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Social Services Improvement Project

Republic of Macedonia

Project Operational Manual

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ABBREVIATIONS AND ACRONYMS	
BDE	Bureau for Development of Education
CA	Child Allowance
CB	Cash Benefits
CQ	Selection based on Consultant’s Qualification
CS	Consulting Services
CBMIS	Cash Benefit Management Information System
CV	Curriculum Vitae
CCTP	Conditional Cash Transfer Project
CG	Consultative Group
CPS	Country Partnership Strategy
DA	Designated Account
DC	Direct Contracting
EC	Evaluation Committees
EBRD	European Bank for Reconstruction and Development
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ECEC	Early Childhood Education and Care
ECD	Early Childhood Development
EMI	Eligible Municipality Index
ESMF	Environmental and Social Management Framework
EU	European Union
EOI	Expressions Of Interest
EUD	European Union Delegation
FB	Fixed Budget
FBS	Fixed Budget Selection
FDI	Foreign Direct Investments
FM	Financial Management
FMIS	Financial Management Information System
FMR	Financial Monitoring Reports
GAC	Grant Approval Committee
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German Agency for International Cooperation)
GOM	Grant Operations Manual
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HIF	Health Insurance Fund
ICT	Information and Communication Technology
IFMR	Interim Financial Monitoring Report
INDC	Intended Nationally Determined Contribution
ISA	Institute for Social Activities
ISSA	International Step by Step Association
IT	Information Technology

IAS	International Accounting Standards
IBRD	International Bank for development and reconstruction
IC	Individual Consultants
ICB	International Competitive Bidding
IE	Impact Evaluations
IFB	Invitation For Bids
IOC	Incremental Operating Costs
ITQ	Invitation To Quote
L/C	Least Cost
LCS	Least Cost Selection
LOI	Letter Of Invitation
LSP	Labor and Social Protection
MICS	Multi Indicator Cluster Survey
MIS	Management and IT System
MOF	Ministry Of Finance
MOH	Ministry of Health
M&E	Monitoring and Evaluation
MLSP	Ministry of Labor and Social Protection
MOES	Ministry of Education and Science
NBRM	National Bank of the Republic of Macedonia
NPV	Net Present Value
NGO	Non Governmental Organization
NEB	National Employment Bureau
OECD	Organization for Economic Co-operation and Development
PAD	Project Appraisal Document
PDO	Project Development Objective
PFR	Public Finance Review
PID	Project Implementation Documents
PO	Project Objectives
PMU	Project Management Unit
PISA	Program for International Student Assessment
POM	Project Operational Manual
PPSD	Project Procurement Strategy for Development
QCBS	Quality Cost Based Selection
RPF	Resettlement Policy Framework
RFP	Request For Proposals
RM	Republic of Macedonia
SAO	State Audit Office
SCD	Systematic Country Diagnostic
SFA	Social Financial Assistance
STEP	Systematic Tracking of Exchanges in Procurement
SWC	Social Work Center
TOR	Terms of Reference
SBD	Standard Bidding Documents
SOE	Statements Of Expenditure

SPIL	Social Protection Investment Loan
SPN	Specific Procurement Notices
SS	Sole Source
SSIP	Social Services Improvement Project
SSO	State Statistical Office
SSS	Single Source Selection
TR	Training
TSA	Treasury Single Account
TS	Technical Specification
UNDP	United Nations Development Program
UNICEF	United Nations Children’s Fund
VAT	Value Added Tax
WB	World Bank
WG	Working Group

1. INTRODUCTION

1.1. PURPOSE OF OPERATIONS MANUAL

This Project Operations Manual (POM) outlines operational guidelines and procedures to be followed in implementing the Social Services Improvement Project (SSIP or “the Project”), including the processes of identifying, preparing, selecting, procuring, managing and monitoring the implementation of sub-projects, technical assistance, and all other related Project activities. The Manual will be used by staff of the MLSP Project Management Unit (SSIP PMU). All supporting documents, forms, and templates required for the implementation of the components and management activities are included in annexes to this POM, and form an integral part of the Manual. The POM sets out the guidelines for:

- The financial management of allocated resources;
- The technical management, monitoring and evaluation of the components activities;
- The procurement and contracting of required goods, works and services.

1.2. LEGAL FRAMEWORK

The guidelines and procedures laid out in the POM are part of the legal documents of the SSIP with the terms and conditions set out in the Project Appraisal Document of the World Bank (or the “Bank”), Loan Agreement between the Government of the Republic of Macedonia and the World Bank for Social Services Improvement Project. The guidelines and procedures are also in accordance with national laws,

2. PROJECT DESCRIPTION

A. Project Development Objectives

The Project Development Objective (PDO) is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

B. Project Beneficiaries

Direct beneficiaries (vulnerable groups) of the project will include¹(a) social welfare beneficiaries (cash transfer recipients) and other vulnerable adults including Roma and children entitled to social services, as well as the MLSP,SWC, municipality staff, and other entities involved in service provision (Project Component 1);(b) children aged 3 to 6 years, particularly from disadvantaged backgrounds (including the poor and Roma population; both genders are expected to benefit equally from project interventions)²,all children aged 0 to 6 years across FYR Macedonia are expected to benefit from improved parenting and care at home as result of the national media campaigns, and the MOES, preschools teachers, primary school pedagogical staff, and parents of children aged 0 to 6 years³ (Project Component 2);and (c) MLSP and SWC staff (Project Component 3).Staff in social services and preschool institutions will also benefit from simplified and more efficient administrative procedures and new or newly refurbished work spaces(Project Components 1and 2).

C. PDO-Level Results Indicators

PDO Results Indicators are as follows:

- (a) Share of cash benefit recipients and social services recipients recertified and recorded in the new information system -disaggregated by gender and by ethnic minority, in particular by Roma;
- (b) Number of beneficiaries receiving non institutional social services (alternative/nonresidential forms of care) from licensed providers-disaggregated by gender and by ethnic minority, in particular by Roma;
- (c) National preschool enrollment rates for 3–6-year-old children - Sub-indicator: National preschool enrollment rates for 3–6-year-old children who belong to the families - recipients of the SFA;
- (d) Share of preschools with improved process quality as measured by the quality assessment tool.

D. Project Components

The project will include three main components, as described in the following paragraphs.

¹ These are also the climate vulnerable groups since they are more exposed to different types of natural hazards.

² Preschool enrollment rates by gender are 51 percent for boys and 49 percent for girls.

³ Preschool teachers and primary school pedagogical staff will benefit through training and capacity-building activities. Parents and families of all children receiving the abovementioned services will also benefit, including through (a) guidance and support to engage in early stimulation at home, (b) increased opportunities to access preschool services as well as other social services for their children, and (c) increased opportunities to participate more actively in the labor force (especially for parents of children enrolled in full-time preschools).

Component 1: Promoting social inclusion through improved access to social benefits and services(US\$12.7 million / 10.8 million EURO equivalent)

The objective of this component will be to strengthen the overall social protection delivery system for improved services by existing social assistance recipients and by vulnerable groups. On the supply side, the project will support creation and expansion of preventive and nonresidential social services. The increased outreach activities by the system (SWCs and other institutions at the local level) will result in the rise of the poor and vulnerable applying for social benefits and services. Better access to a menu of social benefits and services will also be ensured with the merger of the two existing information systems (databases), which would enable improved identification of actual individual/family needs, more poor or vulnerable individuals and families receiving support, and better case management (that is, referrals, tracking, and monitoring) using the integrated social welfare information system. A new human-centered approach⁴and integrated information system will enhance targeting and prioritization of beneficiaries for services (including the ECEC). This will also include developing referrals between social services, preschools, and other relevant institutions. The focus will be on the beneficiaries (including the preschool children), their needs, and facilitation of their inclusion in the system of benefits and services.

This component will focus on strengthening the overall social protection delivery system for improved access to services by existing social assistance recipients and by vulnerable groups, through provision of:

- (a) Technical assistance for social services policy development and implementation, including through the (i) implementation of a needs assessment; (ii) development of standards and accreditation and licensing processes for social service providers; and (iii) development of social and child protection laws, regulations, and guidelines. These activities are intended to create a regulatory framework for the creation and provision of noninstitutional social services, with the new service standards that are also expected to increase the quality of service provision.⁵The activities would be taking place in the initial stage of implementation.
- (b) Support for the development of a social welfare information system that integrates Cash Benefit Management Information System (CBMIS) and LIRIKUS.
- (c) (i) Grants for Social Services Subprojects designed to develop noninstitutional social services, including immediate social service, assistance to a person or family, home care, day care, temporary care, placement in foster families, placement in a small group home, and

⁴ Macedonia has been listed among the potential countries for support and learning on innovative Human Centered Design approaches from the World Bank's Social Protection and Jobs Delivery Systems Global Solution Group.

⁵Currently, there are no licensed providers of noninstitutional care in Macedonia.

assisted living (a particular focus will be laid on subprojects considering marginalized groups, e.g. Roma) and (ii) advice for the preparation of Social Services Subproject proposals and the carrying out of an assessment on municipal social services needs and demand. Piloting of this grant mechanism is expected to promote centrally financed development of nonresidential social services at the local level (with municipalities submitting grant applications for financing), the experience of which will feed into the development of updated service delivery standards (under (a) above). The activities would take place in the second stage.

- (d) Support for carrying out (i) capacity-building activities on social assistance policy revisions and development; (ii) capacity-building activities, including for the design, implementation, and analysis of evaluations and survey data; and (iii) rehabilitation works, including provision of relevant equipment of selected offices within the MLSP, CSW, and other borrower's agencies involved in the provision of social services. The activities would take place throughout project lifecycle.

Component 2: Expanding the access to and improving of the quality of preschool services (US\$18.6 million/16.0 million EURO equivalent)

This component will focus on improving access to quality ECEC services, in particular for children from socially disadvantaged backgrounds (that is, poor children, children with disabilities, and Roma children). Activities for children aged 3 to 6 years will focus on increasing access to quality and energy efficient preschools (that is, child-centered and with age-appropriate learning opportunities) while also supporting their transition to the early grades of primary education. Activities for younger children—from birth onwards—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. The activities related to the infrastructure will be sequenced while the process quality activities will be happening in parallel. This component will support increasing the number of classrooms in preschools and improving the quality of preschool service delivery through provision of:

- (a) (i) Grants for Infrastructure Subprojects;⁶ (ii) advice to selected municipalities for the design of Infrastructure Subproject proposals; (iii) support for the construction of a selected number of preschools and rehabilitation of selected existing infrastructure to be used as preschools, including relevant equipment, and teaching, and learning

⁶Subprojects involving (a) acquisition of land, or (b) involuntary resettlement, or (c) acquisition of used or second-hand equipment and furniture shall not be eligible for financing under the project, either by loan or borrower counterpart proceeds.

materials; and (iv) advice for the development of a Grants Operational Manual. This component will finance approximately 7,500 new preschool spaces in both urban and rural areas through a combination of new construction, extension of existing preschools, and repurposing or upgrading other public buildings such as primary schools (or other buildings available in the municipality). Renovations and repurposing/upgrading will be prioritized in the first steps of project implementation to ensure fast increases in access, while new constructions will require more time. The refurbished and newly constructed environments will be conducive to child-centered education practices and will employ solutions that increase efficiency and flexibility.

- (b) Support for the construction or rehabilitation, including provision of relevant equipment for about five innovative preschool centers in the cities of Skopje, Tetovo, Stip, and Bitola.
- (c) Support for developing a per student funding formula that improves teaching quality. The development and implementation of a per student funding formula would allow for a transparent and more equitable way of distributing resources and would overcome issues of efficiency, but also of equity and quality. This activity will be prioritized to allow for sustainable expansion of ECEC enrollment in preschool education, as well as to increase ECEC opportunities for poor families, once the new spaces are available.
- (d) Support for (i) strengthening pre-service and in-service teacher capacity-building programs, development of new preschool teachers' required competencies, and implementation of preschool teachers' capacity-building program (including anti-discriminatory workshops); (ii) carrying out capacity-building activities for ECEC preschool administrators and other decision makers; (iii) developing materials for age-appropriate teaching and learning; and (iv) enhancing ECEC quality assurance mechanisms.
- (e) Support for the carrying out of outreach activities for families, including those belonging to vulnerable groups, with a focus on demand-side interventions to promote early stimulation at home and to encourage parents to take advantage of existing services for young children. A nationwide campaign would be used to raise awareness about the importance of the early years and seek to empower parents to play a key role in promoting their young children's development. Multiple communication channels would be used, including mass media, social media, and printed publications in places that families with young children frequent. Outreach activities for families will aim to specifically target hard to reach groups, in particular marginalized Roma families (e.g. through organizing events or distributing publications in Roma community centers/ Roma settlements). The campaign would target not only mothers but also fathers, grandparents, and other caretakers.

Component 3: Project management, monitoring and evaluation (US\$2.1 million/1.8 million EURO equivalent)

This component will support the day-to-day management of project implementation and the monitoring and evaluation (M&E) of its objectives and outcomes. This component will finance the activities that would ensure effective administration and implementation of the project by supporting (a) the establishment and operation of the Project Management Unit (PMU), including the provision of operating costs,(b) development and implementation of a M&E system for the project, and (c) development and carrying out of a public awareness campaign to inform vulnerable groups of available social assistance services, including the application process requirements.

Detailed project description is given in Annex 1 to this POM

3. PROJECT COSTS AND FINANCING PLAN

Overall project size is USD 33.4 or app EUR 28.7 million, entirely provided by the World Bank. The closing date of the project is June 30, 2024.

Project Cost and Financing

Project Components	Project Cost (Euro, millions)	IBRD Financing (%)
Promoting social inclusion through improved access to social benefits and services	10.8	100
Expanding the access to and improving the quality of preschool services	16.0	100
Project management, monitoring and evaluation	1.8	100
Total Costs (including Front-end Fee)	0.071	
Total Project Costs	28.7	
Total Financing Required	28.7	

4. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

This section describes the respective roles and responsibilities of the SSIP stakeholders in the implementation of the Project.

