see Chapter 2 and Appendix 3).

1.3. NEED FOR SOCIAL SERVICES

The poverty rate is high in Macedonia: around 22% of the population live on less than 60% of the median income (Makstat-SILC 2016). Groups at highest risk of poverty include the unemployed, farmers, casual workers, and children. Unemployment is exceptionally high among youth. Poverty is particularly high while access to social services is limited in rural areas (Petrovska Mitrevska and Tuna 2017). This implies a pronounced need for **preventive social services** (family and individual counselling, community work with youths, etc.).

The elderly are less affected by poverty due to the relatively generous and broad pension system. However, the prevalence of limiting illnesses is high among the elderly, and they often lack access to **home care services**, especially those living in small villages in disadvantaged regions.

Traditional social norms persist, contributing to the unequal distribution of household duties and the large care burden on women, especially in rural areas (Petrovska Mitrevska and Tuna 2017). Though the education level of the population is slowly increasing, the share of low-educated mothers has remained relatively high. This generates a need for providing **day care and early development** facilities for children, especially in rural areas.

1.4. THE CURRENT PERFORMANCE OF THE SOCIAL SYSTEM

The social system in Macedonia aims to provide support to citizens who are exposed to social risks at any stage of their life and to reduce poverty and social exclusion. However, limitations in the design



and available funding and capacities predestine the system to chronic underperformance. According to Gerovska (2015), the impact of social transfers on the level of poverty is small. In 2013, the at-risk-of poverty rate before and after social transfers was 26.8% and 24.2%, respectively. There is a lack of studies that would assess the impact of services on overall poverty and exclusion.

The responsibility of providing social services is divided between the network of social work centres (CSW) and municipalities. The CSW are centrally organised and implement policies that are designed by the central government. They also administer cash benefits and their capacities for service provision is limited. Municipalities are currently responsible for maintaining kindergartens and nursing homes for the elderly. Though the current legal framework allows municipalities to contract CSW for providing further social services tailored to the needs of the local community, this is however rarely done in practice.

The decentralisation process in Macedonia has been supported by a battery of studies and expertise (provided, among others, by UNDP experts) and there is already a large body of studies and policy documents describing or assessing the outcomes of the process (e.g. [Nikolov 2011](#), [Bexheti 2012](#), [Trbojevik 2012](#), [Memeti 2013](#), [Stambolieva 2016](#)). The existing research evidence on decentralisation suggests that local actors lack the capacity to fulfil their social protection roles ([Bogoevska et al 2013](#)). However, there is also some evidence of several initiatives (pilots, experiments, locally developed approaches), such as the [Skopje innovation lab](#) or [Community Social Services Projects](#), to improve services and involve citizens in setting priorities and/or designing services (to be discussed in sections 2.5 and 3.3).

Apart from the general lack of resources (both in CSW and municipalities), there is a lack of information on the needs of socially vulnerable groups, the quality of data management systems tends to be poor and the cooperation between the different branches of social protection, as well as between the provision of social protection and the education and healthcare systems is limited (Sharlamanov and Janovski 2016).

The CSWs, however, implemented several pilot projects that targeted specific groups of people and municipalities, some of which have yielded promising results (Mascarell, 2007). Some municipalities have also succeeded in integrating the opinion and suggestions of the community regarding the contents or quality of services (Trbojevik 2012).

1.5. STRUCTURE OF THE STUDY

The next chapter of the study describes the existing system in more detail, from the perspective of existing legal provision and the available expertise and funding that determine the supply of social services at the local level. Chapter 3 reviews the existing delivery of services while Chapter 4 summarises the existing limited information on needs for services. Chapter 5 outlines potential resources for developing service capacities. Chapter 6 presents options for financing local social service derived from theoretical considerations, while chapter 7 outlines a number of such tools that may function well in the Macedonian context. Chapter 8 includes opportunities for increasing user empowerment. Lastly, Chapter 9 offers some recommendations for implementing these options.



2. EXISTING FRAMEWORK FOR THE PROVISION OF LOCAL SOCIAL SERVICES

2.1. ROLE DIVISION BETWEEN LOCAL AND CENTRAL LEVEL AND EXISTING SERVICE CAPACITY

The 2014 Social Protection Programme ("Official Gazette of the RM" no. 1/14) sets out goals for the government in the area of social welfare. The legal framework for social welfare and child protection is outlined by the laws on social protection, child protection, and family (see details in the Appendix) that prescribe the mandate of the central government and municipalities in establishing, maintaining, and funding social services and institutions.

According to the Law on Local Self-Government, municipalities (and the City of Skopje, henceforth: municipalities) are responsible for social welfare and child protection, covering kindergartens and homes for the elderly (ownership, financing, investment and maintenance); implementation of social care for disabled people; children without parents and parental care; children with educational and social problems; children with special needs; children from single-parent families; street children; persons at social risk; persons affected by drug and alcohol abuse; population awareness raising; housing of people at social risk; and exercising the right to education of preschool children.

The municipalities may, in addition to Centres for Social Work (CSW) and public educational institutions for accommodation of children and youth with behavioural issues, establish public institutions for institutional and non-institutional care on the basis of approval in accordance with the Law on Social Protection. Municipalities can also establish institutions and provide services jointly with other municipalities.

The table below summarises the division of roles in providing social services between the two main providers: the CSW that are maintained by the central government and the municipalities.

Table 1. Role division of CSW and municipalities in providing social services

Main types of services	CSW	Municipality
1 social prevention	Provides	can initiate local programmes via CSW
counselling, community development, youth centres		
2 non-residential social protection		can initiate local programmes via CSW
kindergarten	Provides funding of decentralized responsibilities	owns and maintains
centre for early childhood development*		can initiate local programme
„first social service“ (diagnosing and informing) and counselling	Provides	
home help and care	Provides	



Main types of services	CSW	Municipality
day care services for the elderly and the disabled	owns and maintains	
day care services for other vulnerable groups (drug addicts, victims, refugees, homeless etc)	owns and maintains	
deinstitutionalised care for orphans and disabled persons, support for independent living	owns and maintains	
3 residential care services		
nursing homes for the elderly		owns and maintains
residential care for the disabled	owns and maintains	X
residential care for children etc	owns and maintains	X
4 Social benefits	administers payment of benefits	can initiate additional local programmes via CSW

Sources: Coffey (2011) p. 6. and social inventory (see Appendix) * ECDCs offer early learning and development for children aged 3 to 6 up to three hours per day, with flexible working hours in accordance with the needs of the parents and community (see Article 68 of the LCP). Rules are described at: http://www.mtsp.gov.mk/detski-gradinki-ns_article-centar-za-ran-detski-razvoj.nsp

Note that there are fewer CSW than municipalities. Some CSWs are inter-municipal (IDSCS report 2016): these are responsible for two or more municipalities with local branches (dispersed units). There are 30 Centers for Social Welfare (of which 23 are intermunicipal) and 34 dispersed units of CSW. There are some municipalities with no local CSW unit (see table 2 in Appendix).

Recent statistics on recipients of social provisions suggest that service capacities are very limited. In 2016, about 64 thousand adults received some form of in-cash social allowance, 29 thousand adults received other services of social welfare (excluding placement and in-kind measures) and 17 thousand adults and 11 thousand children received social work services (e.g. counselling to resolve marriage/partnership issues) (Makstat 2017). Approximating the need for services by the number of the poor (around 540 thousand people in 2016), these numbers are very small. Furthermore, the existing services for disabled and elderly citizens mainly offer placement in large institutions, while daycare and assisted independent living is only available in a few municipalities and of a very limited scale (Tashevska-Remenski and Lazova Zdravkovska 2017).

Service capacities are limited in both childcare and elderly care. Kindergartens and CECD are not available in about half of the municipalities and coverage is limited in those municipalities where facilities exist (World Bank 2015a, Makstat 2017). Despite recent investments, the supply of nursing home places has remained below demand, and high user costs limit accessibility for the poor (Tashevska-Remenski and Lazova Zdravkovska 2017).

According to a recent survey, the 30 CSW employ 1112 people, about half of whom are professional staff working with clients (Petrushev and Nechev 2016). However, according to the self-assessment of the centres, they are understaffed. Though centres are allowed to engage volunteers, almost half



of them do not use this opportunity. The centres also have limited capacity to plan and implement projects funded by external donors (Petrushev and Nechev 2016).

2.2. CONTROL OF CENTRAL GOVERNMENT OVER THE PROVISION OF LOCAL SOCIAL SERVICES

The existing legal framework ensures a limited funding but a high degree of autonomy to municipalities in the provision of social services (Table 2). A [draft law](#) recently disclosed by MLSP outlines a further increase of municipal autonomy while broadening the scope for government support. The current system is summarised in the table below and the changes outlined by the draft law are briefly reviewed in section 8.2.

Table 2. Overview of central government control over social services

<i>main types of services</i>	<i>licensing</i>	<i>norms and standards</i>	<i>inspection</i>	<i>monitoring</i>	<i>funding source and method</i>
1 social prevention					
preventive services	ISA	yes (for CSW)	MLSP	MLSP, ISA	in case of municipalities - own source revenues (lacking)
counselling, community dev.	No	yes (MLSP)	MLSP, ISA	MLSP, ISA	
2. non institutional social protection					
day care for children (kindergarten, ECDC)	MLSP for new institutions and staff	yes (OG 05/10)	MLSP	MLSP	for kindergarten: block grant based on no. of users
„first social service“ (diagnosing and informing) and counselling	no	no	MLSP, ISA	MLSP, ISA	
home help and care	MLSP (based on the opinion of CSW)	no (but special requirements for individuals)	MLSP, ISA	MLSP, ISA	
day care services for the elderly and the disabled	no	yes (disabled OG 110/06)	MLSP, ISA	MLSP, ISA	
day care services for other vulnerable groups (drug addicts, victims, refugees, homeless, etc.)	no	yes (OG 33/07)	MLSP, ISA	MLSP, ISA	
deinstitutionalised care for orphans / disabled persons, support for independent living	no	yes	MLSP, ISA	MLSP, ISA	



3 residential care services

nursing homes for the elderly	yes (Gov., MLSP)	yes (OG 05/10)	MLSP, ISA	MLSP, ISA, IAH*	block grants (MLSP budget) based on no. of users + user fees + donations
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Source: Coffey (2011) pp 10-12, p18-21. ISA= Institute for Social Activities (ISA); IAH=Institute for the advancement of households; MLSP= Ministry of Labor and Social Policy.

According to the Law on Social Protection, there are public and private social protection institutions. The former can be established by the Government (central level) and by the municipalities with prior consent from the Ministry of Labor and Social Welfare. Municipal social welfare institutions are managed by a managing board of 5 members, representing the CSW, the municipal council (1 member each), and the municipality (3 members), as well as a director appointed by the mayor.

Earmarked grants were transformed into block grants in the second phase of fiscal decentralization ([Merkaj et al 2014](#)). By 2014 all of the municipalities (except one, the Municipality of Plasnica), have moved into the second phase of decentralization, implying that they get block grants. The formula for block grants has not changed since 2011. The rules on entitlement to social services are set by the rulebooks drafted by the line ministry. Eligibility is evaluated by CSWs or municipalities, depending on the particular service.

The National Programme for development on social protection 2011-2021 prescribes that the Minister of Labour and Social Policy should set up a Coordinating Body for monitoring and evaluating of implementation of the Programme with representatives of central government bodies (Ministry of Labour and Social Policy, Ministry of Local Self Government and the Ministry of Finance) Association of Local Self Government ZELS, Institute for Social Activities, social protection institutions, 3 CSOs (rotating), the Institute for Social Work and Social Policy. The Programme also foresees the establishment of local councils for the implementation of the program and stipulates yearly evaluation of achieved strategic activities and results. However, to date no reports have been made available to the public.

Quality assurance and monitoring

For the core social services there are regulations that describe procedures and norms. These include rulebooks on the form, content and manner of keeping the Register of Social Protection Institutions, the procedure for issuing, extending, renewing and revoking the license of professionals in social protection institutions, the content and form of licenses. There are also rulebooks on the norms and standards for the establishment and commencement of operations in particular services.² MLSP has a department responsible for the development of social care services.

The Institute for Social Activities ([Завод за социјални дејности](#), ISA) supervises the professional work of social protection institutions and their employees. It is also responsible for licensing professionals employed in social protection institutions and organising in-service training. The operation of all institutions is monitored by MLSP, ISA and the CSWs. For the purposes of the Ministry, the Bureau

² These include the Centre for Victims of Human Trafficking, the Day Centre for People Who Use or Abuse Drugs and Psychotropic Substances, the Day-care Centre for Street Children and Day-care Centre for People with Intellectual or Physical Disabilities.



for the improvement of household (bureau set by the special law) monitors the implementation of norms and standards for institutions. However, according to some sources, regular monitoring of quality and accessibility is not conducted systematically for all the services ([Coffey 2011](#)).

Early childhood care and education (ECCE) services have a particularly elaborate quality assurance system (World Bank 2015a). The MLSP adopted the Early Learning and Development Standards (ELDS) in 2009 and approved a curriculum for preschools in 2014. ECCE caregivers must have secondary education, educators must have a tertiary degree. Five public universities and several private universities offer training for kindergarten educators and mandatory in-service training is provided for ECCE staff. There are established service delivery standards and infrastructure standards for ECCE centres and limits on the number of children allowed per class. Mechanisms are in place to enforce standards. Inspectors visit each ECCE centre at least once a year.

For CSW, the Law on Social Protection prescribes that CSW should employ at least one lawyer, social worker, pedagogue, and psychologist and almost all centres fulfil this requirement.

Local governments may also make inspections in decentralised institutions, but few municipalities have the capacity to do so (see section 2.4). In municipalities maintaining a public institution for social protection, the director of the institution is responsible for submitting a report on the functioning and financial management of the institution to the Executive board, the Minister of Labour and Social Policy, and to the mayor of the municipality ([OSCE 2005](#)). According to our research interviews (with a mayor, an ex-mayor and a CSW-manager), mutual trust between municipalities and CSW is not always complete.

2.3. FINANCIAL MEANS AND AUTONOMY OF LOCAL GOVERNMENTS

Financial resources of municipalities

The fiscal autonomy of local governments is relatively limited. The Constitution sets out the basic functions devolved to municipal authority and central funding for their implementation. The law on Financing Local Self-Government Units describes the local government system and sets out its mandate to generate their own revenues, accept transfers from the central budget, and borrow domestically and internationally ([Mitrevic et al. 2014](#)).

Own revenues include those under the full responsibility of the municipality: local taxes – property tax, the inheritance tax, and gift tax; local fees – communal fees, administrative fees, and other local fees; local fees – fees for construction land arrangement, utility fees, fees pertaining to spatial and urban development plans, and other fees; and, revenues from ownership –, property sales revenues, rent revenues, and interest rate revenues, and other revenues from donations, fines and self-contributions. Communal fees make up almost half of municipalities' own revenues, while property tax represents a relatively small share ([Elezi 2015](#)).

Centrally collected revenues shared with municipalities include 100% of the Personal Income Tax levied on local residents involved in craftsmanship (jewellers, silversmiths, tailors, etc), and 3% of revenues generated from the PIT of municipalities' residents in form of salaries where the employer is responsible for paying the PIT on behalf of the employee.

Municipalities also receive 4.5% of VAT collected in the previous fiscal year (MK Gov 2017). The allocation of this transfer functions as an equalisation scheme. All jurisdictions receive a lump sum payment of 3 million denars and the remainder is then divided between the capital city of Skopje



(12%) and all other municipalities (88%). The share of funds for municipalities outside of the capital is divided according to their size (the formula allocates 65% of the pool on the basis of population; 27% on the basis of surface area; and 8% on the basis of the number of settlements) (Elezi 2015).

Intergovernmental transfers include block grants coming from the central budget as well as the earmarked fiscal funds operational in FYROM, such as the Road Fund, Water Fund, and the Fund for Balanced Regions.

Along the decentralized fiscal competencies, municipalities also have the right to *borrow* under the law and regulations of the country for capital and operating purposes. The rules define the limitations placed upon such borrowing as well (Nikolov 2005) pertaining to total amount in relation to borrowing capacity, and other terms.

The Municipality Budget is prepared according to the guidance provided by the Ministry of Finance and the Law on Budgets. Next year's budget preparation should start latest by September 30th each year. The Municipality Council approves the yearly operational budget by December 31st. The Mayor makes the budget proposal. The Municipality Council is obliged to pass a decision on temporary financing, if it fails to approve the budget proposal. The approved budget must be balanced (no room for deficit) and it should be sent by the municipality to the Ministry of Finance within 15 days after its approval, to be further aligned by this ministry with the central budget (expenditures).

The low share of municipal finances compared to central government finances suggests that fiscal decentralisation has yet not reached its expected outcome in Macedonia (Sejdini 2016). Local government revenues as a share of GDP rose from 3% to 6% between 2007 and 2011, and has remained stable around 5-6% since then. This is somewhat above the 2-3% shares observed in highly centralised states such as Austria or Ireland, but considerably below the shares of 15-17 % recorded in Scandinavian countries. Also, most of the increase was due to intergovernmental transfers for devolved competencies where the municipality has very limited autonomy. In 2011, block grants and earmarked grants accounted for 65% of total municipal revenues and 59% of total expenditures related to primary and secondary education and social protection (mostly kindergartens) (ECR n.a., Elezi 2015, MK Gov 2017).

Furthermore, significant differences in the size of the local tax base could result in uneven and inefficient fiscal decentralization. This risk seems high in Macedonia, considering the large gap between rural and urban municipalities. In 2012, rural municipalities only generated 13% of local revenues (EIP 2015).

Aid from donors

Transfers from international donors also play a role in supporting investment into social services (infrastructure, expertise, and methodology) and in some cases also the running costs of the first years. The IBRD, World Bank, UNICEF, UNDP and the Governments of Germany and Switzerland are the largest international donors that have invested in projects related to social services in Macedonia in the last decade (see Appendix 6 for more detail). In some municipalities, donations can be substantial. For example, in 2017, the Municipal Services Improvement Project, the IBRD donated 30% of the capital expenditure in the municipalities of Ohrid and Kratovo and 20% in the municipality of Bitola. These donations financed activities such as reconstruction of streets and green markets (World Bank 2017).³

³ Source: <http://documents.worldbank.org/curated/en/997241531122556117/pdf/MK-MSIP-MSIP2-P096481-P154464-and-TF018812-Audit-Report-for-2017.pdf>



Currently there are three large programmes that closely relate to local services. The decade-long project of the World Bank [“Municipal Services Improvement”](#) aims to improve transparency, the delivery of targeted municipal services, and financial sustainability in participating municipalities between 2009 and 2019, with a focus on infrastructure development. The [“Second Municipal Services Improvement”](#) project of the World Bank mainly provides sub-loans to municipalities for infrastructure development, but it also includes poverty and social inclusion grants as incentives for municipalities to invest in infrastructure in poorer communities within their jurisdiction. Besides these, the project also assists relevant actors, such as ministries and agencies both at the national and local level with project implementation and monitoring to strengthen systems for sustainable service delivery.