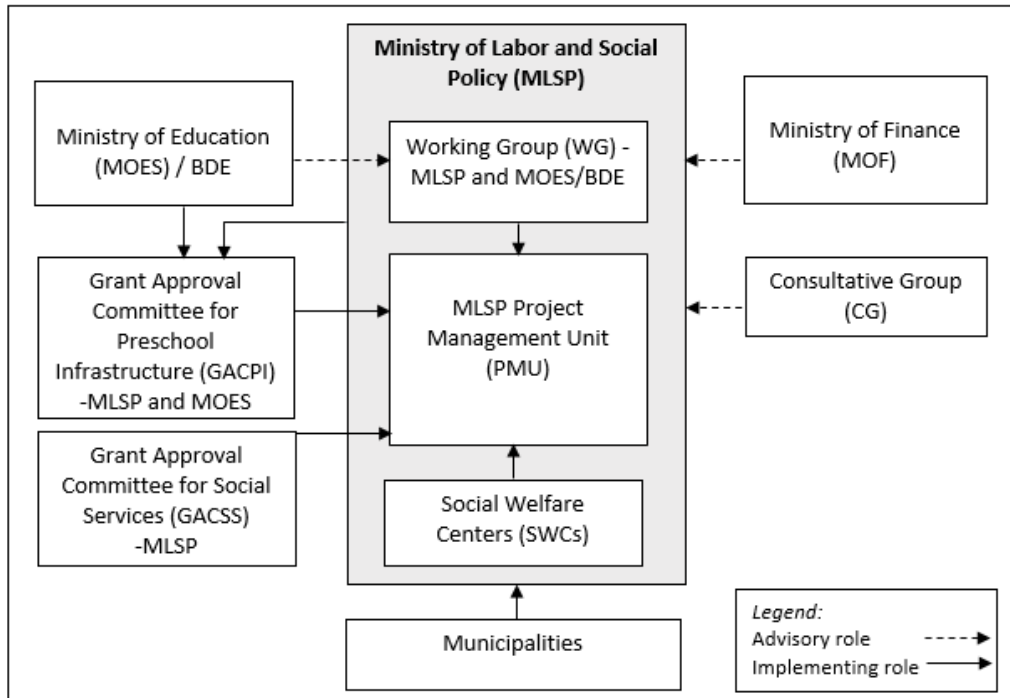
The project will be implemented over a period of five years, with the MLSP as the key implementing agency.

The MLSP will be accountable for execution of project activities and implementation would rely on its existing structures, with the additional support of a PMU. Decisions will be made by the MLSP in coordination with the MOES/BDE.

The project implementation structure will consist of

- 4.1 Minister of Labor and Social Policy
- 4.2 Project Management Unit - PMU,
- 4.3 The WG consisting of the MLSP and MOES/BDE staff and their agencies,
- 4.4 the Consultative Group (CG) led by the MLSP,
- 4.5 Grant Approval Committee for preschool infrastructure (GACPI) chaired by the MLSP and supported by MOES/BDE,
- 4.6 GAC for Social Services chaired by the MLSP (GACSS),
- 4.7 Municipalities,
- 4.8 Social Work Centers.

Chart 1: Institutional set-up for Project Management and Implementation



Steps that shall be followed for administration of the Grants for infrastructure projects

1. The MLSP/PMU publishes a Public Call for inviting the municipalities to apply for a grant for new pre-school spaces through construction, extension, upgrade or adaptation of facilities for care and upbringing of pre-school children in the Municipality. The public call shall include information for obtaining the Application form to be filled and submitted by the applicants. The application form shall be prepared in advance by the PMU and shall be a part of the GOM.
2. The interested municipalities shall submit a Application to the MLSP which will include information regarding the need for pre-school spaces, with enclosed Excerpt from the Urban Plan, Property List and other needed documents in accordance with the legal regulations for starting the building/adaptation/renovation on the location provided by the Municipality. Part of the Application form shall be the Environmental and Social Screening (ESS) Check List (template given in Annex 6)
3. SSIP environmental screening procedure that shall be undertaken by the PMU Environmental and Social Expert shall determine the environmental risk associated with the proposed project activities, assign respective environmental categories and identify the type of environmental and social due diligence document to be developed by a project applicant, or reject applications which are unacceptable due to the nature of the proposed activities, for example project classified as Category A.

The Grant Approval Committee shall review the applications and shall select municipalities (project proposals) according to the World Bank ranking list and according to the other evaluation criteria including the evaluation criteria regarding the environmental assessment.

4. PMU / MLSP with the Municipality shall prepare project program for each project separately.
5. PMU carries out procurement procedures for selecting a project design firm (a company for preparing a Basic Project), Audit Company and a company for supervising the performance of construction works.
6. The Prepared Basic project and Audit of a Project for the respective municipality shall be given to the Applicant, in order to prepare and submit the environmental documentation depending of the classified project category: for project classified as Category B+- “Initial Limited Environmental and Social Impact Assessment” (template given in Annex 7) or for project classified as Category B “Environmental and Social Management Plan (ESMP) Checklist (template given Annex 8). If, after completing the ESS Check List and its review by the PMU Environmental Expert, it is determined that the project is classified as “C”, the final Decision will be that the Project is eligible, and that the applicant is not required to prepare additional environmental and social documentation. The submitted document - Initial Limited Environmental and Social Impact Assessment /ESMP shall be reviewed by the PMU Environmental and Social Expert in order to confirm the quality and completeness of the environmental assessment and environmental documentation of grant/sub-project proposals
7. Grant Agreement with each selected municipality shall be signed. In The Grant Agreement the grant value, the rights and obligations of the contracting parties and the municipalities’ obligations on environmental and social compliance shall be defined - MLSP grants a grant to the municipality in amount in line with the calculation given in the Basic Project prepared by the project design company;
8. PMU/MLSP shall carry out a procedure for procurement of construction works and equipment; PMU/MLSP prepares a contract for construction and contract for procurement of needed equipment with the selected suppliers (firm) and makes payment for the works done and equipment delivered; The municipality shall provide operation and regular maintenance of the facility after the its construction and equipping it and other rights and obligations shall be stipulated. Tripartite Agreement shall be signed between MLSP, the Construction Contractor / Equipment Supplier and the Municipality which shall regulate the value of the contract, works to be done/equipment to be delivered with quantity and unit price, deadline for contract execution, supervision and payment , handling complaints during the guarantee period

and other contract conditions. For the works contracts Approved Final version of Initial Limited Impact Assessment document i.e. Approved Final version of ESMP Checklist shall be included in the Grant Agreement, and then into the respective bidding documents and construction contracts.

Steps that shall be followed for administration of the Grants for Social Services

1. The MLSP/PMU publishes a Public Call for inviting the interested service providers to apply together with the municipalities for a grant for development of a social service. The public call shall include information for obtaining the Application form to be filled and submitted by the applicants. The application form shall be prepared in advance by the PMU and shall be a part of the GOM.
2. The Municipalities can also apply for grant as a potential service provider. In a case when the Municipality is not the interested service provider, the interested providers shall contact the municipalities and if the municipality deems that the proposed social service to be developed by the service provider is needed, the Municipality together with the interested provider shall submit the application. Each municipality will be able to submit multiple grant applications with different providers for the same or different social services, as well as grant applications by Municipality itself as a service provider. The Part of the Application form shall be the Environmental and Social Screening (ESS) Check List (template given in Annex 6)
3. SSIP environmental screening procedure that shall be undertaken by the PMU Environmental and Social Expert shall determine the environmental risk associated with the proposed project activities, assign respective environmental categories and identify the type of environmental and social due diligence document to be developed by a project applicant, or reject applications which are unacceptable due to the nature of the proposed activities ,for example project classified as Category A.
4. The Grant Approval Committee that shall be established by MLSP reviews the applications and makes the selection of grant applications in accordance with the established evaluation criteria including the evaluation criteria regarding the environmental assessment.
5. In case when the municipality is selected as a service provider, Grant Agreement between the MLSP and the Municipality shall be signed. In other cases when the municipality shall not be the service provider, Grant Agreement between the MLSP, the Municipality and the service provider shall be signed. In the grant agreement the amount of the grant calculated based on the methodology for calculating the necessary funds for establishing a particular service described in the Grant Operational manual shall be stipulated. The Agreement will regulate the payment for the grant funds, the municipalities'

obligations on environmental and social compliance as well as the other rights and obligations of the contracting parties. In case of works contracts Approved Final version of Initial Limited Impact Assessment document i.e. Approved Final version of ESMP Checklist shall be included in the Grant Agreement with the selected service provider.

4.1 Minister of Labor and Social Policy

The Minister of Labor and Social Policy – is the implementing authority and together with the Project Director is entitled to make decisions and approve project annual working plans, budgets and reports. The Minister is entitled to sign contracts and payment documents awarded under the Project. In his/her absence the Minister shall appoint the Project Director or other Ministry's officials to sign on his/her behalf.

4.2 Project Management Unit

The MLSP as the main implementing agency for the Project has established PMU as a temporary body. The PMU would report to the MLSP Minister and would be responsible for day-to-day project implementation; overall project coordination, monitoring activities, safeguard and fiduciary functions, and reporting. The PMU shall be housed in the MLSP and headed by a project manager and project director. The Project Director is employee in the MLSP and shall be responsible for the preparation and implementation of the Project, managing of all day-to-day activities and reporting Minister and the other institutions involved in the project implementation. The Director/Manager also serves as the focal point with the World Bank and with other potential donors

The PMU staff is retained in full for the lifetime of the Project, subject to satisfactory performance. The establishment of the PMU is supported by Loan funds and PMU staff shall work under respective TORs acceptable to the Bank and remunerated on the basis of market rates in order to avoid fluctuation of the skilled staff. The PMU is built on the basis of the CCT PMU.

The PMU will report to the MLSP Minister and will be responsible for day-to-day project implementation, overall project coordination, monitoring activities, safeguards and fiduciary functions (procurement, disbursement and accounting), and reporting.

The planned positions within SSIP PMU are the following:

- Project Director
- Project Manager
- Procurement Manager
- Financial Manager

- Coordinator for ECDE
- Coordinator for Social services development
- IT Coordinator
- Civil engineer/architect (4 positions)
- Environmental /social safeguards specialist
- Grant Administrative Coordinator
- Financial officer
- Grant application officer
- M&E Officer
- IT officer

The TORs for the specific positions are part of the POM (Annex 2.3). To regulate the PMU staff responsibilities the PMU staff shall enter into contract with MLSP using the standard WB time based form of contract for small assignments. These contracts prescribe in detail scope of work for each PMU consultant, rights and responsibilities for both contractual parties, and both contractual parties must respect and behave accordingly while conducting project activities and tasks. The PMU contracts have to be approved by the WB.

Main responsibilities of PMU fall into the following groups of activities but are not limited to:

Manage and administer SSIP implementation that includes (i) coordination of overall project implementation activities; (ii) coordination of involved institutions in order to make sure that the project activities are implemented in a technically and timely harmonized manner, (iii) coordination of international and local consultants and (iv) act according the WB team’s requirements.

Planning and budgeting that includes precise assessment of the activities related to project preparation and implementation from their technical, financial and procurement viewpoint.

Procurement that includes (i) ensuring compliance with the procurement rules and procedures as defined in the applicable Regulations, Legal Agreement, POM, PPSD and Procurement Plan of the Project; (ii) preparation of annual procurement plans agreed with the project involved institutions and approved by the WB; (iii) preparation or coordination the preparation with respective units in the Ministry or external consultants, as relevant, of the specification for goods , works and services to be procured and resulting bidding and tender documents in accordance with the agreed procurement plan; (IV) contract signing, implementation and monitoring implementation of signed contracts; (v) using the electronic platform for Systemic Tracking of Exchanges in Procurement (STEP); and (vi) preparing progress reports on procurement as part of the Project progress reports.

Promotion of SSIP among municipalities. Due to the limited capacity and knowledge of Bank procurement procedures at the municipal level, the PMU will take the lead responsibility for promoting the project among municipalities, and will prepare bidding documentation for Infrastructure sub grants (Project Component 2), receive and evaluate proposals and for sub-projects in accordance with the procedures described in the Grant operational Manuals. This arrangement may be amended during Project implementation, subject to improvement of capacity in the municipalities for carrying out procurement.

Financial management and accounting that includes organization and operation of the Project financial management system acceptable to the WB. The system is being established for the project on the basis of similar systems used in other Bank financed projects. The system is to include an accounting and control module with the capability to record and retrieve in a timely manner all financial transactions under the project. In addition, the financial management and accounting will follow the national financial management, accounting and reporting requirements.

Ensure compliance with environmental and social requirements. The PMU shall ensure that the daily implementation of the project is according to the environmental and social requirements as given in the published SSIP Project Environmental and Social Management Framework (ESMF), and in accordance with sub-project specific Environmental and Social Management Plans (ESMPs) as envisaged under ESMF.

Auditing includes external annual audit of project accounts and financial records in accordance with the WB requirements. In addition to the usual Project Financial Audit the Project would include annual Operational and Performance Audits.

Monitoring and evaluation includes establishment of arrangements for systematic comparison of actual project activities against plan on the basis of agreed indicators and objectives. The PMU has to monitor the SSIP according the result framework of Monitoring and Evaluation placed in Annex 4. The PMU should also monitor the environmental and social performance of the overall project, and of individual sub-projects as per the respective monitoring plans included in sub-project specific ESMPs.

Reporting includes establishment of regular reporting system that is able to produce information about the Project as stipulated in the Loan Agreement, PAD, in this POM or as may be from time to time requested by the WB, MLSP, MOF or authorized officials from the project beneficiaries.

Citizen engagement The citizen engagement element shall take an important role during the project implementation. The PMU Grant Administration Coordinator with help of the other PMU members shall be responsible for planning and conducting the Project Citizen Engagement (CE) activities.

Under Component 2, the PMU will engage ECEC teachers and parents in two stages: (a) During the first year of the Project implementation (first half of the first project implementation year) initial outreach and sensitization efforts on project goals, activities, and the role of ECEC teachers and parents shall be conducted and

(b) After the selection of the municipalities where the specific sub projects shall be implemented, identification of their needs regarding ECEC services and prioritization of planned investments shall be conducted, through interviews and focus group discussions especially in the communities where Roma population prevails. The collected inputs will inform and prioritize current planning and allocation of ECEC funding to municipalities and kindergartens.

An annual beneficiary feedback mechanism (such as a beneficiary scorecard) will measure teachers' and parents' perception of quality of ECEC services and collect their feedback on the improvement to ECEC services and their views which activities should be prioritized. The mechanism will disaggregate data for different marginalized groups (e.g. Roma) in order to better and more specifically inform service improvement. This information will support the design of future reforms. The PMU will include a number of results that measure beneficiary feedback and the citizen engagement process in the Results Framework and/or in PMU reporting such as " Share of supported sub-projects in which direct beneficiaries report their engagement in decision making" and "Share of beneficiaries satisfied with responsiveness of the grievance redress mechanism"..

The PMU will organize regular social audit meetings for all direct beneficiaries (that is, ECEC teachers, parents, social workers, disadvantaged population especially Roma minority and so on) to achieve transparency, disclosure and beneficiary oversight for supported subprojects. These meetings will ensure that (a) beneficiaries are aware of the activities strengthening the institutions of the social services system (including the grant scheme or social contracting), (b) information is disseminated, and (c) beneficiary feedback is generated on subprojects which will be supported.

The PMU (Grant Administration coordinator) will be responsible for invitations for the social audit meetings (to be held at least twice a year), producing information, and posting on social services notice boards. After the identification of the municipalities where the specific sub projects shall be implemented (for example after selection of the municipality where a new kindergarten shall be build, or some new social service shall be developed), an social audit meeting shall be organized in the particular municipality (at the municipality/school/SWCs or other premises), preferably at least twice in twelve months i.e. once at the beginning before the actual sub project implementation has started, and second for preferably 6 months after the starting of the project implementation. The PMU shall conduct several activities such as invitation of direct beneficiaries especially the most disadvantaged one(for example Roma minority)as well as municipality representatives, parents, citizens living in the municipality, social workers, teachers, NGOs etc. The invitation shall be conducted through distribution of printed materials through the SWCs, Schools, Kindergartens, Municipality, citizen organizations, as well as through

invitations send by mail. The aim of the meetings shall be to hear the voice of the beneficiaries, to inform them about what is planed, and by their help to shape the project implementation in a way their needs are met in most efficient and effective way. All presents shall be asked to fill beneficiary scorecard for rating the projects proposed/implemented by giving suggestions for improvement. In addition during the meetings the Grievance Redress Mechanism shall be promoted, in order all the interested to be able to submit questions, comments, suggestions, and/or complaints or provide any form of feedback on all project-funded activities. After each meeting, minutes shall be prepared, and those shall be disseminated to all officials responsible for designing, planning and implementation of the sub projects. After a certain period, preferably 6 months after the starting of the project implementation the social audit meeting shall be conducted in the same municipality to inform the beneficiaries about the status of the sub project implementation, and how their thoughts/complaints/recommendations given at the previous meeting have been implemented.

In addition, the PMU will establish and institutionalize a comprehensive Grievance Redress Mechanism (GRM), which will be developed as described below, to allow all ECEC stakeholders to submit questions, comments, suggestions, and/or complaints or provide any form of feedback on all project-funded activities (not just safeguards).

Gender It is expected that expanding the access to ECEC services will help reduce the gender disparities in the labor market by freeing up women’s time for productive employment. There is no evidence of gender being a major issue in service delivery in FYR Macedonia, but citizen engagement activities described will be designed in a way to include also consultation on gender issues related to the access to social and ECEC services. Finally, the project will establish data collection mechanisms to facilitate the monitoring of gender impacts (key project indicators will be disaggregated by gender).

Safeguards

The PMU, the MLSP, MOES/BDE, the Municipalities and all other involved institutions respectfully shall ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguards Instruments (ESMF, sub-project specific ESMPs).

MLSP/PMU shall ensure that the obligation to comply with the relevant Safeguard Instruments is incorporated: (a) in the contracts between the MLSP and the relevant contractor[s] and any entity (including any engineer) supervising the Project’s and the Subproject’s civil works; and (b) in the contracts between the relevant contractor[s] and the contractors’ subcontractors.

An independent Environmental and Social Expert(s) (ESEs) will be engaged by the PMU on a full time or part time basis for the entire period of the project implementation. The ESE will be responsible for ensuring proper environmental management of all Project activities, will conduct environmental supervision by

carrying out document reviews, site visits and interviews with Contractor, Construction Supervisors (if any), and municipality staff.

The PMU, i.e. the ESE shall:

- a) be responsible for reviewing all environmental safeguard documentation (site-specific ESMPs) submitted by project applicants, providing recommendations, advising on the sub-project category advising on the quality of, and clearing the environmental safeguard documentation on behalf of the PMU
- b) Supervise Contractors' compliance with site-specific ESMPs and shall visits each sub-project at least once a month.
- c) take all measures necessary on its part to regularly collect, compile, and submit to the Bank, and promptly in a separate report whenever the Bank may require or at least quarterly , information on the status of compliance with the Safeguards Instruments. Such information shall include: (i) measures taken in furtherance of the Safeguards Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and (iii) remedial measures taken or required to be taken to address such conditions;
- d) promptly furnish to the Bank a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and
- e) promptly upon receipt, shall furnish to the Bank any notification received from any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors regarding any incident that have might occurred during Project implementation.

Grievance Redress Mechanism

The PMU shall maintain, throughout Project implementation, and publicize the availability of a grievance redress mechanism as a separate form published on the MLSP website www.mtsp.gov.mk

The form shall enable the interested parties to submit questions, comments, suggestions, and/or complaints or provide any form of feedback on all project-funded activities

The form shall have the following fields that should be filled up by the interested party

Name

Surname

e-mail address

Telephone

question

SUBMIT

The field “submits” shall be automatically connected to one or more mail addresses of PMU members that shall review the questions and send them to the respective persons for answering. After the answer is received, they shall send it to the mail address given in the form by the interested party

The form shall include information such as telephone number and address of the PMU in order the interested parties that wish to call or to come and to express their opinion and /or complain directly to the PMU members

The Environmental and Social Management Framework is published on the MLSP web site: www.mtsp.gov.mk. Sub-project specific ESMPs are also subject to public disclosure, once available. The disclosure can take place both through placing the hard copies at easily accessible locations, posting on the MLSP official web-site and public consultation meetings.

Detailed description of PMU staffing requirements and tasks to be delivered is given in Section 8 of this POM.

4.3 Working Group

The WG is formed at the beginning of the project preparation process and comprises technical experts from the MLSP, MOES/BDE, MOH and MOF, as well as of representatives from State Statistical Office, SWCs, NEB and HIF. The WG has been meeting regularly to discuss ongoing policy development and project preparation issues. The WG will be maintained throughout Project implementation, to provide technical expertise and support needed for efficient implementation of the project activities.

4.4 Consultative Group

This already existing group is headed by the MLSP and includes representatives from other relevant ministries, institutions, and partners (for example, members of academia, representatives of professional and civil society organizations, among others). The specific roles of the CG are the following: (a) to advise on inclusive ECEC policy issues more broadly and ensure close coordination and exchange of information across key sectors and stakeholders; (b) to be a source of advice, information, knowledge, insight, and experience on implementation of ECEC programs, and other actions at the local and national levels; and (c) to contribute to events and information dissemination.

4.5 Grant Approval Committee for preschool infrastructure

The GAC for preschool infrastructure shall be led and established by the MLSP in coordination with the PMU and MOES/BDE. The GAC shall be consisted of representatives from the MLSP, MOES/BDE. The GAC will be responsible for evaluating and selecting grant proposals for the preschool infrastructure grant according to the by criteria described in the GOMs, as approved by the World Bank.

4.6 Grant Approval Committee for Social Services

The GAC for Social Services shall be led and established by the MLSP in coordination with the PMU. The GAC will be responsible for evaluating and selecting grant proposals for social services according to the criteria described in the GOMs, as approved by the World Bank.

4.7 Municipalities

Municipalities will be responsible for identifying-assessment their social services needs and demand, for preparing and submitting applications for preschool infrastructure and social services together with potential applicants, for signing Grant agreement, as well as for supervision and reporting regarding the implementation of the activities with PMU and SWCs' support and ensuring that the environmental and social standards and practices are met. Details of procurement procedures and related responsibilities will be elaborated in the Grant Operations Manuals. After the establishing the service the municipalities shall commit to: (1) provide reasonable maintenance; (2) carry out the connection of required utilities; (3) pay recurrent utility bills; and (4) assure adequate staffing in respect of any Infrastructure Subproject.

4.8 Social Work Centers

The SWCs will play a significant role in implementation of the social services at the local level. The SWCs will be responsible for screening, orientation about the services, and referral of the beneficiaries to the providers of the services. They will work closely with the municipalities on M&E of the quality of services provided by the service providers.

5. PROCUREMENT REGULATIONS

5.1 General

Efficient procurement in World Bank financed projects is a prerequisite for the attainment of project objectives and timely disbursement of loan funds.

The procurement under the Project includes procurement of Goods, Works, Non-Consulting and Consulting Services and shall be carried out in accordance with the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017, the provisions of the Loan Agreement, Project procurement Strategy for Development (PPSD) and the Procurement Plan.

The latest Standard procurement documents applicable to the Procurement regulations, available on its external website at www.worldbank.org/procurement/standarddocuments shall be used for all the procurements under the Project, irrespective of their value. In exceptional cases and for small value procurements, altered bidding documents can be used based on prior approval from the WB.

The rights and obligations of the Implementing Agency (MLSP) and the providers of Goods, Works, Non-consulting Services and Consulting Services for IPF operations are governed by the relevant request for bids/request for proposals document and by the contracts signed by the Implementing Agency and the providers of Goods, Works, Non-consulting Services, and Consulting Services, and not by these Procurement Regulations or the Legal Agreement

The World Bank will exercise its procurement oversight through a risk-based approach comprising prior and post review and independent procurement reviews, as appropriate. The post reviews in accordance with the applicable thresholds and review arrangements in the Procurement Plan will be conducted on the procurement processes undertaken by the MLSP/PMU to determine whether they comply with the requirements of the Legal Agreement.

5.2 Procurement Planning and Responsibilities

The PMU shall use the Systemic Tracking of Exchanges in Procurement (STEP) -the Bank's online procurement planning and tracking tools to record all procurement actions under IPF operations, including preparing, updating and clearing its Procurement Plan, and seeking and receiving the Bank's review and No-objection to procurement actions as required.

A detailed procurement plan for the Project has been prepared and uploaded in the electronic platform for Systemic Tracking of Exchanges in Procurement (STEP) and is given in the Annex 5. During project implementation, the procurement plan in agreement with the Bank project team will be updated at least annually by the PMU and in consultation with the involved stakeholders, or as required to reflect the actual project implementation needs and improvements in the implementing agency institutional capacity. The World Bank shall approve such updated procurement plan, and any bidding to select suppliers or consultants shall be implemented in accordance with the agreed procurement plan or which has been agreed in writing with the Bank prior to the formal update of the Procurement plan in which this item should be reflected. It is not allowed by the WB to procure any item that is not contained in the Procurement Plan.

To ensure efficient Project implementation, preparation of the Procurement Plan shall be coordinated with preparation of the annual Work Program and budget. The project will be implemented based on annual work programs and budgets prepared by the PMU. Based on inputs from all participating agencies, the PMU will prepare consolidated WPs, incorporating specific activities to be undertaken during the succeeding year. The investment costs included in the WPs shall be clearly spelled out. The WPs will include, inter alia: (a) statement of the objectives to be pursued for the coming year; (b) description by component/sub-component of the activities to be pursued during the year and their detailed budget; (c) equipment to be procured during the year; (d) financing plan; (e) conclusions and recommendations; (f) updated procurement plans.

The Working Plans shall be approved by the Minister of Labor and Social Policy and submitted to the Bank by November 30, each year for the upcoming year.

5.3 Procurement Responsibilities

The MLSP is the executing agency for this project. PMU, which is to be established within the MLSP as a temporary structure during the life time of the SSIP, will be responsible for the whole cycle of procurement of all goods, works and services under the Project, including filing/record keeping of all related operations and activities, and coordinating the delivery of technical assistance provided by international and local consultants. This includes the following operations (as applicable in accordance with the procurement procedures concerned):

- Preparation of procurement plans and lot numbering;
- Finalization of technical specifications and terms of reference and their submission to the Bank for review and no-objection, in the format acceptable to the WB;
- Preparation of General Procurement Notices, Specific Procurement Notices and Requests for Expressions of Interest and submission for publication;
- Preparation of bidding documents/requests for proposals, and their clearance with the WB;
- Receipt of expressions of interest;
- Preparation of short list if required;
- Dissemination of bidding documents/requests for proposals;
- Public opening of bids for goods and works and public opening of financial proposals for consulting services if required ;
- Recording and keeping original copies of bidding / performance / advance payment guarantees, bonds or securities;
- Submission of the Letters of expression of interests (LOEI)/bids/proposals/CVs to the Evaluation Committee for evaluation;
- Preparation of evaluation reports and their submission to the Bank for “no-objection” if required;
- Preparation of contracts;
- Notifications to unsuccessful bidders and returning of bid guarantees / securities if applicable;
- Contract management; review of contract execution documentation (reports, acceptance certificates and delivery documents, etc.) and ensuring its compliance with contract conditions;
- Record keeping. All documentation with respect to each procurement will be retained by the MLSP/PMU according to the requirements of the Legal Agreement. The MLSP/PMU will furnish such documentation to the World Bank upon request for examination by the World Bank or by its consultants/auditors. Documents with respect to procurement subject to post review will be furnished to the World Bank upon request.
- Providing assistance, procurement related documents and information during implementation support and post review missions of the Bank;
- Preparing progress reports on procurement as part of the overall project progress reports.

5.4 Procurement Arrangements

Procurement management is the responsibility of the PMU staff. The PMU is staffed with full-time procurement manager for the Project lifetime. The PMU procurement staff is responsible for management of all steps of procurement cycle.