The project [“Improving Municipal Governance”](#), funded by the EU and implemented by the UNDP in cooperation with the Ministry of Finance, the Ministry of Local Self-Government and local governments, aims to help municipal governments to deliver high quality services since mid-2017. The 30-month project consists of three main components, including the improvement of monitoring, design and provision of decentralised services, helping municipalities to offer new services based on local development plans, and ensuring the municipalities have the necessary revenues to finance these services.

User fees

User fees are also a possible source of revenue. For kindergartens, there is a uniform monthly fee for full time provision of 1490 MKD (ca. 24 EUR), which equals around 30% of the full cost. The fee is reduced in cases of absences ([Council of Europe database](#)). Nursing homes also charge user fees and according to the latest statistics most tenants pay a full fee (Makstat 2017).

Public-private partnership (PPP)

In general terms, PPP is not efficient for funding social investments if other, cheaper sources are available, such as capital grants from the government or loans or donations from international development agencies. As the latter forms of funding are available in Macedonia, the scope for efficient PPPs is limited.⁴ For services that are supplied mainly to the poor (and thus user fees are not viable), the use of PPPs would imply an increase in the overall cost of the service to the public budget (whether local or central), to cover the profit of the private partner. This is unlikely to be compensated by efficiency gains on the potentially improved management of providing the service. Though the existing legal framework allows municipalities to set up PPPs (see Appendix 3), according to the [Registry of PPP contracts](#), currently there are no PPPs in the area of social protection in the Republic of Macedonia.

There may be some scope for PPP in services that are used by the middle class as well. In this case the profit of the private partner can be covered by user fees (rather than the public budget) and quality assurance can partly rely on user responses and competition between providers. Indeed, the government has recently introduced incentives for PPP in this area (Tashevskaa-Remenski and Lazova Zdravkovska 2017). It should also be noted that the current deinstitutionalisation strategy of Macedonia favours home-based care as opposed to institutional care, implying that the need for large-scale infrastructure investments (where PPP may be relevant) is limited.

Inter-municipal cooperation

⁴ Furthermore, the World Bank’s [PPP Legal Resource Centre](#) warns that the effective setup and management of PPPs require considerable planning and management capacity on the part of the public partner and lists several associated risks. There are some examples in the region, such as a school project in Kosovo (ICF and the Municipality of Prishtina), but these seem to be exceptions rather than the rule.



The scope for inter-municipal cooperation (IMC) in providing basic social services tends to be limited in Macedonia, considering the fact that municipalities cover relatively large geographical area and population⁵ while basic social services should be located near the users to ensure accessibility. This implies that the joint maintenance of institutions may only be efficient in a few specific cases, for example, where a rural municipality co-funds some services established in the neighbouring urban centre, and public transport enables users to access the service. Nursing homes may be an exception, where users from one municipality can move permanently to the other municipality where the facility is established. However, as already noted above, the government's current deinstitutionalisation strategy of Macedonia does not favour the expansion of institutional care.

There may be some scope for IMC in regulating, planning, monitoring, or supervising service provision. The existing legislation enables several forms for IMC and there are some examples of IMCs established with support from UNDP, mainly in the area of social protection and child protection. These have focused on capacity building of the municipal administration for planning and implementation, assessment of service needs, developing service content, preparing action plans and awareness raising about social protection policies.

Accountability

Though there are some legal provisions that explicitly aim to strengthen citizen participation, the accountability of local governments is considered relatively weak, with CSOs and local press having limited control over local governments.

Article 25 of the Law on local self-government lists the following legally recognized direct forms of citizens' participation: civil initiative, citizens' gatherings, and referendum. As explained in the law, the civil initiative refers to the citizens' rights to "propose to the council to enact a certain act or to decide upon a certain issue within its authority". The act can be the statute, programmes, plans, decisions and other regulations adopted at local level. Civil initiative cannot be raised for personnel and financial issues. For any other issue, the council is obliged to discuss it and inform back within 90 days "if it is supported by at least 10% of the voters in the municipality that is of the neighbourhood self-government to which a certain issue refers".

According to Article 27, citizens' gathering may be convened for the territory of the entire municipality or for the territory of the neighbourhood self-government. Citizens' gathering can be convened: at the initiative of the Mayor of the municipality; at the request of the Municipal Council; or at the request of at least 10% of the voters in the municipality that is in the neighbourhood self-government that a certain issue relates to. Referendum is the most legitimate direct involvement of citizens into decision making at local level. It covers issues under the local self-government competence, except issues pertaining to: the budget; the annual account and the organization of the municipal administration.

Nevertheless, Macedonia is still considered a country where the involvement of citizens in budgetary decisions remains rather low. Though it could serve as a performance measure for citizens and other stakeholders to monitor municipal activities, the current legislation does not oblige municipalities of full disclosure of information and documents related the budgeting process. In practice, LGUs do not systematically publish the approved budget on their website (Sejdini, 2016). Our own survey of municipal websites showed that about half of the municipalities provide some information on their spending on social services and in most cases this information is relatively difficult to find.

⁵ According to latest statistics for 2016, 2 municipalities have a population over 100 thousand, 26 have between 21 and 99 thousand inhabitants, 30 have between 5 and 200 thousand and 16 have between 2.4 and 4.9 thousand.



The analysis conducted by [Andonova, Nikolov and Petrovska \(2017\)](#) also indicates a relatively low level of budget transparency among the Macedonian local governance units. The most transparent as regards the overall average level of openness is the Municipality of Bitola and Demir Hisar with a score of 12 (out of maximum 16), followed by City of Skopje, Gevgelija, Kumanovo, Kocani and Ohrid with scores of 11. The least open are the Aracinovo, Saraj, Chair, Novo Selo, Vrapcishte, Negotino with scores 0. The average number of published/attainable documents is four. According to this survey, only 17% publish quarterly budget implementation reports and only 11% of municipalities publish the draft budget (budget proposal) for the following year on the website implying that the possibility of interested citizens to participate in planning the budget of their municipality is very limited. None of the municipalities were reported to prepare a Citizens' budget.

It should be noted however that there are some local initiatives and international projects that contribute to the gradual strengthening of accountability and citizen participation. For example a [World Bank project](#) promoted community-driven development and the establishment of Community Implementation Committees to involve citizens in deciding about local developments (World Bank 2007). The Swiss Agency for Development and Cooperation supports local participatory [Community Forums](#), which have been institutionalised in more than 50 municipalities. The goal of these forums is to enable the active participation of citizens, civil society organisations, and representatives of the business sector in local decision making and to increase transparency. More recently, the City of Skopje opened a so-called "Innovation Lab" with support from UNDP. The lab aims to ensure that citizens can participate in the development of new services and solutions and as a forum for citizens, the business community and civil society to cooperate ([UNDP 2017](#)).

2.4. MANAGEMENT CAPACITIES OF LOCAL GOVERNMENTS

According to Bogoevska et al (2013) as well as our research interviews, municipalities lack the administrative capacity for providing and supervising social services: they do not have sufficient capacity to identify needs, nor the expertise for strategic planning. Though they are legally obliged to prepare annual programmes on the social protection needs of citizens, these are typically not based on the analysis of existing conditions of the vulnerable groups in the municipality and do not rely on consultation with the local actors. As a result, the programmes are mainly formal and do not reflect the real needs of its citizens. Most municipalities also lack the financial means for implementing social programmes. Our municipal interviews pointed to the same direction, illustrating considerable capacity constraints as well as notable variations across municipalities.

Efforts by the central government to support local governments in improving their efficiency and also to ensure even supply of social services (eg. by issuing practical toolkits or providing free software for monitoring service provision) appear to be limited. There are Rulebooks, but these are more about the proper implementation of government regulations. ZELS issued a „Handbook for mayors and municipal council members of the Republic of Macedonia”, however, this is not relevant in the area of social services.

The World Bank's ["Second Municipal Services Improvement Project"](#) already mentioned above contains a component focusing on project management, monitoring, and evaluation. It aims to improve the capacity of all relevant actors both at the national and local level for sustainable municipal service delivery through supporting the operational costs of the project management unit, strengthening institutional and financial systems, and assistance with project implementation and



monitoring. However, this project focuses on infrastructure development, and not directly on social services.

2.5. CSO CAPACITIES

CSOs may complement and extend the existing municipal capacities in social service provision. There are no legal constraints to this, as Article 24 of the Law on Local Self Government enables direct partnership between CSOs and the local self-government. Though the existing capacity of CSOs is relatively small, there is considerable scope for expansion via the promotion of volunteering.

There are about 6000 CSOs registered in Macedonia, but probably only half of them are operative. Most of them operate in urban areas, especially Skopje. The Macedonian Anti-Poverty Platform has 88 CSO member organisations, most of which focus on gender equality and the rights and needs of persons with disability and of the Roma. Only 6 of the member organisation focus on social inclusion. The Association of Social Workers of the City of Skopje is one of the notable CSOs with a long history of developing professional capacities as well as designing and providing social services (especially related to drug prevention and youth volunteering). The association actively cooperates with a large number of governmental and non-governmental organizations, and local self-government units. It has also been involved in several government-financed pilots focusing on the development of social services.

Volunteering represents an important potential resource for expanding CSO capacities in Macedonia. According to the official Eurostat statistics in 2015, 11.2% of Macedonia's population was engaged in volunteering. 28.5% of the population participated in community meetings related to a relevant community action (Talevski and Mrkev 2012). Furthermore, 46% of the population is a member of at least one organisation. The percentage of volunteering in cultural, educational and welfare organisations is between 15 and 20%, in youth and women organisations about 10%, while in sport, humanitarian, peace and professional organisations it is between 5 and 10%, and it is less than 5% in unions.

Volunteering is most popular among youth aged 15 to 29 (around 45%), followed by those aged 30 to 49 (about 41%), whereas only about 4% of Macedonians aged 50 years or older volunteer. About 29% of the volunteers have primary education, about 26% have secondary education and 45% obtained higher education. This suggests that the pool of volunteers could be expanded mainly by engaging older people. The low employment rate and the high pension coverage in Macedonia is likely to favour such efforts.

The UNDP-funded Community Works Programme offers a potentially good framework for the involvement of CSOs and volunteers in municipal social service provision. A recent evaluation shows that the programme can reach a significant number of recipients in disadvantaged groups, and end-users are satisfied with the content and quality of services (Ilkcaracan 2017). The programme may be a good starting point for developing a nation-wide framework in which municipalities subcontract specialised CSOs, and the CSOs employ volunteers to supply services with the professional guidance of the regular staff of CSOs. One CSO-manager we interviewed expressed eager interest in a stable financing arrangement, even with professional supervision attached, for the forthcoming moment their independent international donor support ends. This would ensure that the programme is sustainable and services are to some extent standardised and of similar quality across the country. Even in this case however it is important to ensure that job-ready volunteers receive systematic support in obtaining a regular job.



2.6. GOVERNMENT PRIORITIES, DECLARED STRATEGIES AND PROJECTS

National strategy documents have set goals and priorities for social inclusion in various policy fields in Macedonia during the past decades. The [Ohrid Framework Agreement](#), signed in 2001, ended the armed ethnic conflict between the National Liberation Army and state forces, and according to its stated goals provided a framework for improving ethnic rights, the development of civil society and closer integration with the Euro-Atlantic community. Based on the agreement, any language spoken by more than 20% of the local population became an official language on the municipal level along with Macedonian. In practice, Albanian became an official language with this rule. The Agreement also included provisions on decentralisation and the enlargement of the competences of local authorities.

The [2015-2020 Programme for Sustainable Local Development and Decentralization](#) by the Ministry of Self-Government is the sixth such programme since 1999. The main focus of the Programme is on capacity building of local governmental units and their knowledge-based growth. For example, the [Action Plan](#) for the implementation of the Programme sets out as one of its goals municipal administration capacity building for the development of integrated plans for sustainable development of social services for the period 2016-2017. Programme also aims to reduce disparities between municipalities, and increase efficiency in dealing with social injustice and poverty. Investment in social infrastructure and the transition to community-based services are mentioned among the activities planned in order to achieve these objectives. The Action Plan, for example, mentions the reconstruction and construction of facilities such as kindergartens, social work centres and day care centres. The Programme is financed from the State Budget, earmarked funds, municipal budgets, donations, international donor support and IPA 2014-2020.

The [National Strategy on Alleviation of Poverty and Social Exclusion 2010-2020](#) seeks to reduce poverty and social exclusion in 14 areas including social protection, child protection and long-term care. Among the strategic goals of the document related to long-term care are to make quality long-term care generally accessible to all excluded groups through the changes in legislation and increased number of institutions, efficient decentralization and promotion of public-private partnership. The Strategy also aims to strengthen social protection for the poorest population through e.g. cash social assistance, institutional forms of protection, preventive measures, and capacity building of social workers. It also includes measures to inform about child registration and the UN Convention on the Rights of the Child, changes to the system of child benefits, free-of-charge year at kindergarten for children in preschool age, improving access to education etc.

The Ministry of Labour and Social Policy's [Strategy for the Roma in Republic of Macedonia 2014-2020](#) sets various strategic goals for the improvement of the opportunities of Roma in Macedonia and for social inclusion. These include the improvement of employment opportunities, raising the level of education, reducing the gap in quality of housing, improvement of health status and the promotion of Roma culture, language and tradition.

The National [Strategy for Deinstitutionalization](#) in the Social Protection System (2008-2018) and the updated [Strategy for \(2018-2027\)](#) aims to raise the quality of services and reduces regional differences in the quality and accessibility of social services at the local level. The strategy outlines the development of existing and new institutional forms of care that facilitate independent living and family-based care (as opposed to traditional large institutions) and includes concrete plans of establishing new facilities in particular municipalities.



The [2016-2020 National Equality and Non-Discrimination Strategy](#) of the Ministry of Labour and Social Policy sets the framework for the harmonisation of Macedonian legislation with international standards in the fields of non-discrimination and rights of ethnic minorities, the ratification of several international agreements, including the Istanbul Convention and the European Charter for Regional and Minority Languages, and the development of anti-discrimination measures to support the employment of people living with disabilities, better access to legal representation and changes in the educational materials. It also includes provisions that aim to facilitate the work of civil society organisations, especially in the field of non-discrimination.

The main bodies working on issues of equality and non-discrimination in local self-government units are the Committees for relations among communities (which are obligatorily established in municipalities of mixed ethnic composition) and Committees for equality between women and men (which all municipalities are to establish). These are advisory bodies to Municipal Councils and work on issues within their competences, while Councils are to take into consideration their recommendations.

The [National Youth Strategy 2016-2025](#) includes 3 objectives (within education and health) that relate to social services: the inclusion and integration of children and youth with special needs in the education system (objective 9), support of children and youth who are neglected in terms of education and upbringing (objective 10), and setting up conditions for the continuous rehabilitation and re-socialisation of vulnerable categories of young people (objective 6). One of the target areas of reforms outlined in the Government Program 2017-2020 is social protection for the most vulnerable, besides economic growth, job creation, fair taxation and support for SMEs.

Although non-discrimination is the subject of several government strategies, these do not focus on social protection or poverty reduction, and most of the targets are of a legal nature.

The [Government Programme 2017-2020](#) has a specific target area dedicated to the protection of most vulnerable, which indicates that there is openness to suggestions which improve social services for the most deprived groups at the municipal level. The Programme also mentions establishing a functional network of social protection institutions, transferring some authorities to local self-governments, setting up a system of family social workers, and financing overnight shelters and food corners for homeless people in cooperation with CSOs and municipalities.

The MLSP [National Program for Development of Social Protection 2011-2021](#) aims to separate the cash benefit administration from the social services, develop social prevention, improve the targeting of cash assistance, and continue with the deinstitutionalization, decentralization and pluralization in the field of social welfare. One of the measures of the programme is therefore to establish the Agency for Cash Entitlements and to transform ISA into the Institute for Social Services (ISS). This also leads to the reorganization of CSWs in order to achieve higher specialization, e.g. through creating separate departments for children and adults. The document also provides measures to improve the capacity of CSWs, to strengthen monitoring and evaluation, and to improve the professional work in the institutions for social protection. The implementation is set to be financed from national as well as municipal budgets and from donor contributions.

As decentralisation, deinstitutionalisation, and the improvement of social services for the most vulnerable is a priority of several national strategies, there seems to be openness to improving services at the local level with the involvement of CSOs. However, the extent to which reforms are implemented depends largely on political commitment and potential resistance from stakeholders,



as strategy documents are not binding and they do not make clear commitments in terms of funding. As one CSO-manager interviewee put it, in Macedonia: “implementation is very often limited to specific interests derived from the current political discourse, current media [...] stories rather than following the specific action plans”.

2.7. STAKEHOLDERS / POLITICAL COSTS AND BENEFITS OF SOCIAL SERVICE DEVELOPMENT

The process of developing social services provided by municipalities is an inherently political one. Success therefore hinges on lining up supporters and placating/convincing/co-opting potential adversaries of the efforts proposed. While such a report cannot produce a complete and up-to-date roadmap, based on publicly available sources (webpages, newspaper articles) and interviews (see Appendix 6.7) we compiled a list of key actors, whose potential influence on the outcome (including whether they can veto/defund it) is high, along with what their role could be in the process and what their conditions and concerns are likely to be to support or at least not to block the process this paper argues for. Since this analysis is done from the point of view of the municipal political powers, who, we assume, would drive the changes, they themselves are not explicitly covered here.

We summarized the insights gleaned in Table 3, with a focus on actors whose influence onto the process we deem high; a more extensive and detailed version of the table is relegated to the Appendix. In that version we also discuss additional actors, who, albeit matter and should be, if possible, brought on board, have a lower influence on the reform process in question. These include:

- the Assembly, that could, in principle, block the passage of bills,
- religious organizations and
- CSOs who could want to participate in supplying some of the social services in question,
- the CSWs that might take on a professional monitoring role or
- local actors like inter-municipal cooperation frameworks or
- ZELS, which could be a useful venue for municipalities to combine their efforts, discuss solutions and lobby government.