The PMU procurement staff is supported and coordinated by other PMU staff/Institutions in the following way:

- Project Director and Project Manager are responsible for general coordination of the procurement work on the project;
- Coordinators are responsible for the coordination of the procurement work among the involved stakeholders and for obtaining the draft TORs and TS for the respective component activities,
- The Financial staff ensures that all project financial obligations are met in timely manner, this includes the payment for goods and services, the accounting and book keeping of all activities and ensuring the Project is carried out within the specified budget,
- Authorized representatives of the involved institutions participate in evaluation of bids and technical and financial proposals. Their membership in the Evaluation Committee should be approved after a submission of a request for membership in the evaluation committee by the PMU to the involved institutions for whom the procurement is organized or that are to benefit from the procurement. The proposal shall be made by the authorized representatives of the involved institution and approval to the proposed list by the Minister of Labor and Social Policy. Also the Minister of LSP can appoint additional members in the Evaluation Committee upon his/hers discretion but limited to one independent expert.

5.5 Procurement Methods and Thresholds

A) Selection methods for Goods, Works and Non-consulting Services:

- a. Request for Proposals (RFP);
- b. Request for Bids (RFB);
- c. Request for Quotations (RFQ); and
- d. Direct Selection.

B) Selection methods for Consulting Services

- a. Quality Cost Based Selection (QCBS);
- b. Fixed Budget Based Selection (FBS);
- c. Least Cost Based Selection (LCS);
- d. Quality Based Selection (QBS);
- e. Consultant's Qualifications Based Selection (CQS); and,
- f. Direct Selection.

The Thresholds for Procurement Approaches and Methods and the Review Arrangements- prior review by the WB are as follows:

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Thresholds for Procurement Approaches and Methods in EUR							
Works			Goods, IT and non-consulting services			Shortlist of national consultants	
Open international ≥	Open national <	RfQ ≤	Open international ≥	Open national <	RfQ ≤	Consulting services ≤	Engineering and construction supervision ≤
5,000,000	5,000,000	200,000	1,000,000	1,000,000	100,000	300,000	N/A
Review Arrangements							
First contract for each approach and method and all >3,000,000 Direct Selection all > 80,000			First contract for each approach and method and all >3,000,000 Direct Selection all > 80,000		First contract for each approach and method, all TORs and all contracts > 1, 000,000 Individual consultants all TORs and all contracts > 300,000 Direct Selection all >10,000 QCBS shall be used for procurements > 300,000		

The requirement for a prior or post review shall be specified in the Procurement Plan.

Prior Review: is a process undertaken by WB during the Project implementation in which the WB reviews “a-priori” full documentation for major contracts.

Full documentation should be submitted to the WB for prior review on the following procurement contracts:

- for all **Works, Goods, IT and non-consulting services** contracts above 3,000,000 EUR, first contract for each approach and method (RFP, RFB, RFQ, Direct Selection), and for all contract awarded under “Direct selection method “ above 80,000 EUR);
- for all **Consulting company services** all TORs, all contracts above 1,000,000 EUR, first contract for each approach and method (QCBS, LCS, FBS, QBS. CQS and Direct Selection), and for all contract awarded under “Direct selection method “ above 10,000 EUR;

- for all **Individual consulting services** all TORs, contracts above 300,000 EUR, first contract for each approach and method, and for all contract awarded under “Direct selection method “ above 10,000 EUR;

Ex-Post Review: All other contracts below the Bank’s prior review threshold are subject to the Bank’s selective ex-post review. Periodic ex-post reviews by the Bank are undertaken during regular supervision missions. Procurement documents, such as bidding documents, bids, bid evaluation reports and correspondence related to bids and contracts are kept readily available for Bank’s ex-post review during supervision missions or at any other points in time.

5.6 Tendering timeframe:

a. Procurement of Goods, IT and Works:

i. International Competitive Procurement: Estimated duration: 4 months, including the period necessary to prepare and agree on the technical and bidding documentation.

ii. National Competitive Procedure:

Estimated duration: 3 months, including the period necessary to prepare and agree on the technical and the bidding documentation.

b. Procurement of Consulting Services (Firms):

i. Quality and Cost-based Selection(QCBS)

Estimated duration: 3 months, including the period necessary to prepare and agree the ToRs.

ii. Least Cost-based Selection (LCS)

Estimated duration: 3 months, including the period necessary to prepare and agree the ToRs.

iii. Fixed-budget based Selection (FBS)

Estimated duration: 3 months, including the period necessary to prepare and agree the ToRs.

iv. Consultant’s Qualification-based Selection (CQS)

Estimated duration: 2 months, including the period necessary to prepare and agree the ToRs.

v. Direct Selection

Estimated duration: 1 months, including the period necessary to prepare and agree the ToRs.

c. Procurement of Individual Consultants:

i. Open Competitive Selection

Estimated duration: 1.5 months

ii. Limited Competitive Selection

Estimated duration: 1.5 months

iii. Direct Selection

Estimated duration: 1.5 months

5.7 Retention of Procurement Documents

The PMU shall maintain the procurement documentation depending on the procurement method, as following: copies of all public advertisements, pre-qualification documents (if used), evaluation reports, bidding documents, bid opening minutes, evaluation report (that shall include a detailed record of the reasons used to accept or reject each bid, original Bids/Proposals; all documents and correspondence related to the procurement and execution of the contract, including those in support of the evaluation of Bids/Proposals; and the recommendation for award made, complaints against procedures or recommendation for award, signed copy of the contract and all subsequent amendments or addenda, securities, payment invoices or certificates, as well as the certificates for the inspection, delivery, completion, and acceptance of Goods, Works, and Non-consulting Services, for contracts awarded on the basis of direct procurement (the documentation shall include justifications for using the method etc.).

5.8 Advertisements

For international procedures the procurement notices will be published automatically through STEP on the Bank's external website and UNDB, as well as locally on the Ministry's website, on the portal of Public Procurement Bureau at: (<https://e-nabavki.gov.mk/PublicAccess/home.aspx#/notices>) and daily newspaper as relevant (not mandatory).

The PMU shall advertise the Specific procurement notices on the Ministry's website, on the portal of Public Procurement Bureau at: (<https://e-nabavki.gov.mk/PublicAccess/home.aspx#/notices>) and daily newspaper as relevant (not mandatory),

5.9 Formation of Evaluation Committees

For procurement of all contracts financed from the Loan an Evaluation Committee (EC) shall be established by the MLSP. The EC will have odd number of members because of voting rights.

For procurement of goods, works and services above Euro 100,000 equivalent per contract, financed from the Loan, an Evaluation Committee (EC) comprising of minimum 5 members shall be established by MLSP.

EC (with voting rights) will be consisted of:

- 1-3 representatives of the stakeholder
- 1-3 representatives from the MLSP
- PMU staff (optionally)

For procurements of goods, works and services below Euro 100,000 equivalent per contract, the EC shall comprise of minimum 3 members:

- 1-2 representative from the MLSP
- 1-2 representative of the stakeholder with relevant knowledge.
- PMU staff (optionally)

The Minister may suggest as a member of the EC at most 1 independent expert with relevant knowledge.

The Project Director/Manager shall appoint one PMU staff to act as a secretary to the EC. The secretary is responsible for preparation of the minutes from the meetings held and is a non voting member.

Members of the EC will be appointed by the Minister of Labor and Social Policy of the Republic of Macedonia or the Project Director in writing.

At least one member of the EC shall be expert with relevant knowledge in the subject matter of the procurement.

5.9.1 Anti Corruption Measures

Mitigation of Conflict of Interest. Each person serving as a member of a selection committee, or who is otherwise involved in a procurement process, shall disclose to the Project Director and Steering Committee if they, or any of their immediate family members, are related or otherwise connected to any of the members of the boards of directors or commissioners of the bidders and/or consultants participating in any of the procurement packages (“Interested Member”). Any Interested Member shall exempt himself or herself from further participation in the evaluation process; and any Interested Member who is an Official shall refuse himself or herself from any decisions relating to the evaluation process or contract award.

Each Member of the Evaluation committee before the evaluation process starts, will sign a Declaration of impartiality and confidentiality (sample of the Declaration is given below-point 5.9.1.1)

5.9.1.1 Declaration of impartiality and confidentiality-Sample

Declaration of
impartiality and confidentiality

Publication ref: *(Name of the assignment)*

I, the undersigned, hereby declare that I agree to participate in the evaluation of the above-mentioned procurement procedure for selection of a firm for the assignment " _____ ", ref. no. _____. By making this declaration, I confirm that I have familiarized myself with the information available to date concerning this procurement procedure. I further declare that I shall execute my responsibilities honestly and fairly.

I am independent of all parties which stand to gain from the outcome of the evaluation process. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future, which might call into question my independence in the eyes of any party; and, should it become apparent during the course of the evaluation process that such a relationship exists or has been established, I will immediately cease to participate in the evaluation process.

I agree to hold in trust and confidence any information or documents ("confidential information") disclosed to me or discovered by me or prepared by me in the course of or as a result of the evaluation and agree that it shall be used only for the purposes of this evaluation and shall not be disclosed to any third party. I also agree not to retain copies of any written information or prototypes supplied.

Confidential information shall not be disclosed to any employee or expert unless they agree to execute and be bound by the terms of this Declaration.

Name	
Signed	
Name	
Signed	
Date	

5.10 Training Activities

Training is an integral element of the project's capacity building objective. The Loan finances training programs, including training workshops, study tours and local training and other training activities not included under goods or service provider's contracts, including training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainer's fees and other training related miscellaneous input. Training programs may be included in larger contracts with firms to reduce administrative burden on the PMU. The PMU would be responsible for administration of a small number of workshops and study tours for the PMU and other staff.

Expenditure items for training activities, including study tours, would be reported under SOEs.

5.11 Operating Costs

"Operating Costs" means the incremental expenses incurred by the Project Management Unit, on account of Project implementation and includes the costs for office rent and utilities, insurance, operation and maintenance of vehicles, office equipment and supplies, communication costs, dissemination of information, publications, support for information systems, translations, photocopying, bank charges, travel and per diem costs related to the Project, office administration costs, costs for fixed and mobile telephones, internet costs, representation costs and other reasonable expenditures directly associated with the carrying out of the Project, based on an annual budget approved by the Bank. The following procedures will apply: In all cases where applicable, such as for procuring office suppliers or for translation the Borrower would request quotations from at least 3 suppliers for any given type of goods and services and would award a "framework contract" for supply of those particular goods and services for a given period of time, which can be extended by signing a contract amendment. For other one off expenditures such as advertising and other similar expenditures the payment shall be based on a received invoice and no contract shall be signed. Operating cost will not include salaries of civil servants

5.12 Review by the Bank of the Procurement Decisions

For procurement that has been determined in the Procurement Plan to be subject to prior review, the following documents shall be submitted by the PMU through STEP for Bank's prior review and no objection:

- The GPN and SPN, as appropriate;
- For Consulting Services, the REoI, including the complete TOR, and the Shortlist assessment report;
- The request for bids/ request for proposals documents, including any amendment to them;

- The first request by the Borrower to Bidders/Proposers/Consultants to extend the Bid/Proposal validity period, if it is longer than four (4) weeks, and all subsequent requests for extension, irrespective of the period;
- The Bid/Proposal evaluation report and recommendations for contract award, including documents demonstrating that any procurement complaints have been addressed to the satisfaction of the Bank.
- All requests for cancellation of a procurement process and/or rebidding/re-invitation of Proposals;
- The PMU shall not proceed with the next stage/phase of the procurement process, including with awarding a contract without receiving from the Bank confirmation of satisfactory resolution of Complaint. If, after the Bank's prior review and no-objection, analysis of a complaint leads the Borrower to change its contract award recommendation, it submits for the Bank's no-objection the reasons for that decision and a revised evaluation report;
- One conformed copy of the contract, and of the advance payment security and the performance security if they were requested, shall be furnished to the Bank promptly after its signing and prior to the making of the first payment.
- The terms and conditions of a contract shall not, without the Bank's prior review and no objection, materially differ from those on which Bids/Proposals were requested or Prequalification/Initial Selection, if any, was invited.
- For contracts subject to prior review to be awarded using Direct Selection, the Borrower shall submit to the Bank, for its review and no objection, a sufficiently detailed justification, prior to inviting the firm/consultant to negotiations. The justification shall include the rationale for direct selection instead of competitive procurement process and the basis for recommending a particular firm/consultant. After negotiations are completed, the PMU shall submit to the Bank the draft negotiated contract and minutes of negotiations, for its prior review

Modifications of the signed Contract

For contracts subject to prior review, the PMU shall seek the Bank's no objection before agreeing to:

- an extension of the stipulated time for execution of a contract that has an impact on the planned completion of the project;
- any material modification of the scope of the Works, Goods, Non-consulting services or Consulting Services, or other significant changes to the terms and conditions of the contract;
- any variation order or contract amendment (except in cases of extreme urgency), including due to extension of time, that singly or combined with all previous variation orders or amendments, increases the original contract amount by more than 15% (fifteen percent); or
- the proposed termination of the contract.

Description of the initial procurement plan is given in Annex 5.

6. FINANCIAL MANAGEMENT

6.1 Financial Resources

The Republic of Macedonia has received a Loan from the International Bank for Reconstruction and Development (IBRD) for implementation of Macedonia Social Services Implementation Project (SSIP) in total amount of USD 33.4 or app EUR 28.7 million. The project will be implementing over the period of five years.

The closing date of the project is June 30, 2024

The table below sets the allocations of the amounts of the Loan to each Category shown in USD and EUR.

Category	Amount of the Loan Allocated (in USD)	Amount of the Loan Allocated (in EUR)	Percentage of Expenditures to be Financed with loan funds including VAT.
1) Goods, works, non-consulting services, and consulting services, training and Operating Costs under the Project (except for Grants)	10,824,300.00	9,298,074.00	100%
(2) Grants	22,576,570.00	19,393,273.00	100%
(3) Front-end Fee	83,430.00	71,750.00	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Interest Rate Capor Interest Rate Collar premium			Amount due pursuant to Section 4.05 (c) of the General Conditions
Total amount:	33,484,300.00	28,763,097.00	

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The activities in the project that qualify for funding by the World Bank are known as “eligible” expenditures.