Table 3. Stakeholder Analysis: high influence stakeholders

Actor	Influence	Role	Conditions and concerns
President, Prime minister	High	Not to veto / popularize	Whatever legislative changes and public investments are proposed should not interfere with their political agenda
Minister of Finance	High	Approve whatever budgetary changes are necessary	Proposed expansion in local social services should exhibit fiscal sustainability – if it requires higher expenditures without generating higher revenues, there should be a clear political support for an increase in net expenditure
Minister of Labour and Social Policy, Minister of Local Self-Government	High	Issue and enforce lower-level regulation, allocate capitations, supports local development	In addition to portfolio-specific policy goals, they do not want to lose control over processes and discretionary power, and want a



Actor	Influence	Role	Conditions and concerns
			clear regulatory environment in place
International donor organizations (esp. the UNDP, the World Bank, and the EU)	High	Sponsor pilots and Contribute to costs of setting up new local social services.	The measures to be supported should contribute to the peaceful economic and social development of the country in an EU-compatible direction

Thus here we concentrate on four key factors that determine the main constraints of municipal action towards extending social services:

1. The changes should steer clear of interfering with cleavages in national politics.
2. The short- and long-run fiscal costs and benefits of any expansion suggested, including revenues generated and returns on social investment (based on indices like the number of unemployed mobilised as volunteers or mothers returning to the labour market) should be spelled out to reassure authorities in charge of the national budget that the proposed actions are financially sustainable.
3. A clear regulatory framework with well-delineated responsibilities and clear competences has to be established.
4. The generous support of international donors relating to municipal social services, especially that of the World Bank, UNICEF, UNDP and the European Union should be leveraged.

2.8. OVERVIEW: BARRIERS TO EXPANDING SOCIAL SERVICES

In conclusion, the main barriers to the expansion of social services seem to be of a financial and political nature, as the existing legal framework is relatively flexible. It seems that local governments have limited resources for providing or outsourcing social services and also limited incentives for doing so. The legal framework gives a fairly high level of autonomy to the local level, but does not prescribe minimum levels of service provision. There are practically no financial incentives for expanding local service provision beyond maintaining the existing institutions. Political incentives are also weak, given the generally weak level of accountability and the fact that the typical users of most social services are poor (and/or marginalised) and unable to press municipalities for better services; neither have we found evidence that social inclusion ranks high on the nationwide political agenda at the moment. Changes, however, have to take the political and fiscal constraints into account.

3. DELIVERY OF SOCIAL SERVICES AND USER EMPOWERMENT

3.1. AVAILABLE SERVICE CAPACITIES

The main social service available in a little over half of the municipalities is kindergartens and early development centres (CEDC). However, even where kindergartens exist, their capacities fail to satisfy local demand, as suggested by the wide-spread use of waiting lists by kindergartens (World Bank 2015b). While most kindergartens offer a full day programme, CEDC only offer a half-day programme (up to 3 hours a day). The overall pre-primary enrolment rate is around 22% and 9% for children aged below 3. Geographical coverage is very uneven as almost all kindergartens are in urban municipalities and around 45% of the total capacity is located in Skopje (Makstat 2017). Pre-primary enrolment is



more than six times higher in urban areas (37%) than rural areas (6%) (World Bank 2015a). CECD are mainly established in rural communities. There are also 22 registered private childcare providers, based in urban areas and with limited capacity. Though usage is highly subsidised, parental fees may constrain access by poorer households even in urban areas. Access by ethnic minorities and especially the Roma is particularly limited (RECI 2017).⁶

There are only five public nursing homes for the elderly that are located in the largest cities of the country, except for the newest, which is located in Berovo. The total capacity of these institutions is 624 beds, while there are 731 beds available in private institutions. As with kindergartens, the geographical spread of the existing capacities is very uneven. The small nursing home of Berovo with 15 beds is the only institutions serving the eastern part of the country and the Polog and South-West regions have no public facility at all, while almost half of the total capacity is located in the Pelagonia region (in Bitola and Prilep) (COE 2017, Tashevskaja-Remenski and Lazova Zdravkovska 2017).

Other social services are only available sporadically. There are a few daily centres for disabled persons managed by municipalities (e.g. in Kumanovo and Struga) or outsourced to NGOs, and MLSP has recently launched a programme of personal assistants to support independent living.⁷ Some bigger cities (most of all Skopje) have developed further services on their own initiative or in partnership with the line ministry and/or foreign donors, while in other municipalities additional services are mainly established in projects initiated by international donors. Such services may include home based care or community based day-care for disabled children and adults or elderly, early development and parenting services, soup kitchens for the poor, community centres for youth, and assistance to refugees (see section 5.4 for more detail).

In general terms municipal service provision tends to be inefficient, though with significant variation across municipalities (Nikolov 2013). Ethnic composition, population density, own tax revenues and the mayor's political affiliation (vis a vis the governing parties) explain most differences in efficiency. Also, service provision is less effective in fragmented municipalities.

3.2. SUMMARY OF SURVEY ON MUNICIPAL WEB PAGES

Municipal websites can be used to inform citizens of the available services and also about the management of municipal affairs. Though municipalities may use other channels (local media outlets, printed notices, and flyers etc.) to inform citizens, the websites to some extent reflect the general approach of a municipality towards service provision and transparency. Therefore we conducted a [survey of 31 websites](#) in a stratified sample of municipalities⁸ to assess their information content and user-friendliness, with a focus on social services. The sample included a balanced share of rural and urban municipalities while municipalities with a higher proportion of ethnic minorities were somewhat overrepresented.

⁶ While the share of Roma is around 5 % among children, in kindergartens it is only around 1% (RECI 2017).

⁷ As part of the Personal Assistance Program launched in March 2018, the MLSP issued a public call for registered social protection associations based in 7 selected municipalities (Bitola, Struga, Kumanovo, Negotino, Gostivar, Strumica and the City of Skopje) to apply for providing the service and will train 100 assistants.

⁸ The sample included Arachinovo, Berovo, Bitola, Bogovinje, Centar Zhupa, Chashka, Demir Kapija, Dolneni, Ilinden, Jegunovce, Karbinci, Kochani, Konche, Kratovo, Krushevo, Kumanovo, Lozovo, Mogila, Novo Selo, Ohrid, Plasnica, Rankovce, Resen, Skopje, Strumica, Studenichani, Tearce, Tetovo, Veles, Vevchani, and Zrnovci.



As the table shows, about half of the municipalities provide basic information about local service on their websites, such as the address of the kindergarten, while only one third promotes CSO services and only one use the website to inform citizens about the availability of centralised social services such as the CSW. About half of the municipalities disclose basic information about their own management (the unit responsible for social services) and spending. Information on the accessibility and quality of the services that would enable citizens to monitor the municipality's performance is only available on 1 or 2 websites.

Table 4. Accessibility of information about social services on municipal websites

	No info provided	easy to find	difficult to find	difficult to read**
Social service institutions	13	6	12	2
Municipal social services*	16	5	7	4
Centralised social services	30	1	0	0
CSO social services	22	5	2	
Unit(s) of the municipal office responsible for designing, financing and monitoring social services	14	6	9	
Municipal spending on social services per year	15	5	10	
Statistics on number of citizens using social services	30	0	1	
Quality or effectiveness of social services (e.g. monitoring indicators or report by supervisors)	30	0	1	
Municipality's annual programme for social protection (programa za socialna zastita)	29	1	1	

Source: Own survey of sample of 31 municipalities. *In 3 cases the information was available but there was no indication if it was easy to find. ** This was asked only for the first 3 items.

3.3. INFORMATION ON USER EMPOWERMENT

Usually user empowerment is not in the focus of social service delivery in the country, and information on its forms and role in programme design is scarce. There are however some pilot projects that involve some elements of user empowerment. For example, a joint project of the UNDP, UNFPA and UNICEF aims to generate proxy data to better understand the situation of people living with disabilities in the country⁹. The project includes face-to-face surveys to understand challenges and to identify social services that people living with disabilities would need, focus group discussions with professionals to identify new opportunities and a smartphone application to crowdsource information on physical barriers people with disabilities face. Persons with disabilities participate in every step of the project, including the design, data collection and analysis, and questionnaires are

⁹ https://undg.org/silofighters_blog/data-to-drive-better-services-for-people-with-disabilities-in-fyr-macedonia/



developed together with CSOs and associations working with people with disabilities. A similar approach is used in Konce, where the municipality assesses the needs of its citizens on a regular basis, i.e. once a year (Trbojevik, 2012).

Involving local citizens in municipal decision making, and hence the design of social services is also a crucial element of empowerment. According to Jovanova (2014), citizen participation in decision making is usually driven by international and domestic donor institutions, but there are some good examples. In Bitola, neighbourhood self-government units are involved in the budget development process, and the presidents of these units are requested to submit budget plans for their respective neighbourhood each year, with activities covering the interests of all citizens of the neighbourhood (Jovanova 2014: p77).

In Pechevo municipality, for the purposes of the strategic and action planning and priority setting of the municipality, focus groups were established in order to check whether the planned activities are in line with the actual needs of the citizens. Also, parents of children with special needs have been invited to participate in the development of information booklets on their rights. The proposals of the focus groups have been integrated into the current Local Strategy ([LBI 2012](#)).

A [World Bank project](#) of 2006-2007 introduced so called Community Implementation Committees to support municipal bodies in deciding about community development projects.

4. MAPPING THE NEED FOR SOCIAL SERVICES

4.1. NATIONAL LEVEL

This section provides a brief overview of the potential need for social services in Macedonia. We proxy care needs by the age distribution of the population (assuming that children and the elderly need care) and disability. We proxy the need for preventive services and counselling by the share of the population affected by poverty and/or long term unemployment. The main source of information is the SILC survey of 2016, which provides data on the demographic characteristics, labour market situation, and living conditions of a large representative sample of Macedonian households. Unless otherwise indicated, the figures are a product of own calculations using individual level data from SILC 2016.

We consider potential care needs rather than observed use of care as the current system seems to be characterised by lack of capacities and reliance on family-based care. According to a recent survey, one in two female respondents agree that household responsibilities prevent women from having a paid job (Ilkcaracan 2017).

Need for childcare and early development

Children aged below 3 are either with their mother (about 53%) or in informal care by another person (professional or other family member, 38%) and only 9% attend a formal care institution. Considering the current demographic trends, kindergarten capacities would need to be tripled to reach the Barcelona targets (enrolment rate of 33% for age 0-2 and 90% for age 3-5).



Table 5. Share of children age below 3 attending formal or informal day care in 2016, %

	formal care	informal care
Zero hours	91.0	53.1
From 1 to 29 hours	2.3	23.8
30 hours or over	6.8	23.1

Source: SILC

The share of single parent households is relatively low: about 11% of households with children or 8% of all households (also, most single parents live together with other nuclear families; source [Makstat online](#)). However, the share of children potentially needing development or counselling (proxied by the parents' education) is relatively high. About one in five pre-school age children were born to parents with maximum primary education (iscled level 1-2). The share of children with low educated parents is even higher in the older age groups.

Table 6. Children by age and parents' education level in 2011 and 2016, %

Age of child	level 1 and 2		above level 2	
	2010	2016	2010	2016
Less than 6 years	30.3	22.9	69.6	77.1
From 6 to 11 years	33.6	25.9	66.4	74.1
From 12 to 17 years	30.6	32.8	69.4	67.2

Source: EU SILC

Need for elderly care

The potential unmet need for nursing homes and home based care services seems to be substantial. According to Eurostat SILC, about 15% of the population aged over 64 live alone, and a further 30% live with their partner (without children or other persons). The prevalence of illnesses that severely limit daily activities is around 5% in the adult population, but is much higher (around 18%) among the elderly (population aged over 64, Shavreski and Kochoska 2017, citing Makstat data for 2014).

There is also some evidence that ethnic minorities may have a higher need for and or a lower access to social services, for example, pension coverage is lower among Albanian and Turkish women and Roma (Váradi et al 2015).

Need for prevention and other social services

Poverty and unemployment imply a need for counselling and preventive services that support families in overcoming the problems caused by their deprived status, mitigate the consequences of material deprivation and prevent the intergenerational transfer of poverty. The prevalence of poverty and unemployment in Macedonia suggests that there is a pronounced need for such services.



Though long-term unemployment shows a declining trend, it still affects over 200 thousand people. Considering the families of the long-term unemployed, this implies that around 20-30% of the population may be affected. Youth unemployment is around 50% and the share of youth not in employment or education nears 33%, which is over twice the EU average.

Table 7. Number of unemployed persons by duration of unemployment

	2010	2013	2016
Up to 1 month	9968	8705	9235
2-5 months	20935	20312	19003
6-11 months	19238	19606	14784
1-3 years	60552	58828	43177
4 years and longer	189747	169767	138850

Source: EU SILC

Poverty is similarly wide-spread. In 2016, about 42% of all households had difficulties paying utilities. Their share was even higher in families with three or more children and also in single parent families.

Table 8. Share of households facing a difficulty in paying utilities, specific household types

	2010	2013	2016
Single person with dependent children	32.2	51.8	66.3
Two adults with three or more dependent children	58.6	62.0	69.5
All households	41.5	40.3	41.6

Source: EU SILC

4.2. VARIATION ACROSS STATISTICAL REGIONS AND RURAL/URBAN AREAS

To assess regional variation in needs, we grouped the municipalities of Macedonia into four clusters based on specific characteristics of either the municipality itself or the rural or urban part of the statistical region the municipality is situated in. The variables used in the clustering are described in Appendix 6.10.

The four clusters vary in terms the share of rural-urban areas and population size. Cluster 1 includes larger urban municipalities relatively well-endowed with social services. Cluster 2 includes smaller urban areas as well as some rural areas populated mainly by Macedonians, and all are relatively well-endowed with social services. Cluster 3 and 4 are both mainly rural and smaller in terms of population and lack services. In cluster 3 only 63% of the population and in cluster 4 46% of the population (46%) is Macedonian.

The share of elderly in the population is similar across the clusters, while the share of low-income elderly population varies considerably: it is the highest in cluster 1 (80%), the lowest in cluster 2 (67%), and moderate in cluster 3 and 4 (72-73%). The share of children is much higher in the rural clusters than in mixed and urban clusters.



Regional variation in service needs is quite high (table 10). With few exceptions, rural areas tend to be poorer than urban areas (this holds for the whole country and also for most statistical regions). The exceptions include the Skopje region, the Southwestern region, and the Pelagoniski region where poverty is relatively low and the urban/rural divide is small. Poverty is highest in the rural parts of the Vardarska and Northeastern regions. These areas are also characterised by a high rate of long-term unemployment. As the table below shows, the variation in the age composition of the population is lower than in the income distribution, which suggest that care needs of children and the elderly are relatively evenly distributed. However, the share of working women varies considerably across regions and rural versus urban areas, implying that the immediate need for public services is also likely to vary considerably (assuming that inactive women fulfil care responsibilities).

Table 9. Regional variation in indicators reflecting service needs, 2016 (% of population)

	urban	mixed	rural1	rural2
Children under 5	4.9	4.6	5.9	6.3
Children between 6 and 14	10.2	10.1	11.8	12.4
Population aged over 60	20.7	22.2	17.1	16.3
Arrears on utility or mortgage*	19.7	17.7	26.1	19.7
Income in the bottom quintile	14.9	18.3	23.2	20.5
Long term unemployed**	14.3	10.8	12.2	12.6
Employed women	36.0	33.1	18.3	20.1
Inactive women	41.8	46.8	52.1	59.2
Unmet need for home care	3.4	4.0	6.0	4.7
Low income 60+	80.0	67.1	72.9	71.8
Total population (thousand people)	1443.6	238.4	156.7	233.8

* twice or more often; ** in working age population; Note: the rural1 cluster has a lower share of ethnic minorities and has a CSW center. The rural2 cluster has a higher share of ethnic minorities and is part of an inter-municipal CSW. See more detail in Appendix 6.8.

Source: own calculations using SILC 2016



5. POTENTIAL RESOURCES FOR DEVELOPING /EXPANDING SOCIAL SERVICES

5.1. FINANCIAL SOURCES

Developing or expanding social services requires additional financial resources of two kinds: a one-time investment in setting up the necessary infrastructure, and training the human capacity needed; and a sustainable flow of local/central budgetary appropriations, fees, voluntary contributions or revenues to cover the expenditures entailed in steady state, year after year. Paying for both, but especially the first, could seem especially daunting for the fiscally responsible leadership of a municipality. Where could the necessary resources come from?

Central government budgetary funds for such municipal capital outlays are available but extremely limited. Once new services are in place, at least in certain cases formula-based capitations will create a transfer from the central budget to the municipal one (Section 2.2).

Local funding by making tax collection more efficient or increasing local taxes and other revenues is always an option, but naturally a highly unpopular and often a distortionary one. Nevertheless, higher local taxes can be argued for if the tax can be targeted to those who are most likely to benefit from the new social service; one internationally widespread example is to tax property value increases thanks to the new social services (e.g. residential real estate values rise thanks to the proximity of a new kindergarten). In as much as new real estate (e.g. new premises for the service in question) is purchased or built by the municipality, it is not against prudent local budgeting principles to offset that by selling other, less productive municipally owned real estate either.

As mentioned above, international donors, chief among them the World Bank the EU, Unicef and the UNDP make resources available for municipal investments in expanding social services. Other private donors, such as philanthropists, the expat community, multinational companies or local firms (as part of their Corporate Social Responsibility programmes) may also contribute to financing local investments, especially those of a smaller scale.

PPP investments can be relevant primarily in services potentially used by the middle (and upper) class, user fees are high enough to ensure a reasonable return on investment and segregation is not an issue. One of the few social services that conform to these characteristics is nursing homes, which has already attracted some private investment. As noted in Chapter 2, for other services, such as home care or daycare centres for disabled, Public Private Partnership is usually a less adequate form of investment, as return on the investment could only be reached as a difference between state/municipal subsidies and the costs of investment/operation, which could encourage operators to spend less on services than the amount of subsidy or to lobby for higher subsidies.

An additional potential resource is volunteer time. Many of the social services to be set-up or expanded can be interpreted as instances of *charity*, a central tenet of both the Orthodox Christian Faith and Islam (as well as of other denominations). Also, there are a host of CSOs in Macedonia, with different missions that also often overlap with what the social services to be provided by the municipality want to achieve (Section 2.5). If they happen to be or can be enticed to become active locally, and if a clear framework is set up for cooperation and monitoring, these organizations can be the sources of both know-how and dedicated social work at below-labour market wages.

5.2. EXAMPLES OF INVESTMENT IN LOCAL SOCIAL SERVICES

Social service investment initiatives implemented by municipalities in Macedonia or in other countries represent an important source of inspiration and technical knowledge. Table 10 below lists examples for the main types of local social services that may be relevant for most municipalities in Macedonia. Some of the examples are described in more detail in Section 6 of the Appendix.



It should be noted however, that to date there is limited information on what determines municipalities' willingness (and ability) to undertake such investments and to maintain the facilities developed in the projects despite the general lack of finance.

Table 10. Relevant good practices

service type	examples*	relevant for urban/rural	link
community-based kindergartens	Kyrgyzstan - small kindergartens close to the people, embedded in small local communities, enrol children for a shorter stay (A. 6.1)	mainly rural	Ravens, 2010
	MK community works programme (CWP): home-based help by unemployed (A.5.4.)	both for rural and urban	UNDP et al 2017
inclusive ECE development	Serbia - preschool places for children ages 3 to 5.5 years, improving access for children from socially disadvantaged backgrounds (A. 6.2.)	urban and rural	World Bank, 2017
early childhood development - parenting support	MK assistance to families, parenting classes, outside school activities, Half-day learning program (A. 6.3.)	mainly urban	World Bank 2013
		mainly rural	UNICEF, 2014
youth centre (prevention)	MK recreational centres for youth and children (A. 6.4.)	both for rural and urban	World Bank, 2007
home help (shopping, meals, etc) for the elderly	MK home-based help for elderly by unemployed women (A. 6.5.)	rural	LBI 2012 (pp33-34)
	MK CWP: home-based help by unemployed (A.5.4.)	urban and rural	UNDP et al 2017
	MK care assistance in the pursuit of daily duties, psycho-social support, physiotherapy, home maintenance	urban and rural	Iris 2016
	MK soup kitchen and doctor's visit	both urban and rural	Mascarell 2007
nursing home for elderly	MK care and residence (A. 6.6.) (Berovo)	urban	Tashevskaa et al 2017
day care centre for disabled	MK care services during the day (Kumanovo and Struga)	urban	Stojanov 2016
refugee assistance	MK food for children, items for hygiene, drinking water, mother and baby corner (A. 6.7.)	urban (the town of Gevgelija)	UNICEF 2015



*Further details are provided in the Appendix (the reference number of each practice is indicated in brackets).

Beside individual projects, there are several informative studies that describe particular service provision models and estimate the cost of establishing and maintaining particular services in an institutional and economic context similar to that of Macedonia. For example, ICS/Unicef (2016) provides detailed cost-estimates for various social services in Albania, while Unicef (2010) describes the cost of community-based childcare in Kyrgyzstan.

There are also several useful toolkits for improving various aspects of municipal service provision, such as the UNDP (2009) guide on measuring participation, accountability, and efficiency of local governance, the OSCE (2017) toolkit for improving the quality of public sector, the OSCE (2012) Ljubljana Guidelines on Integration of Diverse Societies, and the OECD (2013) guide on quality assurance methods in elderly care.

6. THEORETICAL CONSIDERATIONS AND EXISTING GOOD PRACTICES IN SOCIAL SERVICE PROVISION

6.1. A TYPOLOGY OF SOCIAL SERVICES

Based on general Public Finance theory, we use a typology of basic social services that helps us identify key issues in the provision of local social services and how these limit the range of efficient financing methods. The typology is derived from the characteristics of the services, namely (a) whether the outcomes and quality of services are easily measurable; (b) the service generates positive externalities and thus can be considered a merit good; (c) if there are asymmetric information and principal-agent problems related to the provision and consumption of the service; (d) if the service is related to the accountability and responsibility of the local government, or if it is important for the median voter; (e) the cost structure of the service, and especially whether fixed costs are significant.

We distinguish 8 main types of social service that may be provided by municipalities according to the existing legislation. These can be characterised as follows, in terms of the above outlined specificities.

(1) Temporary shelters for victims, teenage mothers etc.: Shelters may be considered a merit good in the sense that using them may prevent further social problems and when children are involved, there are also considerable long-term positive effects on their future life. The output of providing accommodation in shelters is relatively easy to measure (e.g. number of persons x nights spent at the shelter) and the users are able to assess the quality and accessibility of the service as much as the provider, so that asymmetrical information issues are negligible. However, the cost of rent (or capital investment in property) imply a relatively rigid technology in the provision of this service and the service is mainly used by poor or vulnerable citizens. Also, in some cases service provision needs to rely on close cooperation with the police or other authorities.

(2a) Family or community based childcare is a form of care in which a group of 3-7 children are attended by a semi-professional carer in a private home or a similar facility.¹⁰ It contributes to the

¹⁰ The current legislation in Macedonia distinguishes home-based care, ECD centres, and kindergartens. Home based care can be provided by an untrained carer (with at least secondary education) and the maximum group size is limited to 5 children. Care hours are not regulated. The above defined form would require some training for the carer.



cognitive development of children (leading to better school performance, etc.), which is a positive externality. The output is relatively easy to measure (number of children x days attending care facility). The service is typically used mainly by the middle classes, as educated mothers have more incentive to return to employment. The technology does not require much investment as the main cost is personnel. Asymmetric information may be a problem as parents may not be able to correctly assess all aspects of service quality (e.g. the ability of staff to detect and tackle problems in skills development).

(2b) Institutional care for children (Nursery, ECD, or kindergarten¹¹) is similar to family-based day-care, except that the setup is more formal, and thus requires some investment in the infrastructure and the cost of rent is not negligible (relatively rigid technology).

(3) Family counselling, street social work, and child protection share the same attributes: the outcomes are difficult to measure (e.g. a high number of counselling sessions may be a sign of low quality) and the users may not be able to correctly assess the quality of the service. These services are very clearly merit goods: their use may prevent further problems and typically it is a public interest that users have them even if they do not think it worthwhile. The costs are mainly related to personnel, so the technology is relatively flexible.

(4a) Home help for the elderly (or disabled) and institutional care for the elderly is similar to family based day-care (2a), with the exception that the quality of the service may be somewhat more difficult to measure as it involves subjective elements (the user's perception of respect for their independence, etc.).

(4b) Nursing home for the elderly is similar to kindergarten (2b) with the exception that the quality may be somewhat more difficult to measure as it involves subjective elements.

(5) Meals provided to the elderly (or children during holidays) in their home is in fact an element of home-help, but may be organised as a separate service and it is worth distinguishing as its attributes differ from home-help. In particular, it is less of a merit good as users perceive the value of having it (so the risk of under-consumption is negligible), it is relatively easy to measure, and it is mainly used by the poor. The last aspect flows from the fact that meals can be bought on the market as well, so wealthier people typically rely on the market as that offers more choice.

(6) Supported living for disabled citizens is not so easy to categorise as it may include diverse service elements depending on the needs of the users. Some elements may be easily measurable and their value clearly seen by the users (e.g. help in physical mobility) while other elements may be less easily measurable and less obviously recognised by the users (e.g. help in making financial decisions). So this service combines elements similar to providing meals or home-help.

(7) Youth centres that combine cultural services with preventive social services (advice, counselling, referral to specialised social and health services) have similar attributes to family-based day-care services. There are positive externalities such as improved school performance and health and reduced crime rates and the service can be used by the middle class as well (especially in rural areas). The fixed costs depend on the range of services provided but are not necessarily high, and the risk of

¹¹ In Macedonia, ECDC provide care and development (often including parenting advice as well) by a professional carer for up to 3 hours a day, and group size is between 10 and 20 children. Kindergartens are similar, but are open 9-11 hours a day, and the development aspect is weaker.



asymmetrical information is relatively low as some of the positive effects are immediate and easy to assess by parents.¹²

The typology of these services is presented in the table below (note that the table is reduced to the relevant cells, i.e. it does not show all potential combinations of the main aspects).

Table 11. Typology of services and implications for financing options and user empowerment

		<i>used primarily by the poor</i>		<i>used by middle class as well</i>	
		<i>asymmetrical information + flexible technology</i>	<i>symmetrical information + rigid technology</i>	<i>asymmetrical information + flexible technology</i>	<i>asymmetrical information + rigid technology</i>
<i>Merit good</i>	<i>measurable</i>		1. temporary shelter for victims etc	2a. family-based day care for children 7.youth centres	2b. nursery /kindergarten
	<i>difficult to measure</i>		3. family counselling, street social work, child protection	4a. home-help, elderly care	4b. nursing homes
<i>non-merit good</i>	<i>measurable</i>	5. meals		6. supported living	

Source: BI, based on Reddy and Vandemoortele 1996. For a detailed description of the services, see Chapter 2 and the Appendix.

6.2. THEORETICAL CONSIDERATIONS IN THE CHOICE OF FINANCING TOOLS

The above typology defines a set of financing and quality assurance options for each social service, which can be further refined given the existing service capacities, financial resources, and managerial capacities in local governments. These limitations are likely to vary across municipalities, so we will highlight possible variations depending on the economic, social and institutional characteristics of the municipality.

The financing of social services is not simply a question of money: it shapes the incentives for establishing and maintaining services, as well as the quality and accessibility of services. There are five main dimensions regarding the role of the potential actors, and a sixth one that relates to the calculation of the eligible costs. The first five dimensions are summarised in the table below. Note that the solutions in these dimensions can be combined in various ways.

¹² Though youth centres differ from family-based child-care in this last dimension, it was allocated to the same category in our typology for simplicity.



Table 12. Main decisions in the choice of optimal funding and delivery options

	central government	local government	CSO/ church	user	consideration
who pays?	block/ categorical grant	matching grants		co- payment	central gov should co-fund merit goods; co-payment for middle class
who delivers the service?	(state inst.)	municipal inst.	out- sourcing (or PPP)		gov: if quality is difficult to measure, CSO: if needs are diverse PPP: if used by middle class at suitably high user fees
who decides on capacity (quantity and quality)	categorical grant	block grant			central gov should decide if used by the poor only; also for merit goods if savings occur at national level
who chooses the service provider?	(state inst.)	municipal inst. or outsourcing		voucher	rely on user choice if info is symmetrical
who defines entitlement conditions?	grant + rules	block grant w/o rules locally funded			central gov should decide if co-funded

Source: BI based on Belfield (2007), Cernuschi & Platz (2006), Colombo et al. (2011), Cornwall & Gaventa (2001), Munro (1999), Steuerle (2000), Ugaz (1999), and Vandemoortele (1999). Some of the options are not relevant considering the focus of this study: these are in brackets.

6.3. ARGUMENTS FOR AND WAYS OF USER EMPOWERMENT

As the clients of social services are often deprived groups of society who are at risk of social exclusion, user empowerment is of extreme importance in this field. The fact that clients have some choices in the process enables them to better tailor the services to their needs and for the deprived groups it may also reduce the psychological burden of being in need of social services. According to Törrönen et al (2013), there are no concrete standards for empowerment in the literature, but some authors including Zimmerman (1990) offer general descriptions of facilitating factors, such as increasing the sense of control by participation in decision making, understanding one's range of choices in a situation, learning and receiving adequate information. Sadan (2004) emphasises that empowerment is professional work, which is only possible if social workers feel enabled. However, at the same time we have to keep in mind that even an empowering relationship between the social worker and the client is a power relationship, and its perception may depend on subjective interpretations.

User empowerment in social services may take different forms and it may happen on several levels. Users can be involved from the very beginning in the design phase of programmes through consultations, focus group interviews or surveys, and later on in the testing and evaluation of services. On the individual level, service provision may start with an individualised needs assessment that enables the service provider to design services according to the situation of the individual, and



it also enables the client to express their problems and needs. Keyes et al (2015) describe a self-assessment tool as a good practice in the UK: older people receive a booklet with tick-book sections and some open questions to indicate their needs, which the service user completes before a face-to-face assessment with a social worker.

Empowerment might also mean a greater variety of choices at different levels of service elements: users may be enabled to choose between institutions that provide the service (e.g. kindergartens), between social workers or caretakers, between different forms of service (e.g. homecare or institutional care), or elements of the service (e.g. between different meals). User choice is often linked to the involvement of private actors and competition in service provision, which may also contribute to improving efficiency and financial accountability (Glendinning 2009).

7. DEVELOPMENT OPTIONS

7.1. OPTIONS FOR IMPROVING FINANCING AND INCENTIVES

Based on the considerations summarised in the table above, three of the service types (1, 3, 5) should ideally be funded and delivered by the central government as they are merit goods (which justifies public funding) but used mainly by the poor (which weakens the incentive of local governments to provide them). As we noted above, some elements of supported living (6) may also be included in this category. For these services we recommend that the role of municipalities is limited to the signalling of needs and cooperation in informing and referring clients to the CSW (or other public service providers).

For the other service types, there are a few viable options for effective financing and delivery. The choice between these depends on the institutional context, which we consider in the next section. We have identified three viable financing combinations for these services:

- (1) a categorical grant from the central government covering some of the costs, municipal service provision, co-payment for users who can afford the service
- (2) a categorical grant from central government, municipality outsourcing the service delivery to CSOs
- (3) a categorical grant from central government, municipality administering a voucher system, service delivered by CSOs (and possibly also the municipality)

For kindergartens and ECDC, the first combination may work best, considering the relatively rigid technology (need for infrastructure investment). For family-based childcare, the first and second combination may also be viable. In both cases, state funding may be shared between central and local government, with appropriate compensation for less developed municipalities. The same solutions apply to home help and nursing homes, respectively, with the exception that outsourcing is only justified if user needs are very diverse and require highly specialised services that the municipality is unable to provide.

For youth centres, the second option may be viable. As with kindergartens, state funding may be shared between central and local government, with appropriate compensation for less developed municipalities.



For home-delivered meals, the second and third solution may work best, while the first solution only makes sense if there are scale economies in keeping this service within the municipality (e.g. there is a small school with a kitchen that can also cater for the elderly).

It should be noted that in all cases the above listed funding sources may be combined with private donations (by individuals, international agencies or companies). Revenues from other services (e.g. rent of premises to for-profit events) may be a significant source especially for youth centres if the municipality can provide a building that is suited to a variety of cultural or sports activities and events.

In each of the above cases, the central government needs to establish a framework for the regular monitoring of usage and quality, and ensure professional support to providers failing to reach the minimum standards.

There are a number of existing pilots and initiatives in Macedonia that involve the use of the second option. For example, the City of Skopje [provides several social services](#) (such as Daily center for individuals with intellectual disability, Daily center for elders and providing assistance in their homes, the Homeless shelter, Consulting and Preventing against drug abuse) via subcontracting CSOs. The lessons from these existing practices can be used to refine the details of this financing tool.

7.2. OPTIONS FOR INCREASING USER EMPOWERMENT

User empowerment may be increased in different ways according to the specificities of the service. Regarding *kindergartens*, there should be a form of limited quality assurance with the involvement of parents, for example through the creation of a forum for feedback towards the monitoring authority, and parents should be able to access monitoring statistics created by the CSW (and the municipality). Parents should also be involved in setting the opening hours of kindergartens.

For *home help and elderly care*, users may be involved in the design of services through surveys or focus groups and also in monitoring. If there are several providers (or employees), users should be able to choose the service provider, i.e. the CSO or nurse providing the service. This reduces their dependence and improves the quality of the service.

For monitoring and evaluation, data collection should be anonymised to ensure no adverse effects on users, and ideally, the data collector should be independent from the service provider.

8. RECOMMENDATIONS

This chapter outlines recommendations for the central government (8.1-2) on how to support municipal investment in social services and for municipalities (8.3) on how they can develop services relying on their own resources.

8.1. RECOMMENDATIONS FOR IMPROVING THE FINANCIAL CAPACITY OF MUNICIPALITIES TO PROVIDE SOCIAL SERVICES

This section outlines tools for the effective provision of central government subsidies for the provision of particular local services and options for combining these with other sources of funding.

Childcare for age 0-6 children: adjust the block grant and gradually increase government spending



In the current system municipalities receive a block grant for maintaining the existing childcare institution, which depends on the number and salary of employees, the number of children, the variable material costs of providing the service, and the fixed costs of maintaining the infrastructure (i.e. the inputs) (Nikolov 2011). As the block grant does not fully cover the actual costs, parents must also contribute a small user fee.

We propose that the financing of nurseries should be more equally shared between the central government, the local government, and parents, which would allow for an expansion of service capacities at a modest rise of central government expenditure.

In the proposed new system, the central government would provide a categorical block grant based on the need for the service (rather than on the inputs that enable maintaining the same supply capacity). The share of central government funding would vary according to the financial means of the municipality and the parents (see table below).

Table 13 Share of financing per place

	poor municipalities	other municipalities
poor children*	$\frac{3}{3}$ central gov	$\frac{2}{3}$ central gov + $\frac{1}{3}$ municipality
other children	$\frac{2}{3}$ central gov + $\frac{1}{3}$ parent	$\frac{1}{3}$ central gov + $\frac{1}{3}$ municipality + $\frac{1}{3}$ parent

* children whose mother does not have ISCED level 3 of education (should be set to select roughly the bottom 10-20 %)

The per capita amount of the block grant would also depend on the actual weather conditions (and potentially, on the existing infrastructure that determines heating costs as well, but the latter element should be transitory with incentives to invest in efficient heating).

The total amount of the block grant should be calculated on the basis of the number of children enrolled, the per capita amount weighted by the age of the child. (See below for measures to reduce the risk of over-reporting). The weighting should reflect existing legislation on the maximum group sizes. As currently the majority of children enrolled are aged between 4 and 6, the gradual introduction of a weighting system could be used as an incentive to encourage an expansion toward the smaller age groups. If constructed in line with the higher cost of care for younger children, the appropriate weights would be the following (with some simplification):

Table 14 Age-dependent funding for childcare facilities

age	maximum group size	simplified weight
0-12 months	8	3.5
12-18 months	10	2.5
18-35 months	12-15	2
3-4 years	18-20	1.5
5	25	1



The weighting may be phased in via gradually introducing the differentiation of the age groups, i.e. setting a weight of 1.5 for all children aged below 5 in the first year, then giving a weight of 1.5 to those aged 3-4 and a weight of 2 to all children aged below 2 in the second year, etc. The baseline amount of the block grant (i.e. $\frac{1}{3}$ of total cost) should be adjusted for inflation and should not be lower than the actual median spending in the previous year, at the national level. Central government spending should be gradually increased to support a gradual rise in enrolment rates, starting with children aged 6, and working towards the younger age groups.¹³

Expansion of infrastructure: the government should set up a programme that provides needs-based (non-competitive) grants to disadvantaged municipalities and competitive grants for other municipalities, to enable and encourage the building of kindergartens (or converting existing facilities) and ECD. In both cases the grant should be calculated on the basis of simulated costs depending on the weather conditions, number of places, existing facility (rather than the estimates of the claimant). The needs-based grants should cover all simulated costs, while the competitive grants should require the municipality's own contribution of at least 20%.

The needs should be evaluated with regard to the revenues of the municipality and the share of low educated mothers in the municipality.

Forms of childcare and early development

The government should promote less formal types of institutions to provide childcare to ensure that municipalities can set up and maintain childcare institutions in sparsely populated areas where large formal institutions would be too expensive (as there are too few children which increases the unit costs). Such less formal types may include community-based care units where up to 5 children are enrolled, and the service may be provided in the home of the carer. In effect, this would be a variant of the existing form of home-based help, with a requirement that carers are qualified and licenced by MLSP. The above-outlined block grant should be available to this upgraded form of home-based care.

The government should promote the expansion of early childhood development centres that offer parental advice as well as part-time childcare.

These alternative forms should also be eligible for the central government grant, but the amount of the grant should vary with the quality of the service (e.g. measured by the qualifications of the caregiver).