By default, any expenditure that is not eligible for World Bank financing is deemed “ineligible” and therefore can’t be paid by the Loan funds.

6.2 Financial Management and accounting principles

6.2.1 Implementing Entity

The Ministry of Labor and social policy through PMU will act as the overall implementing agency for the project. The PMU will oversee and coordinate all of the implementation, results monitoring, reporting, fiduciary functions, and safeguards of the Project Executed components, in close collaboration with the line ministries and public agencies. The PMU includes qualified and experienced financial staff that will be further trained in disbursements and project financial management as needed.. The Project manger will supervise the implementation activities.

6.2.2 Accounting Policies and Procedures

The accounting books and records will be maintained on the cash basis with additional information of signed contracts, in conformity with related requirements of the World Bank’s financial reporting guidelines. The cash receipts are recognized when received and cash expenditures are recognized when paid rather than when incurred.

Project financial statements will be presented in euros, and will encompass all transactions financed under the project.

The project accounts are kept in local currency i.e. in Macedonian denars (“MKD”) and for reporting purposes will be converted in EUR.

In addition the PMU will apply in practice a set of acceptable accounting procedures and internal controls including authorization and segregation of duties for the project and will ensure that it’s accounting policies and procedures also comply with accounting principles and methodologies for budget users set by the local regulation.

6.2.3 Accounting standards

The accounting systems of PMU will:

- Reliably record and report all financial transactions, assets and liabilities of the project;
- Provide adequate financial information for SSIP managing and monitoring activities

- Ensure that its accounting policies and procedures also comply with the accounting principles and methodologies set up by the local regulation.

6.2.4 Accounting Management

Day to day project accounting is the responsibility of PMU Financial staff who reports directly to the SSIP Project manager. The accounting for the project shall be on cash basis with additional information provided for commitments on signed contracts.

6.3 Project Financial Management System

The PMU will establish a project Financial Management System acceptable to the Bank, for administrating the accounts for the Project. This shall be designed to accomplish the following objectives:

- Regular and Precise record keeping and denoting of all project financial accounting transactions according to the requirements, needs and applications of the legislative of the Republic of Macedonia and the WB;
- Produce financial reports for two separate groups of users: 1) World Bank reporting requirements – as per forms and principles laid down in the WB guidelines, and 2) statutory reporting requirements – in accordance with the Macedonian legislative.

This system shall be upgraded and designed to provide relevant, reliable and complete accounting and procurement information followed the consistently from one period to another, so that financial reporting is comparable. In that context **relevant** means that accounting information is relevant when accounting transactions are recorded and reported in timely fashion; all accounts should be updated and reconciled on a monthly basis and reports should be issued no less frequently than each quarter; **reliable** means that information is reliable when it is free from material error, when it is neutral and free from bias; **complete** means that all appropriate transactions have been recorded in accordance with the accounting procedures manual; **comparable** means that users must be able to compare the financial statements of the Project over time in order to identify trends in its financial position and performance.

The Financial Management System will include:

- Proper accounting system;
- Internal control system;
- Reporting and monitoring System /Interim un-audit Financial Reports(IFRS);
- Auditing of Project activities;
- Financial Control System;
- Disbursement arrangements and cash flows.

6.3.1 Accounting System

MLSP uses the treasury system for its accounting and reporting. The treasury system was assessed by the World Bank and found to be sound with reliable reporting and ex ante controls. This system also will be used by the project for accounting and reporting purposes.

The developed software by the local company “Edusoft” that was used for accounting and reporting of the finished CCT project will be used also for the SSIP Project. Given the complexity of the project and a need to consolidate all project information including two types of grants in one place, this software will be upgraded, tailored, to be beneficial for financial transparency and reliability of the project data.

PMU financial management staff will be responsible to record, classify, report and interpret project financial data in to the software, to keep necessary financial records and prepare financial statements.

The software shall enable sufficient transparency of the use of project funds and generate financial information for proper and easy preparation of project financial statements, as well as for quarterly IFRs on cash basic in the agreed format. The software should provide reliable accounting and procurement information, and be transparent with easily accessible information.

The accounting structure of the software should reflect the sources of funds, project component, disbursement categories, and relevant expense accounts, broken down into the various types of expenditures for the project. The accounting structure should be able to produce financial reports that show budgetary items related to the current project financial data.

The PMU financial staff will follow the accounting cycle i.e. a six-step process including:

- Analysis of transactions from source documents into an appropriate number of debits and credits to be entered into accounting records;
- Recording transactions in a journals for later posting to the general ledger;
- Posting the general ledger at the end of each month of operations;
- Adjusting general ledger at the end of each quarter;
- Closing and balancing the ledger at the end of the year;
- Preparing financial statements in IFMR format

In addition, project-supported beneficiaries will be also required to maintain proper accounting records and supporting documentation to ensure proper identification of grant transactions.

6.3.1.1 Back-up of financial Data

The accounting data shall be backed up on regular basic. Prior to closing of the fiscal year a back up of the accounting records should be taken. This will ensure that record is kept of all the transactions of that fiscal year.

6.3.2 Internal Control System

Internal control should be seen as a process designated to provide reasonable assurance that the objectives of the Project are being achieved in the following categories: effectiveness and efficiency of operations; reliability of financial and operational reporting and compliances with applicable laws and regulations.

Key internal controls to be applied for the project include *inter alia*:

1. appropriate authorizations and approvals;
2. segregation of duties;
3. different persons being responsible for different phases of transaction;
4. reconciliations between records and actual balances, as well as with third parties should be performed on regular basis;
5. Complete original and orderly supporting documentation should exist to support project transactions.

Adequate system of internal controls and procedures was instituted as part of the finished CCT Project. Such a system is assessed as reliable and during the appraisal it is agreed that it will continue to be applied for SSIP.

For the two types of grants additional controls will be introduced as described in the Grants Operational Manuals to ensure that the funds flow to selected grant beneficiaries and that the funds are used for intended purposes. The procedures will be designed to ensure use of funds for intended purposes.

Key internal controls and procedures that shall be in place according to the Grants Operational Manuals with respect to grants mechanism should include *inter alia*:

1. Appropriate eligibility criteria. (a) ex ante-clear description of eligibility criteria for beneficiaries, project and activities to be financed by the projects, documentation needed to support the eligibility and (b) ex post-control checks performed to verify eligibility of selected beneficiaries;
2. Appropriate procedures for selection of beneficiaries (staff who perform the evaluation, the procedure and criteria and summary reports) Robust evaluation and selection procedures, including determining and describing responsibilities for process;
3. procurement process for the grants;
4. Procedures on determining funds needed;
5. Transparency of flow of funds. The need for information about the transferred funds, together with supporting documentation, including statements of accounts (MLSP account/project transit within the TSA, DA) to be submitted to the PMU from the Treasury. The PMU will include detailed information in the quarterly IFRS;
6. monitoring use of funds at beneficiary level as applicable and
7. Accounting and reporting on the use of funds and relevant templates
8. Reporting back to the PMU. On the executed transfers from the MLSP/project transit account, designated account and to beneficiaries (supporting documentation and accounts statements) as well as on the unused funds.

A different approach will be followed for infrastructure grants for kindergartens and respectively for social services grants. The applicable mechanism of procurement and flow of funds will be described in the Grants Operational Manuals.

In the case of infrastructure grants the procurement will be led by the PMU and a Tripartite Agreement shall be signed between MLSP, the Construction Contractor / Equipment Supplier and the Municipality which shall regulate the value of the contract, works to be done/equipment to be delivered with quantity and unit price, deadline for contract execution, supervision and payment, handling complaints during the guarantee period and other contract conditions. PMU will pay the supplier as per the payment conditions stipulated in the contract.

For the Social services grants, In case when the municipality is selected as a service provider, Grant Agreement between the MLSP and the Municipality shall be signed. In other cases when the municipality shall not be the service provider, Grant Agreement between the MLSP, the Municipality and the service provider shall be signed. In the grant agreement the amount of the grant calculated based on the methodology for calculating the necessary funds for establishing a particular service described in the Grant Operational manual shall be stipulated. The Agreement will regulate the payment for the grant funds as well as the other rights and obligations of the contracting parties. PMU will pay the provider as per the payment conditions stipulated in the contract.

6.3.3 Reporting and Monitoring

6.3.3.1 Interim Financial Reports

Project management-oriented Interim un audited Financial reports (IFRs) will be used and provided for project monitoring and supervision in accordance with the World Bank requirements, as well as the reports requested by the Government of the Republic of Macedonia.

The format of the IFRs was agreed with the Bank at negotiations and the format of these reports is attached as an Annex 3 to this POM.

The PMU will produce a full set of cash-based IFRs, covering all project components and sources of financing for each calendar quarter throughout the life of the project. They will be due 45 days after each quarter end.

The IFRs will comprise the following reports presented in the agreed format:

- Designated Account Statement
- Statement of Project Cash Receipts and Uses of Funds;
- Statements of Uses of funds by Project Activity;
- Unit of Output by Project Activity;
- Breakdown of Grants; and
- Narratives to the reports

6.3.4 Auditing of Project activities

The project's financial statements will be audited in accordance with terms of reference acceptable to the Bank, conducted in accordance with the International Standards of Auditing issued by the IAASB. The audit will be carried out every year by

a audit company acceptable to the Bank. The audit report and audited financial statements will be submitted to the Bank not later the six months after the end of the audited period.

Given the higher complexity of the grants for selected municipalities, the financial audit will include a representative sample of sub-project to ensure that grants funds have been used for eligible activities and properly supported by documentation.

In addition the audit will be required to extend the scope from financial audit to include performance and operational audit. Operational/performance audit will represent a separate task and will be subject to separate TORs and procurement process.

The draft financial/operational/performance audit Terms of Reference were agreed at negotiations and it is attached as an Annex 2 to this POM.

The Project Audits shall be financed by project funds

6.3.5 Financial Control System

All transactions must be reflected by supporting documentation. The process of registering the supporting documents is the first step for record keeping.

6.3.5.1 Cash Control

In order to facilitate the smooth running of the Project the small Petty Cash float in MKD should be established to pay for minor expenses incurred during daily operations of the office. When ever the petty cash funds drops below a certain balance it should be replenished through a withdrawal from Designated Account. All disbursements from the petty cash fund must be documented with a corresponding receipt and previously approved by the Project director/Project manager coordinator. The PMU Financial Manager is responsible for maintaining the petty cash and is responsible to document all disbursements from the petty cash according to the local legal provisions covering the petty cash accounting operations.

A system of internal control shall be established to ensure that petty cash amount is protected from theft or embezzlement. The Project manager shall periodically appoint a PMU member to conduct cash control.

Internal control for petty cash includes the following:

- Cash is under lock;
- Statements of cash flow reflecting the both cash receipts and cash disbursement records;
- Regular maintenance of cash counts sheet by the financial staff and periodical entranced of each petty cash expenditures into general bookkeeping ledger with allocation of appropriate account;
- Statement of cash flow reflecting the both cash receipts and cash disbursement record;
- Regular reconciliation between the physical cash, accounting and cash counts records;

6.3.5.2 Fixed Asset Control

The internal control of fixed assets such as furniture, equipment and office accessories and any other asset procured for the purposes of the Project will be maintained by the MLSP and PMU. All employees/consultants are responsible and accountable for fixed assets in their possession. The controls over fixed assets include: maintaining an assets register, verifying the existence and condition of assets periodically and developing policies for authorization of asset disposal.

- An Assets register will be established by PMU with an entry for each asset. Each asset shall be given a unique number for identification purposes. The register will contain information about where and when the item was purchased; how much it cost; reference number or serial number and depreciation. The Assets Register shall be checked by an inventory committee at the end of each calendar year and any discrepancies will be reported and appropriate action taken.
- Regular maintenance (eg vehicles and equipment) will help to improve safety and prolongs the life the assets, as well as preserving their value.

Any acquired or donated assets will be recognized in a Fixed Asset Record if the item has value of EUR 100 or more. This record will include a description of the asset, date received, cost or estimated value, location and an indication if it was purchased or donated.

6.3.6 Disbursement Arrangements

6.3.6.1 Project accounts

In order to enable smooth implementation of the Project and timely payments for expenditures incurred under the Project and Grants, once the project become effective, PMU will open and maintain:

- Designated Account (DA) for loan funds denominated in EUR in National Bank of Republic of Macedonia (NBRM) to which the funds will be transferred. These will be a separate account used for withdrawals and payments of the project funds only.
- A mirror Denar account will be opened within the Treasury Single Account to serve as an operating account for withdrawals from the foreign currency account. All transfers will take place through this account with a corresponding transfer of the denar-equivalent amount from the DA. The account in Denars will be transit account an immaterial or zero balance

Payment for project activities will be made from DA through Treasury single denar account to the final suppliers.

Execution of the grants will be made from DA through Treasury single denar account to the final suppliers/providers.

6.3.6.2. Disbursement procedures

The DA will be replenishment under transaction – based disbursement method or by direct payment on the basis of direct payment withdrawal applications, or via special commitment, issued on the basis of withdrawal applications supported with the relevant letters of credit.

Documentation requirements for replenishment would follow standard Bank procedures as described in the Disbursement Handbook. The application for replenishment will be supported by the necessary documentation, DA statements and reconciliation of these Bank statements.

The World Bank will disburse funds for the Project using traditional methods such as Statements of Expenditure (SOE). Method of disbursement of funds by the World Bank includes application for withdrawal for advances and replenishments to a Designated Account. Prior to sending the application for Withdrawal to the Bank it should be checked against the following:

- Application shows the currency and amount required;
- Signed by the Borrower’s duly authorized person to withdraw funds;
- Sufficient funds exist in the specific disbursement category of the Loan Account;
- Is in compliance with the Loan Agreement conditions;
- Procurement regulations have been followed.