Nursing homes for the elderly

In the current system municipalities receive a block grant for maintaining the existing nursing homes, which depends on the number and salary of employees, the number of users, the variable material costs of providing the service, and the fixed costs of maintaining the infrastructure (i.e. the inputs). The block grant does not fully cover the actual costs.

We propose that this block grant should be replaced by a joint categorical grant that covers the provision of nursing homes as well as home help for the elderly. As the per capita cost of home help is lower, this would create an incentive for deinstitutionalisation, in line with the current government strategy. The amount of the grant should depend on the simulated need as well as the means of the municipality and the user. The estimated number of potential users should be calculated from the number of inhabitants aged over 65, and the type of the municipality (see below, reflecting observed share of loners, care needs etc).

¹³ A similar recommendation was put forward in the Saber report of 2015 (World Bank 2015a).



Table 15 Share of financing per place in nursing home

	poor municipalities	other municipalities
poor users*	3/3 central gov	$\frac{2}{3}$ central gov + $\frac{1}{3}$ municipality
other users	$\frac{2}{3}$ central gov + $\frac{1}{3}$ user	$\frac{1}{3}$ central gov + $\frac{1}{3}$ municipality + $\frac{1}{3}$ user

The calculation of the user fee is on a means-tested basis, but cannot exceed 50% of the users' pension.

The per-person amount of the block grant should depend on average unit costs, calculated with the assumption that the facility is efficiently managed. The total amount should depend on the efficient share of users in home help versus nursing homes.

The government should consider merging the block grant for nursing homes with that for home help (see below) so that municipalities may decide which service to develop.

Home help

The current supply of home help is very limited (according to Makstat 2016). Accordingly, apart from introducing a block grant as outlined above, we recommend measures to support the development of municipal capacities primarily with the involvement of CSOs:

- promote outsourcing service delivery to CSOs (private non-profit organisations and churches)
- publish toolkit for municipalities on how to monitor and how to finance the CSOs (pre/post-financing, if any element linked to quality, competition between CSOs in urban areas)
- introduce incentives for national umbrella organisations for CSOs to create standards and monitor activities, establish a quality rating system
- promote volunteering for CSOs providing home help services

The involvement of CSOs may be combined with Community Works Programmes. In addition, we recommend that the government should set up a central fund that offers grants to municipalities for covering the set-up costs of home-based help services.

Home-delivered free meals (as an addition to home help) for the elderly

The provision of free (or subsidised) meals is one of the few social services where market competition may increase efficiency (see section 6.2), in urban areas. Competition between providers can be introduced via a voucher system that allows recipients to choose between providers. Government support for introducing such systems may be based on indicators of population density, proximity to urban areas, and the number of potential users. To reduce the risk of abuse, eligibility must be centrally regulated and based on easily verifiable characteristics (e.g. age, pension amount, etc).

8.2. RECOMMENDATIONS ON THE RECENTLY PUBLISHED DRAFT LAW

The government of Macedonia has recently published a [draft law on social protection](#) (benefits and services). The draft law reinforces the discretionary right of the municipalities to introduce additional social services according to local needs, without specifying what these services may be.

As regards local services, the novelty of the new law is that municipalities may receive support from the central budget for any such services, in a competitive bid procedure managed by the line ministry. This support is additional to existing block grants for nursing homes and kindergartens, which are not



affected by the draft law. The law also broadens the range of potential service providers and allows municipalities to cooperate with all types of providers in the delivery of social services.

The draft law does not affect the allocation of roles between CSW and municipalities in service provision but it strengthens incentives for them to cooperate. It also promotes cooperation between the municipalities within each planning region (though they compete for funding, joint bids enjoy priority) and between health and social services and types of service providers. The draft law thus preserves the high level of local autonomy in social service delivery, while increasing the financial support available for services.

In its current format, the system outlined in the draft law entails a number of risks.

First, *cross-regional variation* in the quality and volume of social services may increase. Several factors may contribute to this:

- a) theory as well as evidence suggest that a competitive bid procedure without safeguards or levelling elements is likely to favour municipalities that are already more developed and have the capacity to compile strong proposals and/or have the motivation to develop services;
- b) though the tender procedure does not exclude bids that include investment costs as well, the evaluation process may favour bids that only ask for the running costs of services (as this would maximise increase in the volume of service provision). This favours more affluent municipalities that have the resources to invest in developing a new service;
- c) the draft law does not stipulate a strong equalisation mechanism in the allocation of resources that would favour disadvantaged regions. This might help reduce the risk of moral hazard (i.e. that municipalities reduce efforts to eliminate poverty so that they retain their advantage in receiving resources) but could contribute to even more geographical inequality;
- d) the draft law does not stipulate a set of minimum services or service standards;
- e) the provisions for monitoring are vague and there is a risk that the ministry may not have the capacity to enforce them.

Second, the annual bid procedure may weaken the *stability of service provision*, as there is no guarantee that a service started with the help of a winning proposal would receive funding in the following bid cycle.

Third, the overall *quality of service provision* may remain low, due to the lack of service standards, strong monitoring and performance management system, and capacity development in municipal management and social service expertise. For the same reasons, the supply of social services may *shift towards* those that are used by the *middle classes* rather than serving the most needy. This is because municipalities, unless steered towards the broader objectives of the draft law, may tend to drift towards satisfying the median voter, as this is their basic political interest.

Some of these risks may be reduced by prescribing appropriate rules in the by-laws to the draft law and securing some funding for capacity building both within the ministry and in the municipalities. Namely, providing toolkits and technical support to municipalities and training in needs assessment, proposal writing, designing and costing services, and management of subcontracting would help disadvantaged municipalities to compete on a par with more affluent municipalities (see next section for further recommendations). Regional inequalities may be reduced by selecting an appropriate set of indicators to guide the resource allocation across planning regions. These indicators should reflect the need for social services and should be robust against manipulation as much as possible (e.g. the share of children, elderly, or taxpaying workers within the population). It is also highly important that the procedure of evaluating and awarding grant proposals is transparent and objective so that



informal lobbying and favouritism can be reduced to the minimum. This can be best achieved by outlining the evaluation criteria in as much detail as possible in by laws, involving impartial external experts in the evaluation process and publishing the outcomes of the evaluation.

With these risks, the new system may be regarded as an important step towards further developing local services, and will certainly create opportunities for experimenting with new forms of service provision. If municipal initiatives are carefully documented and evaluated in the next few years, this may form the basis of further development and introducing service standards and categorical grants for the most important service types outlined in our recommendations.

8.3. RECOMMENDATIONS FOR STRENGTHENING INCENTIVES TO PROVIDE SOCIAL SERVICES

Administrative incentives

The central government may consider strengthening administrative incentives for municipal service provision. Such measures may for example include introducing compulsory enrolment for children 1 year before entering school and a corresponding obligation for municipalities to ensure kindergarten or ECDC space for all eligible children. A more targeted measure may be to monitor and annually publish a ranking of municipalities on the basis of kindergarten/ECDC enrolment rates, and to oblige the bottom 25% (or a lower share, depending on political ambitions) to establish / expand their facilities to catch up to the level of the second quartile. Both of these measures would be more effective (and credible) if accompanied by appropriate subsidies for infrastructure investment, especially in rural municipalities.

Technical support for municipalities

The government may set up committees (involving ministerial staff, academic experts, CSW, ZELS, international experts) that work out service content and technology of service provision, design a few options that reflect the conditions of various municipalities, and disseminate these among municipalities as well as advocacy organisations. The committees may also develop practical toolkits on financing options and management issues, such as assessing local needs, quality assurance, and subcontracting CSOs (drafting calls, setting prices, monitoring etc).

The line ministries may increase efforts to disseminate the results of earlier pilots and finance further pilots in the least developed services. The setup of pilots should ensure that empirical evidence on the adequacy of particular services will be available in a variety of local contexts.

The line ministries may increase efforts to encourage peer-learning between municipalities of a similar economic and social context, by supporting the establishment of knowledge sharing platforms, study visits, thematic working groups, the systematic documentation of local good practices, etc.

Monitoring and quality assurance

Guidelines on service standards and methodology should be available for all the main service types. The line ministry should also strengthen central and local monitoring. In particular, the line ministry should strengthen CSW capacity so that CSW may be able to offer guidance to municipalities. Central monitoring may rely on data collected by the CSW, who may perform an initial analysis to identify major gaps in service provision and quality issues which may be referred to a central unit that provides professional support in more difficult cases.



8.4. RECOMMENDATIONS FOR MUNICIPALITIES

Prioritising the expansion of services

In very general terms, it is sensible to give priority to services that contribute to human capital accumulation and the social inclusion of children and youth (such as early development services, or youth centres) as these bring a high return on investment and usually enjoy wide public support. Both of these characteristics contribute to the sustainability of these services. Home-based services for the elderly and the disabled may be next in line, as these services are highly cost effective (i.e. increase welfare at a modest cost), support user independence, and are relatively easy to introduce as they require much less initial investment in infrastructure and professional capacities than institutional services. Though investment in institution-based services, such as nursing homes, is also important, this may be given a lower priority (in line with the deinstitutionalisation strategy of the government), especially in municipalities where funding is very limited. The reasoning is that such services are costly to establish and maintain, while for most users, they offer a lower quality of life compared to home-based solutions.

The optimal priority order may of course vary across municipalities depending on the needs of the population and the existing range and capacity of social services offered by the municipality. The exact type of investment will also vary with the local context. For example, rural municipalities (where enabling mothers' return to work is less of concern and youth unemployment is high while market-based services are in short supply) human capital investment is most needed in early childhood development centres and youth centres. In urban municipalities kindergartens and full day community-based child-care may best meet local needs.

Investment priorities should be based on the assessment of local needs and determined in consultation with the local community. Makstat provides a wide range of statistics on needs and capacities which can form the basis of a set of indicators to guide municipalities. There is also considerable experience in the county in using Community Investment Committees, the Community Forums introduced by the Swiss ADC, or similar bodies to involve citizens in the decision making process.

Finding the optimal service model

There are good examples in the country for almost all the main service types that municipalities may consider to introduce (see Section 5.2). Municipalities can develop their own solutions by studying the documentation of the existing examples, consulting the implementers, and discussing the details of particular service models by local users and stakeholders. Small scale piloting is recommended in all cases in order to test the adequacy of the chosen model in the local context.

Identifying options for financing to ensure sustainability

The viable sources of funding may differ between rural (typically poorer) and urban (typically wealthier) municipalities. In view of this, as well as the above outlined considerations, Table 16 summarises the main sources for securing funding for the maintenance of municipal social services, on top of the municipalities' own resources. Regarding the initial investments in infrastructure and expertise, international donors and the government represent the most important external sources.

Table 16 Sources of sustainable financing for local social services in rural and urban municipalities

type of service	rural	urban
human capital investment	government block grant	government block grant
/community development	CSR by local firms	CSR by multinational and local firms



	(volunteering and CSOs)	user fees revenues from other services (e.g. rent of premises to for-profit events)
home-based care	volunteering and CSOs	volunteering and CSOs user fees
institutional care	(religious organisations)	government block grant user fees private investors (PPP)

Cooperation across municipalities

Municipalities may also take the initiative to strengthen cross-municipal cooperation by establishing knowledge-sharing platforms, study visits, thematic working groups, the systematic documentation of local good practices, etc. Also, there is some scope for cost-sharing in IMC, e.g. in co-funding staff training or in the monitoring and supervision of services ([UNDP 2010](#)).

Increasing citizens' involvement

Increasing citizens' involvement in designing and monitoring local social services (outlined in Section 7.2) may improve the quality of such services and may also yield political benefits by increasing the visibility of municipal efforts in this area and by increasing user satisfaction. Community Forums (described in Section 2.3) may be an appropriate form of increasing the involvement of citizens and of securing an effective co-designing role in smaller municipalities. Enabling the choice of service provider is more feasible in urban municipalities, while the involvement of citizens in the design, monitoring and quality assurance of services as outlined in Section 7.2 may be a viable option both in smaller and larger urban municipalities.



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APPENDIX

1. EXPECTATIONS OF THE EU DURING THE ACCESSION PROCESS

Acquis chapter	Initial EC assessment	Current situation
27. Environment	Totally incompatible with acquis	Some level of preparation
1. Free Movement of Goods 7. Intellectual Property Law 8. Competition Policy 32. Financial Control	Very Hard To Adopt	Moderately prepared
12. Food Safety, Veterinary & Phytosanitary Policy 23. Judiciary & Fundamental Rights	Considerable efforts needed	Some level of preparation
5. Public Procurement 11. Agriculture & Rural Development 14. Transport Policy 15. Energy 16. Taxation 19. Social Policy & Employment 22. Regional Policy & Coordination of Structural Instruments 24. Justice, Freedom & Security	Considerable efforts needed	Moderately prepared
6. Company Law 10. Information Society & Media 29. Customs Union	Considerable efforts needed	Good level of preparation
2. Freedom of Movement For Workers	Further efforts needed	Early stage
3. Right of Establishment & Freedom To Provide Services 4. Free Movement of Capital 9. Financial Services 28. Consumer & Health Protection	Further efforts needed	Moderately prepared
33. Financial & Budgetary Provisions	No major difficulties expected	Early stage
13. Fisheries 17. Economic & Monetary Policy 18. Statistics 20. Enterprise & Industrial Policy 26. Education & Culture 30. External Relations 31. Foreign, Security & Defence Policy	No major difficulties expected	Moderately prepared
21. Trans-European Networks 25. Science & Research	No major difficulties expected	Good level of preparation
34. Institutions	Nothing to adopt	Nothing to adopt

Source: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016SC0362&from=de>



2. ALLOCATION OF CSW ACROSS MUNICIPALITIES

Center for Social Work	(Additional) municipalities served by the Center
PI IM CSW City of Skopje	Aerodrom, Gazi Baba, Butel, Centar, Karpos, Kisela Voda, Suto Orizari, Saraj, Sopiste, Ilinden and Gorce Petrov
PI IM CSW Kocani	Cesionovo, Obleshevo and Zrnovci
PI IM CSW Berovo	Pehcevo
PI IM CSW Negotino	Demir Kapija
PI IM CSW Kriva Palanka	Rankovce
PI IM CSW Kumanovo	Lipkovo
PI IM CSW Delcevo	Makedonska Kamenica
PI IM CSW Debar	Centar Zupa
PI IM CSW Gostivar	Mavrovo and Rostuse
PI IM CSW Gevgelija	Dojran and Bogdanci
PI IM CSW Bitola	Novaci
PI IM CSW Prilep	Krivogastani and Dolneni
PI IM CSW Veles	Caska
PI IM CSW Probistip	Zletovo
PI IM CSW Tetovo	Jegunovce
PI IM CSW Struga	Vevcani
PI IM CSW Strumica	Bosilovo
PI IM CSW Stip	Karbinci
PI IM CSW Radovis	Konce
PI IM CSW Kavadarci	Rosoman
CSW Demir Hisar	Demir Hisar
CSW Kratovo	Kratovo
CSW Kichevo	Kichevo
CSW Krusevo	Krusevo
CSW Makedonski Brod	Makedonski Brod
CSW Ohrid	Ohrid
CSW Resen	Resen
CSW Sveti-Nikole	Sveti-Nikole
CSW Valandovo	Valandovo
CSW Vinica	Vinica

Notes: IM = inter-municipal CSW=Center for Social Work; Sources: [MLSW](#) and [KOMSPI](#)



3. LEGAL FRAMEWORK FOR SOCIAL SERVICES IN MACEDONIA

- Law on Social Protection ("Official Gazette of the RM" no. 79/09, 51/10, 36/11, 51/11, 166/12, 15/13, 79/13, 164/13, 187/13, 38/14, 44/14)
- Law on Child Protection ("Official Gazette of the RM" no.98/00, 17/03, 65/04, 113/00, 98/08, 107/08, 46/09, 83/09, 156/09, 51/11, 157/11)
- Family Law ("Official Gazette of the RM" no. 80/92, 9/96, 19/00, 79/01, 38/2004, 60/05, 33/06, 84/08, 117/09, 67/10, 156/10, 39/12, 44/12, 38/14)
- 2014 Social Protection Programme ("Official Gazette of the RM" no. 1/14)
- Rulebook on the form, content and manner of keeping the Register of Social Protection Institutions ("Official Gazette of the RM" no. 17/12)
- Rulebook on the manner and procedure for issuance, extension, renewal and revocation of the Work License of professionals in social protection institutions, the level of costs for License issuance, the form, content and form of License ("Official Gazette of the RM" no. 4/12)
- Rulebook on the norms and standards for premises, equipment, professional staff and resources required for the establishment and commencement of operations of the social welfare institution "Centre for Victims of Human Trafficking" ("Official Gazette of the RM" no. 100/10)
- Rulebook on the norms and standards for the establishment and commencement of operations of the social care institution "Day Centre for People Who Use or Abuse Drugs and Psychotropic Substances" ("Official Gazette of the RM" no. 33/07)
- Rulebook on the norms and standards for the establishment and commencement of operations of the social care institution "Day-care Centre for Street Children" ("Official Gazette of the RM" no. 33/07)
- Rulebook on the norms and standards for the establishment and commencement of operations of the social care institution "Day-care Centre for People with Intellectual or Physical Disabilities" ("Official Gazette of the RM" no. 110/06)
- Law on Concessions and Public Private Partnership (Official Gazette no.6/2012) stipulating (Article 5) that in PPPs and the the private partners to ensure/provide public services for the beneficiaries that are responsibility of the public partner, ensure measures for provision of the public services to the beneficiaries or other activities that are responsibility of the public partner.
- Law on Public Institutions (Official Gazette 32/2005. Point 1 of the Article 2 stipulates the opportunity for contract for joint institution established by 2 or more cofounders which accordingly are regulating their responsibilities. The Law calls for interest and functional merging or collaboration of institutions from the same or similar field for more rational and economical conduct in provision of the services, implying that private and public institutions can form PPPs. Article 4 stipulates that private sector may provide public services with authority of the public provider and Article 6 stipulates the sectors where the private institutions is obliged to obtain a permission for offering a service. Among others, these include social protection, child protection, persons with intellectual and body disability.
- There are six are formal forms of cooperation which local governments units have for performing common tasks in their competence. These six forms can be divided into two groups (such a division, though not formally, makes positive the legislation), in the first group where cooperation can be realized through:
 - a) Formation of inter municipal cooperation body:
 - Common body and commission;
 - Common administrative body :
 - b) Establishment of common public services:
 - Public common enterprise;
 - Common public institution



And the second group of possible forms, where inter municipal cooperation can be achieved through agreements to:

- Merging of funds, and other materials, and
- Execution of the work specified by a municipality for one or more other municipalities.



4. SOCIAL FUNCTIONS IN THE MACEDONIAN SERVICES INVENTORY

Services Inventory	Rule
Social Protection Programme in line with the National Programme for Social Protection (Article 11, Law on Social Protection)	<i>Programmes shall be submitted to the Ministry of Labour and Social Policy for opinion</i>
Ensuring the realization of social protection for persons with disabilities orphans and children without parental care children with impaired mental and physical development street children children with educational and social problems children from single-parent families persons at social risk persons abusing drugs, psychotropic substances, precursors and alcohol victims of domestic violence victims of human trafficking the elderly without family care (Article 11, Law on Social Protection)	<i>Through non-institutional and institutional forms of social protection, housing and population awareness raising regarding the needs for provision of social protection</i>
Social prevention: prevention of social risks for the citizen, family or any group of people, especially through educational and counseling work, development of self-help forms, voluntary work with personal engagement and application of other methods that correspond to the needs of social welfare beneficiaries (Articles 24 and 25, Law on Social Protection)	<i>Through Programmes and resource provision</i>
Financial assistance for social housing of socially vulnerable people (with no housing) and beneficiaries of permanent cash benefits (Article 83, Law on Social Protection)	<i>Funds shall be provided from the Municipal Budget</i>
Engaging work-capable cash benefits' beneficiaries to perform activities of public interest in seasonal and temporary works (Article 55, Law on Social protection)	<i>On the part of the Mayor and public enterprises</i>
Records of social welfare beneficiaries	<i>The Minister shall prescribe the manner of maintenance and content of the records and documents</i>
Institution for infants and young children without parents and parental care until the age of three Institution for children over three years of age and youth without parents and parental care Institution for children and youth with educational and social problems Institution for children and youth with moderate and severe mental development impairments	<i>The Municipal Council, the City of Skopje and Skopje Municipalities may decide to establish such institution after prior consultation with the Ministry of Labour and Social Policy.</i>



<p>Institution for children and youth with physical disabilities Institution for the elderly Institution for adults with physical disabilities Institution for people with intellectual disabilities Day centres and clubs for the elderly and adults (Articles 116, 117, 118, 121-123, 125, 126, 139 Law on Social Protection) Day Centre for street children (Article 140, Law on Social Protection) Day Centre for people who use or abuse drugs and psychotropic substances and precursors Day Centre for people who abuse alcohol or are being treated for alcohol dependence Centre for homeless people Centre for victims of domestic violence Centre for victims of human trafficking Day Centre for people with mental or physical disabilities Centre for assistance at home (Article 141-147, Law on Social Protection) Counseling Centre (Article 151, Law on Social Protection)</p>	
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5. RELEVANT DEVELOPMENT PROJECTS

5.1 UNITED NATIONS DEVELOPMENT PROGRAMME "INNOVATIVE SOLUTIONS FOR IMPROVED ACCESS TO SERVICES AT LOCAL LEVEL"

In 2010-2015, the Ministry of Local Self-Government in cooperation with UNDP implemented the project named "Innovative Solutions for Improved Access to Services at Local Level" to improve transparency and accountability of the local governments. The project focused on increasing the civic participation to make the local governance citizen-oriented, which in turn enabled better quality of social services and effective monitoring of processes. Total budget of the project was 484 117 USD.¹⁴

5.2 GERMAN FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT "SOCIAL RIGHTS FOR VULNERABLE GROUPS"

For the period 2015-2019, the German Federal Ministry for Economic Cooperation and Development has commissioned GIZ to carry out the "Social Rights for Vulnerable Groups" project in Albania, Bosnia and Herzegovina, Kosovo, Macedonia and Serbia aimed at ensuring the equal social rights for vulnerable groups. The project puts an emphasis on strengthening capacities of CSWs, CSOs and local administrations in providing social services as well as long-term financial solutions.¹⁵

Focus areas are:

- Social services: Innovative and appropriate approaches to social work, such as outreach social work, are promoted. To this end, the project is working to improve the capacities of local actors, such as centres for social work, local administrations and CSOs.
- Awareness raising: Support is provided for appealing information and awareness-raising measures promoting social rights and services, as well as non-discrimination. Local stakeholders are making greater efforts to inform and sensitise vulnerable groups in these areas. The awareness raising activities also target the population in general and are conducted in collaboration with national human rights and anti-discrimination institutions.
- Funding for local social services: The project introduces solutions for long-term funding of local social services for vulnerable groups. It advises local state and non-state actors on developing sustainable funding concepts for such service provision, and supports their implementation. These actors learn to identify sources of financing and to apply for funding. The project has also introduced a 'social business' model which reinvests commercial profits in socially oriented measures, thereby establishing a sustainable financial basis for the organisations involved.
- Sharing experiences: Here, the focus is on regional exchanges of tried-and-tested solutions and on disseminating good practice examples. The project supports learning and networking among stakeholders at local and national levels. It aims to create the conditions in which these actors can share their successful approaches to the social inclusion of vulnerable groups, both within their own countries and across national borders in the Western Balkans.

¹⁴ Source:

<https://info.undp.org/docs/pdc/Documents/MKD/Innovative%20Solutions%20PRODOC%2018%2012%202013.pdf>

¹⁵ Source: <https://www.giz.de/en/worldwide/37117.html>



5.3. GERMAN FMECD "OPEN REGIONAL FUND FOR SOUTH-EAST EUROPE – MODERNISATION OF MUNICIPAL SERVICES"

For the period 2006-2021, the German Federal Ministry for Economic Cooperation and Development has commissioned GIZ to improve municipal services in line with EU accession requirements. Most of the work so far has concerned public utilities like water supply.¹⁶

5.4. UNDP COMMUNITY WORKS "CREATING JOB OPPORTUNITIES FOR ALL"

This innovative programme was launched in 2012 and is designed to tackle social exclusion on two fronts at once. Implemented by the Government and UNDP, the Community Works Programme (CWP) offers opportunities for unemployed people to gain valuable skills while at the same time providing social services for the most socially excluded groups in society. The Programme contributes to the effective implementation of the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2016 (OP) and supports cooperation between providers of social and employment services. It has also been officially included among ALMPs.

The CWP targets the registered unemployed, particularly vulnerable groups, social benefit recipients and the long-term unemployed. Participants are employed by local municipalities at a part-time job (20 hours a week) for a period of six months (renewable once), in delivering social services according to the needs of the local community. The types of services are chosen on the basis of a local needs assessment. Monthly pay is around half the minimum wage (including tax and health insurance), and can be combined with social benefit receipt.

The Programme pays 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. A recent evaluation notes that three aspects have contributed to achieving highly positive outcomes among service users (Ilkcaracan 2017). First, the partnership between the municipalities, NGOs and social work centres at the local level, and of the Ministry for Labour and Social Policy (MLSP) and the Employment Service at the national level, second, the participatory process of project design requiring local assessment of user needs (assisted by UNDP) as well as a survey of unemployed workers, and third, a strong training and certification component which contributes to improving service quality.

The transparent and effective operation of CWP is supported by the detailed Operational Guidelines published by MLSP and implemented by the public employment service (PES) in cooperation with UNDP's Macedonia Country Office. The guideline specifies the process and the roles of cooperating agencies in each stage of the programme. Applications are evaluated by a committee including representatives from the MLSP, the PES and UNDP. UNDP is actively involved in all stages of the project in cooperation with ZELS, representatives of LSGUs, the local municipalities and NGOs (Ilkcaracan 2017). The involvement of several local agents is also likely to foster transparency in the implementation.

¹⁶ <https://www.giz.de/en/worldwide/31760.html>



Project outcomes: Over 550 people in 40 municipalities have participated in the Community Works Programme in the first three years since it began. 400 of these (75%) are women. All of them had previously been unemployed and, for many, the Programme provided their first work experience outside the home. Over 10,000 people (pre-school children, children and adults with disabilities and elderly people) have used the services provided through the programme, in areas such as care for the elderly, services for people with disabilities and early childhood development.

While CWP has achieved very good results, there are some sustainability issues that need to be tackled to enable the successful upscaling of the programme. Outflows to employment from CSW are relatively low, partly because potential service users cannot afford to pay the full cost of services. This may be tackled by increasing public support for social services (see section 8.1 for concrete recommendations) and developing networks of NGO service providers that may be more effective at attracting private donations and on that basis offer paid employment to their trained staff. Transition to employment may also be supported by linking CWP to other ALMP and offering additional support in job search, or entrepreneurship.

5.5. WORLD BANK SECOND SERVICE DEVELOPMENT PROJECT

The “Second Municipal Services Improvement Project for the FYR Macedonia” aims to improve transparency, financial sustainability, and inclusive delivery of targeted municipal services in the participating municipalities, to be implemented between 2016 and 2021.¹⁷ The project includes three components. The first component will provide loans to municipalities for investments in municipal infrastructure. The second will provide investment grants to municipalities for infrastructure improvements in poorer and marginalized communities within their jurisdictions. The third component supports operational costs of the project management unit (PMU), assists with project implementation and monitoring, and supports the relevant ministries and other agencies both at the national and municipal levels to strengthen institutional and financial systems and practices for sustainable municipal service delivery. IBRD approved \$28M, of which, as of May 2018, less than \$0,7M has been disbursed.

5.6. OTHER RELEVANT PILOTS FOR CAPACITY BUILDING IN SOCIAL SERVICES

Title	Services provided	Financing	Implementer	Year	Source
The Macedonia Community Development Project		World Bank	CSW, CSOs	2003-2006	World Bank, SP Discussion Paper, May 2007, NO. 0710
05MAC01/07/08/001 Public Finance Management Support to the Municipalities		EU CARDS 2005 €601,200.00	FCG SIPU INTERNATIONAL AB	2008-2009	https://eeas.europa.eu/sites/eeas/files/contract-list-web-2016-01.pdf

¹⁷ <http://projects.worldbank.org/P154464/?lang=en&tab=financial>



Social Services – Common responsibility		EU IPA 2008 Component 1 €55,988.62	Centar za Gragjanska Inicijativa Association	2011-2012	https://eeas.europa.eu/sites/eeas/files/contractlist-web-2016-01.pdf
Pilot projects managed by the European Agency for Reconstruction	reforms in the social sector: de-institutionalisation; privatisation; combating social exclusion; raising citizens' awareness of their rights; and developing partnerships between the public and the CSO sector	EU	?	24 months	Maurano, 2012



6. GOOD PRACTICES

6.1. COMMUNITY-BASED EARLY CHILDHOOD DEVELOPMENT PROJECT IN KYRGYZSTAN

Field	Information provided
Country	Kyrgyzstan
Title of the policy or measure	Community-based Early Childhood Development Project
Short sentence summarising the practice	communities and parents in Kyrgyzstan have opened hundreds of new kindergartens, experimenting with new pedagogical and organizational approaches (community-based kindergartens – CbKs)
Scope	pilot
Target group	children in preschool age
Rationale	The CbKs were initiated by – and for some time borne mainly by - communities, but were to be included in the overall system.
Start and end date	2004-2010
Which organization(s) was involved in its implementation?	World Bank, UNICEF, the Aga Khan Foundation (AKF) and the Asian Development Bank (ADB).
Context	rural, urban
What motivated the implementer to start this project?	- Enrolment is more or less the same for all ages. It appears that there is a certain sociological group in Kyrgyzstan – predominantly urban and better-off – who enroll their children at age three, and these children are not joined by others as the years go by. It is one and the same group that benefits from all of the government's expenditure on KGs. This is confirmed by national data (National Statistics Committee, 2008:42), which show, interestingly, that until 2003 this was not the case. Until 2003 the number of six year olds was about 50% of the number of children of three, four and five together, while in 2006, this figure had dropped to about 33%. This proves that there was actually a certain build-up effect, but this has vanished. In other words, the formal KGs have become more elitist, even in recent years - 47% of the children of the wealthiest groups have access, against 7% of the poorest
Main elements/activities	The CbKs offer half-day programs against a moderate fee of about 50 to 100 soms per month, as well as full-day programs costing 200 to 300 soms per month in most cases. The number of children per group is around 20, which is quite appropriate for children this age. The introduction of CbKs has been well-targeted: nearly all find themselves in rayons where high poverty rates go hand in hand with low enrolment in formal KG. In all but one of the rayons where they are located, CbKs already enroll more children than the formal KGs. The same can be said for two oblasts: Naryn and Osh.



Resources 1:	<p>Costs (in total and per participant) and source(s) of funding</p> <p>UNICEF provides the following amounts of money for three program types: For a preparatory class: 2850 USD, for a half-day group: 2453 USD, for a full daycare group: 5697 USD.</p> <p>UNICEF donates 6132 USD per center. Each center has 2.5 groups on average. This makes 2453 USD per group of 25 children.</p> <p>The ADB works with the following standard packages per group, often in full-day programs: furniture: 2135 USD, learning materials: 1406 USD, books 2000 soms (about 45 USD), in total 3586 USD.</p> <p>AKF provides for each school- or home-based satellite (half-day programs): furniture, equipment: 500 USD, training materials: 300 US\$, in total: 800 USD. In addition, AKF provides 100 USD for minor refurbishment in home-based satellites. In the case of school-based satellites, it is the host-school that is responsible for refurbishment.</p>
Resources 2: municipal capacity, tools	<p>Local communities and authorities open these kindergartens by finding the premises and allocating local resources for salaries. UNICEF helps to build toilets, train teachers and provide furniture, toys and teaching materials.</p>
Sustainability / financing techniques	<p>The enrolment of all four and five year olds in half-day programs would cost in the order of 125 million soms for each of the two age groups, but it is recommended to halve these costs by phasing out the government's contribution to the full-day program. To prevent disruptions for formal KGs, this can be a very gradual process, and the government could continue to subsidize the half-day school-preparation component of full-day programs.</p>
Quality assurance / monitoring	<p>Early Development Instrument (EDI) to monitor the progress of a cohort of children in Kyrgyzstan, who participated in the Community-based Kindergartens (CbKs) under the Kyrgyz Early Education Project.</p> <p>The instrument and accompanying guide was translated into Kyrgyz and Russian and adapted to the Kyrgyz Republic, then validated in a pilot study in collaboration with the Ministry of Education and Science. The finalized instrument was applied to a cohort of children participating in the CbKs in schools in 13 regions in 2015/16 school year twice: Time 1 was in November 2015, and Time 2 in February/May 2016. This design allows tracking the progress of children over the course of the program. Because no control group (children not participating in the program) was available we did not assess causality in any kind of policy effect. We examined the change in EDI scores over the course of the program.</p>



6.2. INCLUSIVE EARLY CHILDHOOD EDUCATION IN SERBIA

Field	Information provided
Country	Serbia
Title of the policy or measure	INCLUSIVE EARLY CHILDHOOD EDUCATION AND CARE (ECEC) PROJECT
Short sentence summarising the practice	Activities for children ages 3 to 5.5 years will focus on increasing access to quality preschools (i.e. child-centred and with age-appropriate learning opportunities) while also supporting their transition to the early grades of primary education (see Components 1 and 2). Activities for younger children, i.e. from birth onwards (in Component 3), will focus on empowering parents and families to support children's holistic development through increased knowledge about the importance of the early years (including adequate health and nutrition, early stimulation and learning opportunities, and nurturing and protection from stress) and about the relevant services available in the community. Finally, Component 4 will focus on project management, technical assistance, and monitoring and evaluation.
Scope	pilot
Target group	children age 0 to 6.5 years of age, particularly from disadvantaged backgrounds
Rationale (how is this programme helping the social inclusion of the target group?)	Preschool in Serbia reaches only 52 percent of boys and 49 percent of girls, ages 3 to 5.5 years. Even when focusing on children ages 4 and above, the enrolment rate in Serbia is quite low in comparison to the Europe 2020 target of 95 percent of children enrolled in preschool education. Access is highly inequitable. More than 80 percent of wealthy children are enrolled in ECEC programs compared to less than 10 percent of children in the poorest quintile, and access for Roma children is dismal (5 percent of boys and 7 percent of girls). In this context, inclusive ECEC refers to the provision of ECEC services in a way that includes the most disadvantaged groups (i.e. poor children, children with disabilities, and children of Roma families). Increased access to preschool among these children (especially when on a full-time basis) would also promote increased opportunities for parents, particularly mothers, to participate more actively in the labour force.
Start and end date	February 2017- December 2022
Which organization(s) was involved in its implementation? please distinguish the lead and other organisations	Responsible Agency: Minister of Education, Science and Technological Development (MoESTD) Implementation arrangements place an emphasis on continually strengthening the MoESTD's capacity to promote long-term sustainability of the system. The Project implementation structure would consist of: (i) Project Management Unit; (ii) Centralized Fiduciary Unit (CFU); (iii) Working Group consisting of the MoESTD staff; (iv) Consultative Group led by MoESTD; and (v) Grant Approval Committee lead by MoESTD and in coordination with the PMU.