The PMU financial staff is responsible for the preparation of Application for withdrawal (WA) SOE, summary sheets, DA reconciliation as required. These documents should be reviewed and signed by the Minister of MLSP as authorized signer of the Loan Funds. The documentation will be sent to the World Bank Regional disbursement center in Zagreb, Croatia.

Applications for replenishment of the DA will be submitted quarterly or more frequently, if needed. The ceiling for the DA is in accordance with the Disbursement letter.

The Bank may permit electronically delivering of applications (with supporting documents) through the Bank’s web-based portal (<https://clientconnection.worldbank.org>) “Client Connection”. This option may be effected if: (a) the MLSP has designated in writing, its officials who are authorized to sign and deliver Applications and to receive Secure Identification Credentials (“SIDC”) from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of “Client Connection”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”.

Or the MLSP may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the MF/MLSP. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the MF/MLSP confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank's public website at <https://worldbank.org> and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

6.3.7 Flow of funds

Project Loan funds will flow from the World Bank – as an advance, via DA through the Treasury Single Account to the final suppliers/recipients.

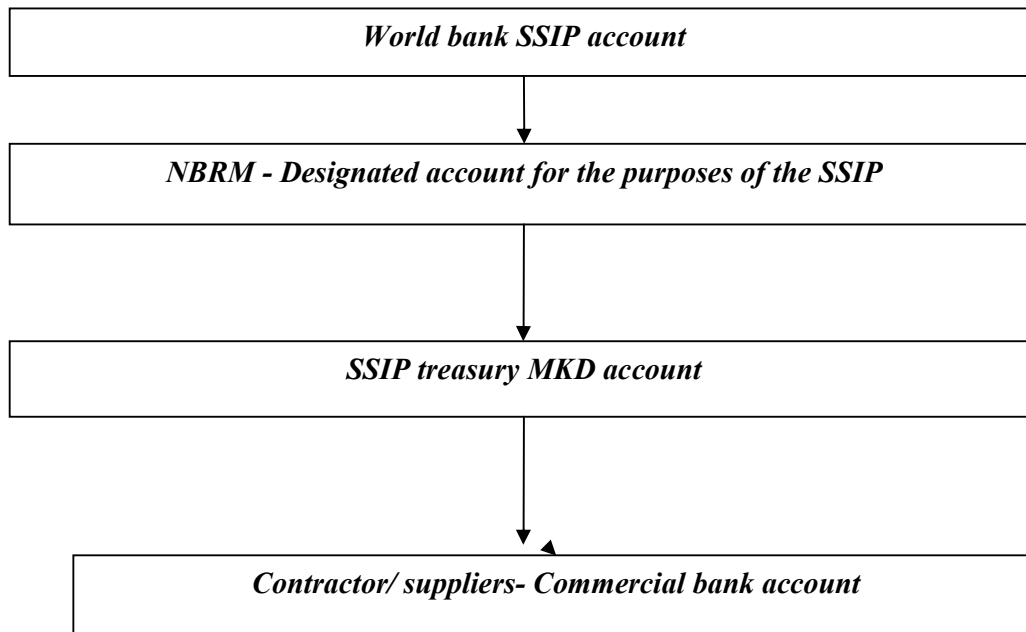
Flow of funds for Grants will be the same as for the other activities, meaning that funds for the approved grants will flow from the DA through the Treasury Single Account to the suppliers based on adequate supporting documentation and payment orders signed by the authorized signatories.

In this case when payments to local suppliers/providers are made, then a corresponding amount of foreign currency is exchanged in Denars and credited to the Denar mirror account. From there, the amount is transferred to the respective supplier.

If a payment needs to be made to a foreign supplier/provider in foreign currency, then the foreign currency equivalent amount is converted to Denars and credited to the mirror Denar account. The Denar account is then debited with the transaction amount, the Denars are converted to the appropriate foreign currency, and the respective amount transferred to the supplier.

This flow of funds is followed even if the Designated Account and the payment due to the supplier are in the same currency. This ensures that the mirror Denar account, as part of the Single Treasury Account, captures all amounts paid to suppliers in the Treasury system.

The cash flow for this case is shown in the picture 1. Bellow



Picture1.

All disbursement (payments) for local expenditures to suppliers, contractors, consultants, etc., from the Grant funds will be made in the local currency of Republic of Macedonia (MKD) and for reporting purposes converted into EUR using the buying exchange rate at the NBRM at the date of transfer the grants. Project foreign expenditures will be made in a original currency and for reporting purposes converted into EUR.

6.3.7.1 Flow of documents & Payment execution

The project will be paid from DA through Treasury mirror account directly to the final suppliers.

Responsibility for the invoice and supporting documentation verification and payment procedure rests with the overall PMU staff.

The verification of the invoices and supporting documentation received shall follow the following procedure:

1. All invoices and respective supporting documentation shall be submitted to the PMU Financial staff for invoice registration and processing.
2. The Financial staff checks and confirms whether the:
 - Invoice and supporting documentation is in compliance with contract financial terms;
 - There is available budget for payment of the invoice
3. The PMU member responsible for monitoring the implementation of the contract checks and confirms that:
 - The conditions for contract payment are met

- The contract has been implemented according to the contract terms, i.e the goods/works/services are being delivered according to the contract and the requested documentation has been submitted in line with the contract terms
4. The PMU procurement staff reviews the documents to see whether they are in line with the template given in the bidding documents
 5. Control and Prior approval of the invoice and supporting documents is done by the PMU Project manager.
 6. The documentation approved for payment is submitted to the PMU Director for approval
 7. The prepared documents for payment are submitted to the authorized signatory to be signed.
 8. The Financial Staff makes the payment;

The verification deadline for invoices (check of compliance with contract terms) and respective supporting documentation (availability check) is 10 business days after the invoice reception date, provided there are no remarks.

Any change of the submitted invoice or a communication with the supplier that submitted the invoice must be done in writing.

For the two types of grants payment execution and flow of documents in details will be explained in the Grant Operational manual.

7. MONITORING AND EVALUATION

This part deals with the monitoring and evaluation of the overall SSIP of which the PMU is responsible for.

Monitoring will include:

- Overall SSIP monitoring;
- Sub-projects monitoring and evaluation of sub-projects outcomes including social and environmental monitoring of sub-projects during the implementation phase
- Ensure timely collection of data for measurement of the results indicators.
- Take the necessary corrective actions needed to sustain or improve progress;
- Coordination with all relevant stakeholders at local and national level;
- Reporting to the World Bank

7.1 Project Development Objective Indicator and Results Indicators

The Project Development Objective (PDO) of SSIP is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

PDO Results Indicators are as follows:

- (e) Share of cash benefit recipients and social services recipients recertified and recorded in the new information system -disaggregated by gender;
- (f) Number of beneficiaries receiving noninstitutional social services (alternative/nonresidential forms of care) from licensed providers-disaggregated by gender;
- (g) National preschool enrollment rates for 3–6-year-old children - Sub-indicator: National preschool enrollment rates for 3–6-year-old children who belong to the families - recipients of the SFA;
- (h) Share of preschools with improved process quality as measured by the quality assessment tool.

The main responsible entities for collection of data are the MLSP, the municipalities, the PMU and the BDE

The PMU is responsible for monitoring and evaluation of project achievements and will be a focal point to collect all the data and communicate with the WB according to the frequency of reports described in the monitoring arrangement matrix

The PDO level and intermediate results indicators would be monitored using the following sources and methodologies: (a) regular data collection process, including existing administrative data systems; (b) baseline and follow-up surveys; and (c) evaluation reports.

In addition, an operational and performance audits will be conducted each year to assess and review the implementation of the competitively awarded grants in municipalities for preschool infrastructure and grants for provision of noninstitutional social services at local level.

Also the project will develop an integrated social welfare information system covering both social assistance benefits and services, which will provide more timely data to monitor project implementation.

Further details are described in Annex 4. Results Framework and Monitoring of this POM

8. ADMINISTRATIVE PROCEDURES

8.1 Personnel Management and PMU employment conditions

PMU is responsible for coordination and all day-to-day Project implementation activities on behalf of MLSP. PMU is responsible for the technical, financial and procurement aspect of the project implementation.

The PMU staff is to be administered in accordance with the contract signed between them and the MLSP, WB requirements and the Macedonian legislation governing Employment Relations.

The PMU members are directly subordinated to the Project Manager and Project Director.

On project progress and problems and challenges the PMU reports to the Minister through the Project Manager and Project Director.

The PMU staff are retained in full for the lifetime of the Project, subject to satisfactory performance. The establishment of the PMU is supported by Loan funds and PMU staff shall be remunerated on competitive rates in order to avoid fluctuation of the skilled staff. The PMU is built on the basis of the CCT PMU. The CCT project Director is an MLSP employee.

The PMU personnel (except the members of the CCT PMU) shall be selected on a competitive basis in accordance with the TOR for each position. The staff of the existing PMU established under the MLSP to coordinate and monitor CCT project activities shall be hired on the SSIP by using "Direct Selection" method.

All candidates for a SSIP PMU position must be able to speak, read and write Macedonian and English (good working knowledge of English and be able to fully understand spoken or written communications and/or documents). No SSIP PMU staff can hold another position in another public sector entity.

In implementing their tasks the PMU staff will adopt the following code of conduct:

- PMU staff acts by the principles of professional impartiality, responsibility, honesty, transparency, openness, efficiency and effectiveness in relations with third parties (i.e. consultants, suppliers of goods, persons or institutions involved in any way in activities or results of those activities), and may not practice any form of discrimination or preferential treatment;
- PMU staff is expected to accord equal and fair treatment to the users of the services supplied by the Project;
- PMU staff shall use the available resources in the manner of a good host, and maximum cost-effectiveness in relation to the general objectives of Project, maximum cost-effectiveness should always be sought in decision-making within the PMU and in the practical application of its procedures;
- PMU staff shall not use available official information for private purposes;
- PMU staff may not directly, or through an intermediary, hold any interest in companies, or have responsibilities in public or private institutions having commercial relations with the PMU or benefiting from its activities, and they

may not receive any gifts, remuneration, commission or fee of any kind from such companies or institutions. Compliance with this obligation is an express condition of engagement with the PMU;

- PMU staff should not be engaged in political propaganda;
- The MLSP Minister, the Project Director and the Project Manager are the only authorized person to issue work instructions to PMU staff,

PMU work is based on following principles:

- Conformity with the Constitution of the Republic of Macedonia and other local laws;
- Autonomy of PMU - In terms of making decisions related to the Project, according to the delegation of the full authority in day-to-day management by the Minister to the Project Director and Project manager;
- Impartiality in relations with third parties - The PMU shall not practice any form of discrimination or preferential treatment and shall exclusively apply the decision making criteria and selection procedures described in the approved documents such as Loan Agreement, PAD; POM;
- Transparency -The Project implementation methods are transparent, and goods, and services are procured on competitive way following the WB procurement rules. The public and potential suppliers of goods and service providers are informed properly about the availability of funds. The reporting to all partners should be accurate;
- Quality - Contracts are be made only with those suppliers and service providers that undertake to ensure that their goods and services meet high quality standards. Technical proposals offered by suppliers and service providers would need to include credible quality assurance mechanisms. These mechanisms are evaluated by the PMU, as part of their overall evaluation of the proposals;
- Cost effectiveness - The resources are used at maximum efficiency; the results are monitored and evaluated on the basis of agreed indicators;
- Monitoring – Project monitoring activities should be carried out to ensure that project activities are being implemented timely and in accordance to the document signed
- Goods and services are delivered in the quantities specified and according to the schedule and quality standards established in the contract;
- Problems are identified early, and any corrections necessary are applied quickly and effectively;
- Financial transactions are carried out in a proper and timely manner, and are supported by the necessary documentation;
- Effective coordination exists between suppliers/service providers and other interested parties;
- The overall program is implemented in a transparent manner through widely drawn public disclosure of program information.

Employment conditions

Organization of the work in the PMU is based on the principle of organizational unity and division of duties according to professional qualifications and other skills needed for the determined positions in the PMU.

Besides the professional qualifications the PMU staff should meet the following criteria:

- Is a citizen of Republic of Macedonia, aged 18 or above,
- Meets other criteria set by law of the Republic of Macedonia.

New PMU staff is hired in accordance with the WB Regulations

The PMU working week is 40 hours, Monday through Friday, and working hours are between 7:30/8:30 am and 15:30/16:30 pm, with a half hour paid lunch break. Saturdays, Sundays and National holidays of Republic of Macedonia, as defined in the Law on Labor relations of Republic of Macedonia, are non-working days. The Project Manager can determine that the staff should work longer or in non working days in order to complete the assignment that cannot be delayed if it cannot be completed within the regular working hours. PMU staff remuneration includes occasional overtime, and no additional remuneration will be provided, but equal or proportional leave should be given.

PMU staff is paid once a month, generally between the first and fifth day of the next month.

PMU staff earns their annual vacation at the rate of 2 days per month, i.e. 24 vacation (working) calendar year prorated monthly from starting date. All vacation time must be approved in written in advance by the Project Manager and Project Director. The Project Manager prepares the plan for annual leaves of the staff, respecting to the extent possible the needs of staff and based on the plan issues the separate decisions on approval of the annual leave for each PMU member.

PMU staff are entitled to paid leave (annual and sick) as per conditions of individual contracts. Staff may accrue up to six (6) sick days per year employed. Extended absences, inclusive of extended travel for official purposes, will be approved by the PMU Project Manager/ Director only on a case-by-case basis. Employees are entitled to leave without pay only with the approval of the PMU Project Manager/Director, who shall decide on a case by case. Health and pension benefits shall not be paid by PMU and will be staff member's responsibility.

Training days (for training included in the implementation plan and approved by the Project Manager/Director designated in the contract) are counted as working days. Travel and participation in meetings and seminars will be approved in written on a case-by-case basis by the PMU Project Manager/Director. PMU will pay regular economy class air fare for employees traveling to official meetings. Overnights-Per Diem will be paid according to regulations.

The performance evaluation of PMU employees is the responsibility of the Project Manager, who discusses and documents the performance and professional development of the staff. Progress in the previous year, functions and goals for the succeeding year, and suggestions for enhancing the individual's personal and professional development are discussed.