Field	Information provided
Context	rural & urban
What motivated the implementer to start this project?	The Government of Serbia and the World Bank have identified skills development and inclusion of vulnerable groups as strategic priorities for their next phase of cooperation, based on a Systematic Country Diagnostic (SCD) and a Public Finance Review, and summarized in a Country Partnership Framework 2016 – 2020 (CPF) between the two partners. In particular, the SCD highlights the importance of building human capital to increase labour productivity and enhance social inclusion through closing education enrolment gaps for low-income and Roma students starting in pre-primary education.
Main elements/activities	<p>Component 1 - Approximately 17,000 new preschool places will be created for children ages 3 to 5.5 years</p> <p>Component 2 - all children ages 3 to 6.5 years enrolled in preschool (including the above-mentioned new entrants) or the mandatory PPP program in Serbia are expected to benefit significantly from the project through better quality of service delivery, including improved (more child-centred and developmentally appropriate) curriculum and teaching approaches and strategies.</p> <p>Finally, all children ages 0 to 6.5 years across Serbia are expected to benefit from improved parenting and care at home thanks to the national media campaigns that will be rolled out as part of Component 3, and a subset of these children in at least 30 municipalities will also benefit directly from increased exposure to a range of relevant ECEC services (including opportunities for early stimulation, and learning and information for parents and caregivers about how to promote adequate health, nutrition, nurturing, and protection from stress - at home and through access to relevant services in the community).</p>
Resources 1:	<p>USD 50 million loan from the World Bank</p> <p><u>Component Name Cost (USD Millions):</u></p> <p>Expanding the supply of preschool spaces - 34.00</p> <p>Strengthening the quality of preschool services - 5.00</p> <p>Supporting young children and families - 9.00</p> <p>Project management, technical assistance, and monitoring and evaluation - 2.00</p>
Resources 2: municipal capacity, tools	implementation of a civil works will heavily depend on Local Self Governments (LSGs)
Sustainability / financing techniques	The design of cost- and energy-efficient buildings under Component one will significantly reduce energy bills for the foreseeable future, thus making it more affordable for LSGs' annual budget to sustain, and the quality reforms implemented under Component 2 will have significant and long-lasting impacts on the overall system. Under Component 3, the educational materials developed for parents do not require significant recurring costs to further disseminate and broadcast after the initial design, and development costs are



Field	Information provided
	absorbed by the project. The project will also aim to ensure the sustainability of the activities financed through the grants by building ownership among multiple stakeholders and by requiring co-financing by municipalities (either financial or in-kind, depending on poverty level). Finally, the changes made to the Law on Financial support to Families with Children will ensure the long-term sustainability of the subsidies co-financed under Sub-component 3.3 (Subsidies to ensure free preschool participation among the most vulnerable children ages 3 to 5.5 years.)
Quality assurance / monitoring	The Project would support the design and implementation of (i) tools and surveys to monitor the results framework of the Project (to collect data at regular intervals during project implementation and upon project completion); and (ii) a technical audit of selected aspects of the project, including the first phase of the grant program. World Bank financing would be provided for technical assistance; services and training of the MoESTD staff engaged in monitoring; and the design, implementation, and analysis of evaluation surveys
Sources of further information	World Bank, 2017: http://documents.worldbank.org/curated/en/918021487905271830/pdf/PAD1802-02012017.pdf

6.3. EARLY CHILDHOOD DEVELOPMENT AND INCLUSION OF CHILDREN WITH DISABILITIES IN MACEDONIA

Field	Information provided
Country	Macedonia
Short sentence summarising the practice	Early childhood development and inclusion of children with disabilities
Scope	pilot
Target group	children with disabilities
Which organization(s) was involved in its implementation?	UNICEF
Main elements/activities	Teachers in 10 pilot kindergartens with the largest number of children with disabilities were trained to implement the modules and establish inclusive ECE practices. Implementation process was monitored and documented to inform future national scale-up. Three in-service training modules on inclusive early childhood education (ECE) were developed, strengthening linkages between early learning and development standards (ELDS) and ICF-CY.
What outcomes have been identified?	The modules on inclusive education, with an annex on good practices and ICF-CY tools and instruments, were published. The baseline assessment of the first seven schools that were trained based on the inclusive education



	<p>modules was published, and the monitoring and evaluation framework was used in every new school joining the network of inclusive schools in the country. The country experience in piloting the in-service training modules on inclusive education was presented at a regional workshop on inclusive education, organised by the CEE/CIS Regional Office in collaboration with the Zurich University for Teacher Education earlier this year. The newly established Resource Centre for parents of children with disabilities is steadily expanding to reach more municipalities and to offer more services to parents.</p> <p>To identify gaps in service provision for children with disabilities, UNICEF commissioned an assessment to map out all available forms of alternative care and family-support services provided to families and children with disabilities by state and non-state actors. The assessment's findings will inform the MoLSP's efforts to improve and/or expand existing services and create new services, if needed, for children with disabilities in line with the ICF-CY approach.</p> <p>As part of UNICEF's cross-sectoral efforts to advance the rights of children with disabilities, technical support was provided to relevant ministries for the development of primary and secondary legislation that introduced a new assessment model of children with disabilities, based on the ICF-CY. As part of the agreed implementation plan for the new assessment model, in 2016 UNICEF will pilot the model in selected municipalities, raise capacities for key practitioners and develop a formal translation of ICF-CY.</p>
Success factors?	<p>Progress was made in further improving cross-sectoral collaboration among relevant partners for increased inclusion of children with disabilities. A new assessment model of children with disabilities, based on the international classification on functioning, disability and health (ICFCY) was developed and will be piloted in 2016 in selected municipalities, before being formally adopted and rolled out to all municipalities. A five-year communication strategy was developed using the findings from the Knowledge, Attitudes and Practices (KAP) Survey in relation to inclusion of children with disabilities and disability persons organisations mapping conducted at the end of 2014.</p>
Sources of further information	<p>UNICEF Annual Report 2015 MK: https://www.unicef.org/about/annualreport/files/Macedonia_(The_former_Yugoslav_Republic_of)_2015_COAR.pdf</p>



6.4. YOUTH CENTERS IN MACEDONIA

Field	Information provided
Country	Macedonia
Title of the policy or measure (English and original)	CHILDREN AND YOUTH DEVELOPMENT PROJECT youth centers
Short sentence summarising the practice	<ul style="list-style-type: none"> - scaled up the existing program of life skills training initially developed by UNICEF for the age group 7 to 14 years old introducing 6 new training modules <p>a new model of youth-friendly spaces managed by youth-led NGOs on a demand driven basis, in partnership with local governments, marking a shift from the existing model of centralized youth centers. In the new model, the programs were established in existing public spaces in disadvantaged urban and rural communities</p>
Scope	pilot
Target group	adolescents and youth at risk (ages 15-24)
Rationale (how is this programme helping the social inclusion of the target group?)	<p>The Project's main development objective was to significantly increase social cohesion through the social integration of youth at risk from different socio-cultural backgrounds.</p> <p>In particular, the project aimed to: (a) test community-based approaches to support adolescents and youth at risk (ages 15-24), prevent their marginalization and reduce exposure to abuse (drug, alcohol, etc.) and conflict; (b) strengthen the institutional capacity at central and local levels to address children and youth issues by: (i) contributing to the preparation and implementation of a Children and Youth Strategy; (ii) monitoring social trends affecting youth and assessing the impact of project activities; and (iii) building the financial sustainability of youth activities through cost effectiveness and increasing private and local public contributions.</p>
Start and end date	2002-2006
Which organization(s) was involved in its implementation? please distinguish the lead and other organisations	<p>Implementing Agencies: Agency for Youth and Sports</p> <p>Financed by: World Bank</p> <p>Cofinanciers and Other External Partners: Government of Netherlands Directorate General for Development Cooperation</p>
Context	both rural & urban
What motivated the implementer to start this project?	At the time of appraisal in February 2001, the following issues were particularly relevant for FYR Macedonia's youth: conflict, crime, drug addiction, sexually transmitted diseases and unemployment. The number of children with



	<p>delinquent behavior had almost doubled in the five years preceding the PAD. In the same period, the number of registered drug abusers increased fourfold and the number of criminal acts by juveniles increased by 50%. The share of some ethnic groups in secondary education (especially Albanians, Roma and Turks) did not correspond to their proportional share in the total population, particularly in terms of the female participation. Schools were segregated along ethnic lines and there were no spaces for inter-ethnic interaction. The World Bank responded to the Government of Macedonia (GoM's) request for this project in the context of its community development approach to strengthen social cohesion, particularly following the 2001 conflict.</p>
Main elements/activities	<p>YOUTH - This component carried out three main activities: (1) scaled up the program of life education for youth through the BYCs; (2) explored new innovative approaches for youth social integration by piloting new forms of outreach and targeting; and (3) expanded the innovative drug abuse prevention program of AYS to all secondary schools in FYR Macedonia and to the BYC. Under this component, the project: (i) continued to test methods and experimentation through the 8 existing BYCs; (ii) supported the expansion of this program to an additional 15 sites which were initially developed under the PCF (which had resources to cover the initial investment costs but not staff costs nor program and activities development); and (iii) established additional centers to experiment with innovative new approaches like community-based HIV/AIDS and drug prevention program. In the latter case, the programs were established in existing buildings in which small youth centers in rural areas were set up as satellite units for the larger urban-based centers.</p> <p>INSTITUTIONAL DEVELOPMENT - The institutional development component supported and consolidated the youth component by: (i) supporting the participatory development of the Children and Youth Strategy to promote ownership and sustainability of the proposed program among the policy makers and communities; (ii) establishing a monitoring mechanism to facilitate institutional learning and improvement of the program inter alia by monitoring social trends affecting youth and beneficiaries' responsiveness to program activities and awareness raising programs; and (iii) launching a public information campaign about the program. This Component also included the establishment of the Project Management Unit (PMU). The Children and Youth Strategy aimed at: (i) fostering institutional cooperation at the national and municipal levels to support project objectives in a sustained way; (ii) strengthening the operational partnerships between local NGOs and communities on children and youth issues; (iii) disseminating best practices learned from ongoing and future activities; and (iv) establishment of a coordination process at the institutional level.</p>
Resources 1:	<p>World Bank: SDR 2.0 MILLION (US \$3.02 MILLION EQUIVALENT) (Project Costs and Financing – Annex 1, p. 22)</p>
Sustainability / financing techniques	<p>Most BYCs have been developed as self-standing youth facilities governed by NGOs and supported by several sources of income:</p>



	<p>(a) contributions from local governments (running costs, facilities, staff salaries, etc.) are estimated at 55% of total costs and currently implemented by 23 communities;</p> <p>(b) membership fees;</p> <p>(c) income generating activities/ programs;</p> <p>(d) fundraising activities from local/ international donors;</p> <p>(e) network of volunteers implementing programs, gradually replacing paid staff;</p> <p>(f) cooperation with 124 local and national youth organizations/ groups for additional activities;</p> <p>(g) providing services for local businesses and municipalities; and</p> <p>(h) support from central government through the Youth Agency for running costs.</p> <p>The Project observes steady increase in municipal support for the BYCs: a) At the start of the Project, the level of municipal support for BYCs was estimated at 13% among the initial 20 youth centres that existed before the Project start; today the support level is estimated at 30%: this support (financial and in-kind) is focused on the YC premises and partial or full coverage of utilities; b) Among the 13 new youth centres opened in the period 2004-2005 by the CYDP the initial municipal support was estimated at 66% and today it is estimated at 79%; this support (in kind and financial) covers BYC premises, utilities, office supplies and partial or full coverage of staff salaries; c) The difference between the old and the new youth centres clearly shows the perception of the municipalities in relation to the BYC ownership in the planning stage.</p>
Quality assurance / monitoring	<p>Although an Impact Evaluation was initially not part of the M&E System, the Monitoring and Evaluation design of the project included some very effective and replicable features in monitoring the project performance. In particular, the system was structured around: (i) an overall monitoring of project inputs, outputs and performance indicators by the PMU, including an affinity index to measure inter-ethnic engagement as a proxy for social cohesion; (ii) participatory instruments to measure periodically the performance of BYCs; and (iii) an initial survey of youth trends which would inform the National Youth Strategy. As part of the participatory instruments, yearly beneficiary satisfaction surveys tested the level of satisfaction among project beneficiaries, monitored the trend of the demand for given programs, provided feedback to service providers and monitored changes in attitudes of key-stakeholders. A final stakeholder workshop was organized to solicit beneficiary and other stakeholder feedback on the overall success and shortcomings of the project. As identified by the QSA7 review, a major shortcoming of the M&E system design was the lack of an impact evaluation methodology.</p>



6.5. SUITABLE MODEL - CARE OF ELDERLY AT HOME

Field	Information provided
Country	Macedonia
Title of the policy or measure	Suitable model – care of the elderly at home
Short sentence summarising the practice	The programme offers care assistance for the elderly in the pursuit of daily duties, psycho-social support, physiotherapy, and maintenance of home
Scope	6-months long pilot; permanent service afterwards
Target group	elderly and persons in the final stage of terminal illnesses
Start and end date	2009 -
Rationale (how is this programme helping the social inclusion of the target group?)	The service is in continuous demand and its quality indicates that the needs of the beneficiaries are met and properly addressed. Services are organized to provide assistance to the elderly in every-day life: to improve their health condition, restore lost family connections, friendly and neighborly relations, ease the burden on the other members of the family who are unable to provide proper care due their everyday activities.
Which organization(s) was involved in its implementation?	Main implementer: Association Humanity Other important partners: Ministry of Education and Science, Centre for Adult's Education.
Context	(the report mentions Skopje only)
Main elements/activities	<ol style="list-style-type: none"> 1. Routine medical monitoring of users (doctors and nurses did regular medical examinations of users, medical consultation). 2. Psycho - social support (re-socialization process performed by social worker and psychologist; support the elderly and their families; prepare the documentation and giving support to expressing the right of social protection). 3. Physiotherapy Services (manual massage, movement). 4. Maintenance of home (cleaning the house, washing clothes, cooking and shopping). 5. Care and assistance in the pursuit daily duties of the elderly (morning care of the elderly people, a lounge and partial toilets, feeding, stimulation of movement and socialization).
Resources 1	Source of funding: donations
Resources 2: municipal capacity, tools	<ol style="list-style-type: none"> 1. The implementer started working with 2 doctors, 1 psychologist, 1 social worker, 2 physiotherapists, 2 nurses and 10 carers take part in the programme 2. A special training provided to carers (70 carers in 2012-2016)
Sustainability/financing techniques	After completion of the pilot project CSO Humanity opened an account for donations, prepared a special section on the website for donations and set up donation boxes in fees, that is meant to go to social fund and be supported free older persons in social risk and people who need the social care at home.
Quality assurance/monitoring	The Association Humanity plans to open Call Centre through which beneficiaries and other elder people will seek help, support and/or advice. The services will be improved by developing special web page with all data of the



	personnel and other resources that will be available on the beneficiaries' request.
What outcomes have been identified?	1. By 2016, more than 137 senior beneficiaries have participated in the programme 2. Preparation of the law on social enterprises
Success factors	Regional roundtables, also organized within the project, brought together representatives of relevant CSOs, local government and business sector in order to establish partnership in providing home care and more services at the local level. After meetings, the detailed analysis of the needs of elderly in Skopje was created with the support of local government. The study was presented to all the mayors of the municipalities in Skopje in order to develop local services for assistance and support the elderly. The programme was supported by the Centre for Adult's Education in the twinning project and it was verified as a special education program for unemployed people who want to work with the elderly.
Sources of further information	IRIS MK (2016). Suitabale model – care of the elderly at home in Macedonia

6.6. INSTITUTIONAL CARE FOR THE ELDERLY

Field	Information provided
Country	Macedonia
Title of the policy or measure	Institutional care for the elderly
Short sentence summarising the practice	Nursing homes that provide accommodation for the elderly who do not have adequate living conditions in their families or they need accommodation for other reasons
Scope	national
Target group	Elderly
Rationale (how is this programme helping the social inclusion of the target group?)	Improving the quality of life, health and psychophysical conditions, meeting the social and health needs of the elderly
Which organization(s) was involved in its implementation?	Ministry of Labour and Social Policy
Context	urban
What motivated the implementer to start this project?	the lack of institutional capacity in public nursing homes
Main elements/activities	Accommodation, food, assistance and care, health protection, cultural activities and entertainment, work and recreational activities, social work services



Resources	Source of funding: private investment stimulated by the special governmental package
What outcomes have been achieved?	In Macedonia, there are 22 PPP nursing homes that in total amount to 721 beds (Skopje, Negotino, Bitola). 6 private accommodation institutions for the elderly are in the procedure for opening (4 in Skopje, 1 in Radovish and one in Negotino)
Sustainability/financing techniques	In order to improve the conditions of the institutional protection of the elderly, the Government adopted a package of measures to encourage investment in terms of opening nursing homes for elderly persons, such as: sales of building land with an initial price of 1 euro per square meter, with the purpose of constructing facilities for social protection of the elderly; the buildings which were identified in the municipalities can be leased or offered to PPP with the purpose of opening nursing homes for elderly persons; reducing the cost of utility fees by 95%; providing favourable credit lines through the Macedonian Bank to support the development for the construction of facilities for the elderly; benefits offered by ESA; benefits through the Agency for Promotion of Entrepreneurship; legal possibility for foreigners to use home care facilities, i.e. to regulate the stay based on a care in a nursing home. In 2016, 10 private homes were assigned with a grant for purchasing equipment for newly opened homes.
Sources of further information	Ministry of Labour and Social Policy of the Republic of Macedonia 2017

6.7. HUMANITARIAN ASSISTANCE TO REFUGEES IN MACEDONIA

Field	Information provided
Country	Macedonia
Title of the policy or measure	Humanitarian assistance to refugees
Short sentence summarising the practice	Humanitarian assistance to children and families on the move at transit centres near Gevgelija, at the southern border with Greece, and Tabanovce, at the northern border with Serbia
Scope	pilot
Target group	refugee children and families
Start and end date	2015 -
Which organization(s) was involved in its implementation?	UNICEF



	Transit centres are operated by UNICEF's implementing partners – La Strada in Gevgelija and SOS Children's Village in Tabanovce.
Context	urban
What motivated the implementer to start this project?	The second half of 2015 witnessed unprecedented and continuously increasing numbers of refugees and migrants travelling from Greece to northern Europe, through the former Yugoslav Republic of Macedonia. The majority of people came from countries experiencing conflict and insecurity: Syria, Afghanistan and Iraq. Ministry of Interior registration figures show that since June, the number of refugees and migrants rose monthly, reaching 377,257 persons by the end of December. Among women and children, women's migration increased from 21 per cent in June to 57 per cent in December, and children's from 9 per cent in June to 36 per cent in December. The proportion of children traveling without a parent also increased, from one in nine refugees to one in five refugees.
Main elements/activities	<p>Assistance provided by UNICEF includes age-appropriate food for children, as well as items for personal hygiene for children and mothers. UNICEF contributed to the provision of drinking water in the transit centre in Gevgelija. A mother and baby corner was also established in the child-friendly space, as well as a toilet and shower facility for children and adults with disabilities.</p> <p>As winter approached, UNICEF began to upgrade the child-friendly space at Gevgelija to a hard building that can be heated, supplying heaters in Tabanovce and distributing blankets and winter children's clothes. In the child-friendly spaces and through an outreach service, social workers continued to identify the most vulnerable children, including adolescents travelling without a parent or guardian, to assess and meet their needs. UNICEF also continued working with partners to facilitate family reunification when children became lost or separated, and with the Government, to strengthen national child protection systems.</p> <p>In December, in coordination with the CEE/CIS Regional Office and support from an international organization, Terre Des Hommes, UNICEF initiated training in child protection for humanitarian workers in direct contact with children, as well as for those delivering more specialised child protection services. Participants included government ministries, local nongovernmental organisations (CSOs) and other UN agencies.</p>
Sources of further information	<p>UNICEF Annual Report 2015 MK</p> <p>https://www.unicef.org/about/annualreport/files/Macedonia_(The_former_Yugoslav_Republic_of)_2015_COAR.pdf</p>



6.8. THE LIFESTART PROJECT IN MACEDONIA

Field	Information provided
Country	Macedonia
Title of the policy or measure	Parental education
Short sentence summarising the practice	Large project-based initiative which contributes to the education of parents and stimulates community cooperation in early childhood education and care
Scope	pilot
Target group	Children younger than 6 and their parents
Rationale (how is this programme helping the social inclusion of the target group?)	Stimulating the holistic development of preschool-age children from vulnerable population groups
Start and end date	1997-
Which organization(s) was involved in its implementation? please distinguish the lead and other organisations	UNICEF
Context	urban and rural
What motivated the implementer to start this project?	The impact of the war which followed the collapse of Yugoslavia on the lives of children was tremendous. Mental health and psychological problems were among the paramount problems facing children in Macedonia.
Main elements/activities	<p>Parental programmes in which parents receive support and learn how to stimulate child development in home settings</p> <p>Various activities are implemented in Early Childhood Development Centers to stimulate social, emotional and cognitive development in children aged 3–6 in the most marginalized areas of 20 municipalities. Children in this age category took part in educational and recreational activities designed to support their physical, cognitive and social-emotional development.</p> <p>The Centers were used for piloting early learning and development standards</p>
Resources	Source of funding: UNICEF
What outcomes have been achieved?	1,270 mothers of children aged 0–3 years and 2,505 children aged 3–6 years
Quality assurance/monitoring	There was no coordination or integration of all the services delivered to the vulnerable groups of children and families. An evaluation of the project found a significant difference in the educational levels of the participating mothers. Out of all Roma mothers 25 per cent were illiterate and only 1.9 per cent had a secondary education, while 61.6 per cent of the Macedonian mothers had a secondary education. Additionally, whereas 31 per cent of the Roma mothers



	said that they were not able to take their children to the Centers on a regular basis, only 5.8 per cent of the Macedonian mothers made similar statements. Also important is that 32.7 per cent of the Roma mothers said that they would gladly participate in the work of the Center, compared with 2.3 per cent of the Macedonian mothers
Sources of further information	UNICEF 2011

6.9. MACEDONIA COMMUNITY DEVELOPMENT PROJECT

Field	Information provided
Country	Macedonia
Title of the policy or measure	Macedonia Community Development Project
Short sentence summarising the practice	Innovative design that integrated multi-sector community-based projects with local institution building and empowerment. The MCDP was able to effectively connect public administration policy reform with community development initiatives.
Scope	pilot
Target group	poor and conflict-affected communities
Rationale (how is this programme helping the social inclusion of the target group?)	The project's main objective was to support the government's post-conflict development efforts aimed at fostering reconciliation amongst its people, reducing social tensions, and building social capital. To attain this objective, the project focused on piloting small-scale, community-based initiatives in selected demonstration communities through an integrated development framework designed to respond to priority social needs and facilitate the transition from conflict to peace. The project supported a local development process that was inclusive, participatory, gender-sensitive and responsive to community priorities.
Start and end date	2003-2006
Which organization(s) was involved in its implementation? please distinguish the lead and other organisations	The Core Institutional Support Structure consisted of the Ministry of Finance (Responsible Agency), the Multi-sector Supervisory Board, the CDP PIU (Project Implementation Unit), local government, beneficiary communities and employment surveys. The CDP Promotion and Outreach team facilitated coordination of community members, donors, and CSOs at the local level. CDP activities were coordinated and implemented with formal institutions at both national and local levels to promote project sustainability.
Context	rural / urban



What motivated the implementer to start this project?	Given the difficult circumstances, the Government of Macedonia needed a project that could cool down the simmering ethnic tensions and frustration over its inability to revive the economy and improve delivery of basic infrastructure and services, while also providing an institutional framework for implementing the decentralization initiative. This put a lot of demands on the design of the project, to develop an innovative approach to meet these multiple challenges.
Main elements/activities	<p>Main elements:</p> <ul style="list-style-type: none"> (i) deliberate responsiveness to local needs and priorities; (ii) extensive training and local institutional capacity-building to complement the government's decentralization policy; (iii) innovative poverty targeting, promotion, and outreach; and (iv) systematic and continuous monitoring and evaluation <p>Support Activities:</p> <ul style="list-style-type: none"> - Poverty Targeting to Identify Needy Communities - Research and Assessments to Understand Community Needs - Outreach and Promotion – Building the Foundation for Participation - The Participatory Process for Selecting Microprojects - Training and Capacity Building for Sustainable Local Development - Comprehensive Monitoring and Evaluation Framework for Project Activities, Outcomes and Results - Ensuring the Quality and Sustainability of Community Investment Projects <p><u>Microprojects that Meet the Needs of the Poor and Vulnerable</u></p> <ul style="list-style-type: none"> - Community Infrastructure Microprojects. - Community Social Services Projects: school mentoring program in a Roma community where school attendance is low, a sports project for youth of different ethnic backgrounds, a soup kitchen and doctor's visit for the elderly, recreational and cultural centers for children and youth, a public information campaign to combat the use of drugs in primary and high schools, and a skill enhancement textile training project directed at youth (As of June 30, 2006, 80 community social services projects were completed compared to the 40 that had been targeted)
Resources 1:	Total budget: \$8.7 million
What outcomes have been identified?	<p>CDP microprojects helped reduce poverty in rural and urban areas, particularly for communities living in remote and mountainous areas</p> <p>Beneficiary Assessment respondents unanimously agreed that the social services projects had a positive impact in their communities. Findings from the assessment revealed that these projects restored self-confidence among vulnerable groups, in particular youth, the elderly, and mixed ethnic communities.</p>
Success factors?	<ul style="list-style-type: none"> • A mutually reinforcing process was created between poverty reduction, local government capacity-building and community empowerment.



	<ul style="list-style-type: none"> • An institutional support framework contributed to strengthening partnership arrangements and local administrative capacity by building effective local level mechanisms for empowerment, accountability, and capacity building. • An institutional response to poverty reduction occurred through promoting self-reliance, service delivery, and good governance using micro-projects to build capacity at all levels of government.
Sources of further information	Mascarell (2007)

6.10. GOOD START PROGRAM IN MACEDONIA

Field	Information provided
Country	Macedonia
Title of the policy or measure (English and original)	A Good Start: Scaling up access to quality services for young Roma children (Early Childhood Education program)
Short sentence summarising the practice	The programme offers generic assistance to families, parenting classes, child activities outside school, enrolment and attendance assistance
Scope	pilot
Target group	vulnerable Roma and poor non-Roma children and families in the same localities
Rationale (how is this programme helping the social inclusion of the target group?)	The project set out to reach large numbers of Roma children and to create efficient and sustainable service schemes adjusted to local needs. The main objectives of the pilot were to scale-up access to quality ECEC services for disadvantaged Roma children and to ECD outcomes for Roma children, so as to enhance their school readiness and subsequent life opportunities.
Start and end date	June 2010 – June 2012
Which organization(s) was involved in its implementation?	Main implementer: the Roma Education Fund Other important partners: the International Step by Step Association, the Spanish Fundacion Secretariado Gitano, and the Slovak Governance Institute, local partner NGOs
Context	predominantly urban
Main elements/activities	<p>The different types of activities facilitated through AGS included</p> <ol style="list-style-type: none"> 1. Generic assistance: Family was visited by AGS staff, who helped them to solve various problems 2. Parenting classes: Parent(s) attended parenting classes 3. Child activities outside school: Child attended activities beyond school instruction: e.g. non-formal education at home, activities in community centre, extracurricular life skills programme, reading campaigns, after-school tutoring



Field	Information provided
	<ol style="list-style-type: none"> 4. Activities for parents: Parent(s) attended activities organized for them: e.g. community motivation events, Meséd - Your Tale and Home School Community Liaison in Hungary, Mother and child storytelling club in Romania 5. Material support: Family received material support: e.g. school stationary, hygiene supplies, clothes 6. Attendance assistance: Child/children received support related school attendance: e.g. (accompanied) transport, tuition fees, school lunches paid by AGS 7. ID Assistance: Family received assistance with obtaining ID's, as well as registration at medical services and immunization 8. Enrolment assistance: Assistance with enrolment into kindergarten/school
Resources 1:	<p>Costs (in total and per participant) and source(s) of funding for all four countries (HU, RO, MK, SK):</p> <p>EUR 2 046 104 (EC Directorate General for Regional Policy)</p> <p>EUR 260 918 (Bernard van Leer Foundation)</p> <p>EUR 107 660 (Lego Foundation)</p> <p>EUR 69 134 (Network of European Foundations)</p>
Resources 2: municipal capacity, tools	<p>In some municipalities, preschool facilities were constructed to create spaces: the locality of Crnik did not have a kindergarten before the start of AGS; in Vinica, new classrooms were built to accommodate Roma children who were not enrolled before the start of the project and basic equipment was also provided; in Crnik, with project and Pehčevo municipality financial support, the 1st floor of an old building was renovated and adapted to the children's need</p>
Sustainability / financing techniques	<p>Strong partnerships with local stakeholders – municipalities, school inspectorates, preschools themselves etc. – were a key determinant for project success and sustainability. For example, in Telechiu in Romania and in some of the municipalities in Eastern Macedonia, local authorities were willing to provide financial support to the project implementation.</p> <p>The AGS experience also underscores that building partnerships with local stakeholders at the municipal and preschool level will foster an enabling environment that can simultaneously benefit participation in ECEC services and promote sustainability, including by crowding in local government co-financing.</p>
Quality assurance / monitoring	<p>Local implementing organizations can collect high quality project monitoring data, provided there is sufficient technical assistance provided. The local NGO project partners were asked to fill out the Community Assessment both before project implementation and near the end of the project implementation phase. It focused on the relevant characteristics of the localities, such as the provision of ECEC services and children's participation in them. After the project start and toward the project end, they were also asked to carry out interviews with each recurring beneficiary family, the so-called Household Survey. The information from the Household Survey was locally entered by the local partners in an</p>



Field	Information provided
	electronic database that linked to the internet and accessible by REF project staff. Specialized training support (a few days) and regular follow-up support for the Household Survey by data experts from the Slovak Governance Institute were sufficient to ensure systematic good quality data. The quality of the Community Assessments, which did not receive the same targeted expert support, varied more from one locality to the next.
What outcomes have been identified?	<ol style="list-style-type: none"> 1. By the end of the project, almost all parents of recurrent beneficiary families stated that preschool is 'important' or 'very important' for children aged 0-6 2. Coverage of the attendance fee removed another cost barrier to many parents 3. Enrolment among the cohort of 3-5 year olds increased substantially 4. Learning outcomes among the 3-5 year old age cohort improved
Success factors?	Strong cooperation among local partners
Sources of further information	World Bank (2013). A Good Start: Scaling up access to quality services for young Roma children.

6.11. OTHER RELEVANT EXAMPLES

Title	Services provided	Financing	Implementer	Year	Source
A program for full socialisation of special needs children into their communities		EU EIDHR 2012 AAP-CBSS € 76,589	Fondacija Apolonija Gevgelija	2013-2015	https://eeas.europa.eu/sites/eeas/files/contractlist-web-2016-01.pdf
Promoting the ratification and implementation of the UN Convention on the rights of persons with disabilities		EU EIDHR 2008 €58,921.24	Inter-municipal association of physically disabled persons, Bitola, Demir Hisar, Resen municipalities	2009-2010	
CSOs as temp-job agencies to lease disadvantaged jobseekers in the formal labour market	Support for participants in (re)gaining labor-market specific skills and improving their self-esteem.	cc € 70 m/year, 3900 € / participant. 20% CSOs, 80% PES	CSOs and public employment service in Austria	since 2001	Gschöpf (2010)



7. LIST OF INTERVIEWEES

Dushan Tomsic (Ministry for Labor and Social Policy)

Nikolco Ilijev (Mayor of Municipality of Kocani)

Blerim Sejdiu (Mayor Municipality of Zhelino)

Ahmet Qazimi (Head of the Sector of Public Works in the Tetovo Municipality)

Dr. Murtezan Ismaili (Former Mayor of the Tetovo Municipality)

Hatixhe Islami (CSW)

Blagica Dimitrovska (ZG Inkluziva)

Adem Idrizi (President, Association for giving services to the people with disabilities HANDIMAK)

Zoran Bogdanovski (Head of Fund Development and Communications, SOS Children Village Macedonia)

Snezana Damjanovska (UNDP – Community works)

Ilmiasan Dauti (Program Manager, UNDP)



8. CLUSTERING MUNICIPALITIES

8.1 VARIABLES FOR CLUSTERING MUNICIPALITIES*

Variable	Description
Rural-urban	whether the municipality is categorised as rural or urban
Population	Population of the municipality is below 5000 Population of the municipality is between 5000-10000 Population of the municipality is between 10000-20000 Population of the municipality is between 20000-50000 Population of the municipality is over 50000
Kindergarten	Whether there is kindergarten in the municipality or not
CSW center	Whether the municipality is a center of a CSW or not
Proportion of Macedonians	Percentage of the Macedonian population in the municipality
Proportion of children under 5	Percentage of children under 5 in the municipality
Proportion of population over 60	Percentage of the 60+ population in the municipality
Percentage of low educated mother	Percentage of mothers with maximum education of ISCED100 among all the mothers in the municipality
Percentage of low income elderly	Percentage of the 60+ population with income level being in the 1st decile among the total 60+ population of the municipality

*Rural-urban, kindergarten, CSW center and proportion of Macedonians are based on municipal-level data; Proportion of children under 5, proportion of population over 60, percentage of low-educated mother and percentage of low-income elderly was estimated were estimated from the regional-level data of EU-SILC 2016.



8.2 INDICATORS OF NEED FOR SOCIAL SERVICES BY REGION AND MUNICIPALITY

Table 1.a Indicators by region

	URBAN				RURAL			
STATISTICAL REGION	Income in the bottom quintile	Arrears on utility or mortgage	Unmet need for home care	Low income 60+	Income in the bottom quintile	Arrears on utility or mortgage	Unmet need for home care	Low income 60+
Vardar region	0.135	0.097	0.022	0.660	0.299	0.189	0.062	0.867
Eastern region	0.135	0.315	0.014	0.811	0.236	0.272	0.038	0.776
Southwestern region	0.133	0.031	0.024	0.851	0.123	0.022	0.035	1.000
Southeastern region	0.183	0.201	0.037	0.794	0.253	0.127	0.066	0.402
Pelagonia region	0.106	0.309	0.061	0.969	0.135	0.349	0.084	0.896
Polog region	0.155	0.346	0.046	0.688	0.227	0.308	0.052	0.777
Northeastern region	0.245	0.209	0.049	0.710	0.415	0.403	0.072	0.596
Skopje region	0.180	0.134	0.054	0.460	0.161	0.180	0.031	0.547

Table 1.b Indicators by region

	URBAN				RURAL			
STATISTICAL REGION	Long term un-employed	Employed women - full time only	Employed women - all	Inactive women	Long term un-employed	Employed women - full time only	Employed women - all	Inactive women
Vardar region	0.115	0.448	0.448	0.367	0.223	0.164	0.164	0.565
Eastern region	0.093	0.451	0.453	0.390	0.116	0.324	0.324	0.398
Southwestern region	0.185	0.299	0.299	0.457	0.111	0.215	0.217	0.672
Southeastern region	0.098	0.404	0.413	0.350	0.030	0.205	0.211	0.361
Pelagonia region	0.165	0.348	0.359	0.374	0.089	0.109	0.114	0.379
Polog region	0.180	0.175	0.181	0.576	0.144	0.079	0.084	0.809
Northeastern region	0.213	0.277	0.286	0.406	0.226	0.142	0.145	0.626
Skopje region	0.112	0.319	0.325	0.529	0.078	0.310	0.314	0.536



Table 2 Indicators by municipality

MUNICIPALITY	Children under 5	Children aged 5-14	Population aged over 64	Cluster
Arachinovo	0.082	0.171	0.094	4
Berovo	0.041	0.091	0.238	1
Bitola	0.048	0.098	0.229	1
Bogdanci	0.040	0.089	0.215	2
Bogovinje	0.056	0.115	0.124	4
Bosilovo	0.052	0.106	0.197	3
Brvenica	0.056	0.114	0.138	4
Centar Zhupa	0.047	0.120	0.100	3
Chashka	0.096	0.161	0.152	3
Cheshinovo-Obleshevo	0.039	0.084	0.253	2
Chucher Sandevo	0.074	0.141	0.169	4
Debar	0.059	0.124	0.129	1
Debarca	0.043	0.088	0.265	4
Delchevo	0.040	0.094	0.230	1
Demir Hisar	0.035	0.086	0.285	1
Demir Kapija	0.050	0.098	0.228	1
Dojran	0.050	0.095	0.212	2
Dolneni	0.080	0.147	0.153	3
Drugovo	n.a.	n.a.	n.a.	1
Gazi Baba	0.055	0.113	0.209	2
Gevgelija	0.046	0.095	0.228	1
Gjorche Petrov	0.052	0.100	0.224	2
Gostivar	0.047	0.098	0.145	1
Gradsko	0.056	0.108	0.186	4
Ilinden	0.054	0.117	0.208	2
Jegunovce	0.051	0.114	0.162	3



Karbinci	0.064	0.127	0.177	3
Karposh	0.047	0.092	0.260	2
Kavadarci	0.050	0.101	0.211	1
Kichevo	0.040	0.088	0.171	1
Kochani	0.043	0.099	0.220	1
Konche	0.061	0.122	0.197	3
Kratovo	0.041	0.084	0.239	1
Kriva Palanka	0.045	0.098	0.220	1
Krivogashtani	0.042	0.110	0.248	3
Krushevo	0.058	0.115	0.224	1
Kumanovo	0.057	0.120	0.177	1
Lipkovo	0.062	0.134	0.112	3
Lozovo	0.058	0.094	0.224	4
Makedonska Kamenica	0.038	0.095	0.191	2
Makedonski Brod	0.040	0.095	0.218	1
Mavrovo i Rostusha	0.043	0.113	0.131	3
Mogila	0.049	0.114	0.226	4
Negotino	0.049	0.104	0.205	1
Novaci	0.049	0.109	0.249	3
Novo Selo	0.036	0.087	0.225	4
Ohrid	0.051	0.104	0.218	1
Oslomej	n.a.	n.a.	n.a.	4
Pehchevo	0.037	0.092	0.248	2
Petrovec	0.074	0.140	0.167	4
Plasnica	0.072	0.143	0.095	4
Prilep	0.050	0.109	0.223	1
Probishtip	0.041	0.087	0.234	1
Radovish	0.059	0.115	0.178	1
Rankovce	0.055	0.048	0.199	3



Resen	0.043	0.075	0.247	1
Rosoman	0.048	0.118	0.208	2
Saraj	0.082	0.153	0.104	3
Shtip	0.051	0.104	0.209	1
Skopje	0.064	0.115	0.207	1
Staro Nagorichane	0.051	0.112	0.278	4
Struga	0.052	0.107	0.138	1
Strumica	0.060	0.116	0.192	1
Studenichani	0.113	0.188	0.089	4
Sveti Nikole	0.044	0.096	0.225	1
Tearce	0.053	0.091	0.138	4
Tetovo	0.063	0.122	0.142	1
Valandovo	0.047	0.105	0.208	1
Vasilevo	0.064	0.130	0.154	4
Veles	0.052	0.104	0.212	1
Vevchani	0.045	0.121	0.211	2
Vinica	0.044	0.097	0.197	1
Vraneshtica	n.a.	n.a.	n.a.	1
Vrapchishte	0.051	0.113	0.125	4
Zajas	n.a.	n.a.	n.a.	4
Zelenikovo	0.079	0.146	0.144	4
Zhelino	0.067	0.143	0.100	4
Zrnovci	0.037	0.085	0.217	3