Project Manager and Project Director encourage employees to improve and develop their job-related professional skills. Job-related training includes, but is not limited to, academically accredited courses, training seminars and language study. Staff development activities are for the benefit of the organization and decisions will be made accordingly. In addition, Project Manager and Project Director offer employees a range of other opportunities for professional development. For example, seminars and workshops conducted by staff, local or foreign consultants, public and governmental agencies on topics relevant to the PMU mission as Project management courses, procurement with special emphasis on IT, works and services, financial management courses and other courses which may be found by the Project Manager and Project Director as beneficial for increasing the PMU competence.

PMU staff keeps the business confidential information during the engagement in the PMU and after its termination in accordance with the confidentiality clause of the contract.

PMU ensures accurate and on-time preparation, sending, receiving and archiving of all business documentation and follow-up of its circulation. The business documentation is understood as:

- All the documentation that PMU makes or receives from the third persons, related to project (i.e.. agreements, invitations to bid, bids, minutes, evaluation reports, contracts, reports, guarantees, bills, evidences, no-objections, etc.);
- Contracts and general acts regulating the legal status of PMU;
- Financial documentation;
- Staff dossiers and evidences related to staff contracts;
- Other documents.

Correspondence

Correspondence management comprises: receiving, opening, reading and distribution of mails and acts, grouping and forwarding for processing, administrative-technical processing, sending, classification by subject and archiving. Project manager is responsible for receipt, review and distribution of mail, track record of documents, delivery of mail and filing.

The exception for the above rule is the treatments of bids/proposals if properly marked, are immediately submitted unopened to the Procurement Manager for safekeeping.

Every act for official communication will have the common interface, with memo of the MLSP, name and address of recipient, title, text, official seal and signature.

Mails sent from the staff individual address have to be copied to the Project Manger's and Project Director's address.

The use of electronic mail is encouraged. Mails should be copied to all concerned staff inside the PMU.

The official paper correspondence (by mail, by hand,) between the PMU and the WB is mostly sent by the Project Manager and copied to the Project Director, while other PMU staff can also maintain the official correspondence in the field of expertise but must always copy the Project Manager and Project Director.

Communication inside the PMU

All forms of internal communication are organized on a liberal basis. This means that management trusts each staff a priori, and that each staff is expected to act responsibly and reasonably in all forms of written and spoken communication, until the demonstration of the opposite has been made. The objective is to minimize internal bureaucracy by limiting prior authorizations or straight prohibitions; any detected abuse, negligence, etc. is severely repressed.

Communication with the Media

All communication and contact with the media should be organized through the Project Manager, Project Director, the Minister and the Public Relations Unit within the MLSP. The individual communication of the PMU staff and the members of the Working Groups with the media representative is forbidden.

8.2 Information management, disclosure, dissemination and public awareness

Competent information management is essential for successful implementation of the Project. A central component of information management is the proactive disclosure of sufficient information to the public, as well as transparency of decision-making and project activities. This is vital for building trust and support for the Project among stakeholders.

There are both national and international requirements for information disclosure and public participation. It is a World Bank policy to disclose information to the public and involve civic society. In accordance with the requirements of the World

Bank safeguard policies, sub-project specific ESMPs to be developed in the course of the project implementation, are subject to public disclosure.

On the other hand, not all information can be freely shared with all stakeholders due to a number of constraints. These include, for example, a need for confidentiality during the competitive bidding process, restricted dissemination of information during project preparation and negotiation, etc.

When planning information disclosure and dissemination, it is important to define the target audience for this information, in order to tailor the format and mechanisms of dissemination. Target audience may not always be comprised of the same groups and it has to be considered prior to disseminating any information. Selection of the Bank's most relevant policies on information disclosure is given below:

Confidential Information

Without prejudice to the principle of transparency and other obligations pursuant to these Procurement Regulations, in particular those relating to the publication of the Contract Award Notice and debriefing of unsuccessful Bidders/Proposers/Consultants, the Borrower shall not disclose information provided by Applicants/Bidders/Proposers/ Consultants in their Applications/Bids/Proposals, which they have marked as confidential or which can be identified as confidential. This may include proprietary information, trade secrets and commercial or financially sensitive information.

Release of Evaluation Information

The Borrower shall treat information relating to the examination, clarification, and evaluation of Applications/Bids/Proposals in such a way as to avoid disclosure of their contents to any other Applicant/Bidder/Proposer/Consultant participating in the selection process, or any other party not authorized to have access to this type of information, until the Borrower notifies the outcome of evaluation of Applications/Bids/Proposals, in accordance with the procedures in the applicable Procurement Documents.

Communications

Communications between the Borrower and Applicants/Bidders/Proposers/Consultants during the different stages of the Procurement Process shall be In Writing. The Borrower shall keep a written record of meetings, such as: contract finalization meeting and exploratory/clarification meetings.

8.3 Project documentation handling

In the course of project preparation, implementation, evaluation and monitoring, a number of documents shall be used. These documents comprise the Bank's policies,

procedures and guidelines, as well as project-specific materials. The PMU staff is mostly concerned with the management of the latter. Generally, each project document or material should be assigned an appropriate disclosure category, as specified below. The three main categories are:

1. **Public documents:** require full routine disclosure;
2. **Internal documents:** may be disclosed partly, or to selected parties upon request;
3. **Confidential documents:** not disclosed to the general public; access granted only to those directly concerned with the issue.

Examples of project documents with assigned disclosure category and access details are shown below. The list of documents is not exhaustive and may be extended or modified in line with the project development circumstances.

Categories of document disclosure

No	Document category	Examples of documents	Comments on access/disclosure
1	<i>Public</i>	Project Appraisal Document (PAD); Project Operational Manual (POM); and Environmental and Social Management Framework (ESMF); sub-project specific ESMPs; Terms of Reference for consultants and subcontractors, information on procurement opportunities and contract awards (after signature); selected final reports; selected draft documents prepared specifically for public consultation.	<ul style="list-style-type: none"> • Routinely disclosed in full to all parties; • Proactively disseminated to key stakeholders
2	<i>Internal</i>	Draft PAD and other draft documents under negotiation; most of the financial information except that, which is contained in the public documents above; staff recruitment, remuneration and appraisal; selected final reports that may not be fully disclosed; other documents with sensitive information.	<ul style="list-style-type: none"> • Restricted access; • May be disclosed partially or fully to selected parties or general public on request
3	<i>Confidential</i>	Selected financial information; bidding documentation before official notification of the award; selected proceedings of the Project Board meetings; other documents of confidential nature.	<ul style="list-style-type: none"> • Access allowed to specified parties only

It is possible, and often likely, that different sections of the same document are assigned different disclosure categories. Also, it is likely that certain documents change disclosure categories over time. For example, many draft documents for negotiation in the “internal” category become “public” documents after negotiation is completed. If in doubt which category to assign, the issue should be referred to the relevant Task Team Leader at the World Bank.

Roles and responsibilities

The responsibilities for information handling, disclosure and proactive dissemination reside with PMU as suggested in the table below:

PMU staff responsibilities for information management

No	Staff title	Key responsibilities
1	Project Director and Project Manager	Planning and implementation of information dissemination and public awareness building activities; day-to-day communication with stakeholders; media liaison
2	Project Director and Project Manager	Supervision of disclosure and dissemination activities; participation in high profile dissemination activities and selected meetings with stakeholders; designation of disclosure category; liaison with the World Bank Task Manager on these issues
3	Procurement Manager	Information handling in planning and implementation of competitive bidding

The PMU staff should work closely with the PR unit within the MLSP. No disclosure of the sensitive information is permitted without prior approval by the PMU staff.

8.4 PMU Staffing

Position	Subordinated to	Qualifications	Tasks
Project Director	Minister of Labor and Social Policy	MLSP employee	<p>the Project Director is responsible for:</p> <ul style="list-style-type: none"> ○ Overall project implementation planning and coordination ○ Delegation of duties among PMU staff and supervision of their performance ○ Oversee the activities related to SSIP implementation ○ Approve the annual project budget and procurement plan ○ Liaise with the World Bank, donors and other governmental and international financial institutions ○ Approve internal Project documents, TORs and bidding documentation, evaluation committees and reports, contracts and agreements ○ Coordinate activities of the various studies (current and future) ○ Represent MLSP and PMU in all decision making bodies ○ Liaise with other projects ○ Maintain contacts with mass media as appropriate
Project Manager	Minister and Project Director	<p>Minimum</p> <ul style="list-style-type: none"> ○ University-level degree in social policy, economics, finance, or related discipline, Master or PhD degree in the relative discipline shall be considered as an advantage ○ Proven 	<p>the Project Manager is responsible for:</p> <ul style="list-style-type: none"> ○ overall management responsibility for the daily implementation of the project ○ Coordination of duties among PMU staff; ○ Oversee the activities related to implementation of SSIP; ○ Manage development of the annual project budget and procurement plan; ○ Manage preparation of internal project documents, TORs and bidding documentation, evaluation committees and reports, contracts and agreements; ○ Ensure accurate financial, procurement and accounting records and maintain financial and

		<p>knowledge of the Macedonian social safety nets</p> <ul style="list-style-type: none"> ○ Practical experience in procurement and financial management ○ Min three years Experience as Project Manager ○ Computer literate (MS Word, MS Excel, MS Project, Power Point, e-mail, Internet) ○ Excellent verbal and writing communication skills in Macedonian and English 	<p>procurement discipline;</p> <ul style="list-style-type: none"> ○ Develop and establish an appropriate communication and information dissemination system to facilitate project preparation and coordination arrangements between the PMU, MLSP and stakeholders; ○ Ensure proper stakeholder consultations on all issues related to project preparation; ○ Liaise with the World Bank, donors and other governmental and international financial institutions; ○ Liaise with other projects; ○ Any other activities in correlation with the implementation of theSSIP project;
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Procurement Manager	Project Director and Project Manager	<p>Minimum</p> <ul style="list-style-type: none"> ○ University-level degree in economics, finance, or related discipline. Master degree in the relative discipline shall be considered as an advantage ○ Three year of practical experience as a procurement specialist on a WB projects ○ Computer literate (MS Word, MS Excel, MS Project, Power Point, e-mail, Internet) ○ Excellent verbal and writing communication skills in Macedonian and English 	<p>the Procurement Manager is responsible for:</p> <ul style="list-style-type: none"> ○ Managing day-to-day project procurement activities; ○ Based on the work plan prepare an annual procurement plan; ○ Coordinate the procurement process for each contract by guiding preparation of bidding documents, receiving no-objections from the WB where necessary, sending invitations of bids and clarifications to bidders; ○ Arrange advertising for the procurement of goods and services ○ Organize and coordinate procurement evaluations including evaluation criteria, evaluation committees selection (to be approved), contract award/rejection notices and all other documentation associated with the evaluation process; ○ Provide guidance in bid evaluation to nominated committees; ○ Using Bank's online procurement planning and tracking tools to record all procurement actions under IPF operations, including preparing, updating and clearing its Procurement Plan, and seeking and receiving the Bank's review and No-objection to procurement actions as required; ○ Provide assistance during the project implementation activities in respect to the procurement issues. ○ Liaise with the World Bank procurement staff; ○ Interact with other PMU members in order to support overall project activities ○ Any other activities in correlation with the implementation of the SSIP project;
Coordinator for ECDE	Project Director and Project	<ul style="list-style-type: none"> ○ Shall be additionally defined 	Shall be additionally defined

	Manager		
Coordinator for Social services development	Project Director and Project Manager	Shall be additionally defined	Shall be additionally defined
IT Coordinator	Project Director and Project Manager	<p><u>Minimum</u></p> <ul style="list-style-type: none"> ○ University-level degree in Computer Science or Informatics, ○ At least 3 years experience in managing and implementation of complex ICT systems ○ Experience in design, administration and maintenance of virtualized environments, MS-Windows and Linux based systems (mail servers, domain controller and system security) ○ Experience in physical and logical design of IC networks infrastructure ○ Excellent 	<p>the IT coordinator is responsible for:</p> <ul style="list-style-type: none"> ○ Coordinating the work for Development of an integrated social welfare IS covering both social assistance benefits and services; ○ Identify IT opportunities and recommend solutions that will enhance or improve current business processes; ○ Understanding and resolving MLSP's software and hardware issues; ○ Identification of the needs for upgrading the current MLSP Management Information System in terms of, software, hardware and network; ○ Escalate and route complex or unsolved problems to respected IT support companies; ○ Ensures software, hardware and network installs, re-installs, upgrades, moves, changes and relocations are made when necessary and as required; ○ Assist on projects or special initiatives as assigned; ○ Assist the MLSP IT department in their day-to-day responsibilities; ○ Other IT related activities.

		verbal and writing communication skills in Macedonian and English	
Financial Manager	Project Director and Project Manager	<p>Minimum</p> <ul style="list-style-type: none"> ○ University-level degree in economics, finance, or accounting ○ Three years of practical experience as a financial specialist on a WB project ○ Computer literate (MS Word, MS Excel, MS Project, Power Point, e-mail, Internet) ○ Excellent verbal and writing communication skills in Macedonian and English 	<p>the Financial Manager is responsible for:</p> <ul style="list-style-type: none"> ○ all the accounting and disbursement aspects of the project; ○ all financial management functions, including financial reporting, disbursement, consolidation, budgeting, planning, accounting and auditing aspects of the project; ○ ensuring that all project transactions are recorded in the consolidated project's financial statements, meet the WB, the Ministry of Finance and the Ministry of Labor and Social Policy financial requirements; ○ establishing and maintaining close links with the WB, NBRM, Ministry of Finance and the Ministry of Labor and Social Policy and to ensure that all sources of financing are available for the project; ○ preparing and submitting for approval to the Project Director, Project Manager, MLSP and MOF all financial statements, budgets, financial projections, cash flow forecasts and all other Project reports as requested by the World Bank and the Macedonian Government; ○ cooperate closely with the PMU Procurement Manager to ensure that all accounting, procurement and disbursement aspects are properly linked; ○ preparing financial statements, budgets, financial projections and cash flow, as well as all project reports; ○ in a cooperation with the Procurement Manager lead the annual work plan and budget formulation process with

			<p>selected PMU staff and the loan end-users staff, and prepare final plans for approval by the Project Director, Project Manager and the Minister of Labor and Social Policy;</p> <ul style="list-style-type: none"> ○ ensuring that payments are made in a proper and timely manner, that all sources of financing are available for the Project and that a contract payments' monitoring system is operational, working in close cooperation with the procurement specialist; ○ preparation of documents required for audit of the project accounts; ○ controlling incoming invoices and preparing documents for payments; ○ keeping and updating accounting records, essential for the generation of reports; ○ Any other activities in correlation with the implementation of the SSIP project;
Civil engineer/architect	Project Director and Project Manager	<p><u>Minimum</u></p> <ul style="list-style-type: none"> ○ University degree in Architecture or Civil Engineering; ○ Knowledge of Macedonia legislation and standards in the fields of architecture, design, construction, urban planning and environmental protection; ○ At least 3 years of 	<p>the Civil engineer/architect is responsible for:</p> <ul style="list-style-type: none"> ○ Managing and supervising the implementation of the contracts signed for works, i.e. building and or renovation of facilities ○ Cooperate and coordinate with relevant departments in MLSP and other beneficiary institutions on obtaining technical documents (i.e. Bill of quantities, TORs, technical specifications, etc) for timely preparation of invitations to quote/requests for proposals; ○ Review technical specification for works and support beneficiary institutions in acquiring required permissions, approvals of authorities and additional architectural designs if needed; ○ Support in coordination and preparation of invitations to quote for

		<p>professional experience in project design, assessment, inspection or supervision of construction works and large scale renovations;</p> <ul style="list-style-type: none"> • Excellent design and drafting skills and proficiency with computer-aided design (CAD) ○ Excellent verbal and writing communication skills in Macedonian and English ○ Driving license 	<p>procurement of works and relevant technical services, and requests for proposals for selection of consultants;</p> <ul style="list-style-type: none"> ○ Provide support in preparation of publication announcements on procurement/selection opportunities in relevant media editions as required for specific method of procurement/selection; ○ Provide assistance or to participate in the evaluation committees during the evaluation process related to the reconstruction activities ○ Close monitoring of the works and closely liaising with the Supervisor hired under the project; ○ Maintain proper records of all tests carried out , meetings and site visits; ○ Monitor and inspect progress of reconstruction works, by making regular follow up visits to reconstruction sites in order to ensure that reconstruction works are performed within the agreed deadlines; ○ Certify all payments related to the reconstruction of the local offices after verification of work performed at sites ○ Perform any other duties related to the scope of the assignment that might arise and as determined by the Project Director/ Project Manager.
Environmental /social safeguards specialist	Project Director and Project Manager	<p><u>Minimum</u></p> <ul style="list-style-type: none"> ○ Minimum University Degree in environmental sciences, environmental engineering, or equivalent; ○ At least 3 years of 	<p>The Environmental /social safeguards specialist is responsible for:</p> <ul style="list-style-type: none"> ○ Advice and guidance to project applicants and designer companies on the identification, assessment and mitigation of environmental and social impacts at the sub-project level ○ reviewing all environmental safeguard documentation (ESS Check lists, site-specific ESMPs) submitted by project applicants, providing recommendations, advising on the sub-project category advising on the

		<ul style="list-style-type: none"> ○ relevant experience; ○ Work experience as an environmental specialist in/ with World Bank funded activities and knowledge of the World Bank safeguard policies and requirements will be an advantage; ○ Excellent verbal and writing communication skills in Macedonian and English ○ Driving license 	<ul style="list-style-type: none"> ○ quality of, and clearing the environmental safeguard documentation ○ Supervise Contractors' compliance with site-specific ESMPs and shall visits each sub-project at least once a month. ○ Prepare Environmental and Social Monitoring Reports including Project Progress reports for each ongoing sub-project, ○ Participate in regular supervision missions.
Grant Administrative Coordinator	Project Director and Project Manager	<p><u>Minimum</u></p> <ul style="list-style-type: none"> ○ University-level degree in social policy, economics, finance, or other related discipline ○ Proven knowledge of the Macedonian social safety nets ○ Three years of practical experience as 	Shall be additionally defined

		<p>coordinator on a WB project</p> <ul style="list-style-type: none"> ○ Experience with World Bank tendering, financial management and accounting principles ○ Computer literate (MS Word, MS Excel, MS Project, Power Point, e-mail, Internet) ○ Excellent verbal and writing communication skills in Macedonian and English 	
Financial officer	Project Director and Project Manager	<p><u>Minimum</u></p> <ul style="list-style-type: none"> ○ University-level degree in economics, finance, or accounting ○ Knowledge of the WB financial procedures ○ Experience of work with the International Accounting Standards and 	Shall be additionally defined

		<ul style="list-style-type: none"> ○ Macedonian tax and banking regulations ○ Computer literate (MS Word, MS Excel, MS Project, Power Point, e-mail, Internet) ○ Excellent verbal and writing communication skills in Macedonian and English 	
Grant application officer	Project Director and Project Manager	<ul style="list-style-type: none"> ○ Shall be additionally defined 	Shall be additionally defined
M&E Officer	Project Director and Project Manager	<p><u>Minimum</u></p> <ul style="list-style-type: none"> ○ University-level degree in social studies, economics, or business administration including tertiary studies in monitoring and evaluation design ○ Minimum 3 years experience in program monitoring and 	<p>The M&E Officer is responsible for:</p> <ul style="list-style-type: none"> ○ Continuous monitoring of the program operational activities aiming to guarantee their effectiveness and timely detection of the shortcomings and suggestions for their improvement; ○ Creation of tools and instruments for the monitoring of the activities; ○ Using the set of indicators, monitor the overall project effectiveness ○ Manage operational and performance audits ○ Conduct evaluations using spot checks or other methodologies; ○ Manage the contracting and studies of the impact evaluations ○ Other responsibilities required by the various actors of the program.

		<ul style="list-style-type: none"> ○ evaluation. ○ Work experience as M&E Officer in/ with World Bank funded activities will be an advantage ○ Excellent verbal and writing communication skills in Macedonian and English 	
IT officer	Project Director and Project Manager	<ul style="list-style-type: none"> ○ Shall be additionally defined 	Shall be additionally defined

9. PROCUREMENT METHOD

9.1 Selection methods for Goods, Works and Non-consulting Services:

- a. Request for Proposals (RFP);
- b. Request for Bids (RFB);
- c. Request for Quotations (RFQ); and
- d. Direct Selection.

a. Request for Proposals (RFP)

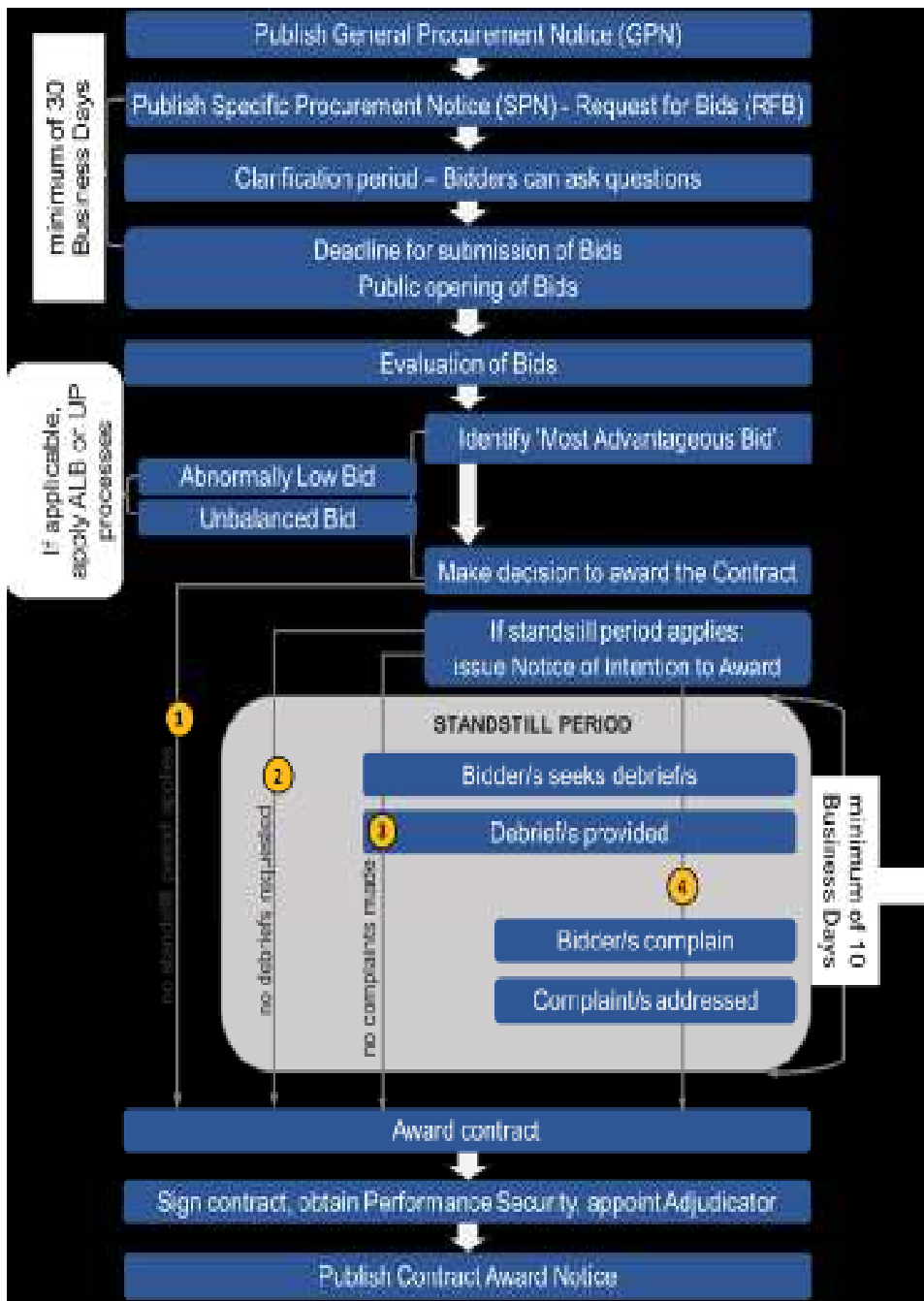
RFP is a competitive method for the solicitation of Proposals. It should be used when, because of the nature and complexity of the Goods, Works, or Non-consulting Services to be procured, the MLSP/PMU/ Implementing agency's business needs are better met by allowing Proposers to offer customized solutions or Proposals that may vary in the manner in which they meet or exceed the requirement of the request for proposals document. During the preparation of the PPSD, usage of this type of procurement method was not identified. If during the project implementation, the need for using this method is envisaged, the steps to be followed are described in the applicable procurement regulation.

b. Request for Bids (RFB)

RFB is a competitive method for the solicitation of Bids. It should be used when, because of the nature of the Goods, Works, or Non-consulting Services to be provided, the MLSP/PMU/Implementing agency is able to specify detailed requirements to which Bidders respond in offering Bids.

Procurement under this method shall be conducted in a single-stage process. Qualifying criteria (minimum requirements normally evaluated on a pass/fail basis) are normally used with RFB. Rated-type evaluation criteria are normally not used with RFB.

Figure : Process flow chart: RFB One-envelope process (without Prequalification)



c. Request for Quotations (RFQ)

RFQ is a competitive method that is based on comparing price quotations from firms. This method may be more efficient than the more complex methods for procuring limited quantities of readily available off-the-shelf Goods or Non-consulting Services, standard specification commodities, or simple civil Works of small value.

- Quotations should be obtained through advertisement or, when limited competition is justified (to be properly justified), through a request for

quotations (RFQ) to a limited number of firms. To ensure competition, the PMU should request quotations normally from not fewer than three (3) firms.

- Firms shall be given sufficient time to prepare and submit their quotations, not less than 5 business days.
- The evaluation of the quotations and contract award shall be carried out according to the criteria specified in the RFQ. The terms of the accepted quotation shall be incorporated in a contractually binding document. The MLSP/PMU shall keep records of all proceedings regarding RFQs.

d. Direct Selection.

Proportional, fit-for-purpose, and VfM considerations may require a direct selection approach: that is, approaching and negotiating with only one firm. This selection method may be appropriate when there is only one suitable firm or there is justification to use a preferred firm (more details are given in the applicable Procurement Regulations).

Use of Brand Names

Specifications shall be based on relevant technical characteristics and/or performance requirements. References to brand names, catalogue numbers, or similar classifications shall be avoided. If it is justified to specify a brand name or catalogue number of a particular manufacturer to clarify an otherwise incomplete specification, the words 'or equivalent' shall be added after such a reference to permit the acceptance of offers for Goods that have similar characteristics and performance at least substantially equivalent to those specified.

9.2 Selection methods for Consulting Services

- a. Quality Cost Based Selection (QCBS);
- b. Fixed Budget Based Selection (FBS);
- c. Least Cost Based Selection (LCS);
- d. Quality Based Selection (QBS);
- e. Consultant's Qualifications Based Selection (CQS); and,
- f. Direct Selection.

a. Quality and Cost-based Selection

QCBS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. The request for proposals document shall specify the minimum score for the technical Proposals. The relative weight to be given to the quality and cost depends on the nature of the assignment. Among the Proposals that are responsive to the requirements of the request for proposals document and are technically qualified, the Proposal with the highest combined (quality and cost) score is considered the Most Advantageous Proposal. More details are given in the applicable procurement regulations.

b. Fixed Budget-based Selection

Like QCBS, FBS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. In the request for proposals document, the cost of services is specified as a fixed budget that shall not be exceeded. FBS is appropriate when:

- the type of Consulting Service required is simple and can be precisely defined;
- the budget is reasonably estimated and set; and
- the budget is sufficient for the firm to perform the assignment.

The request for proposals document specifies the budget and the minimum score for the technical Proposals. The Proposal with the highest technical score that meets the fixed budget requirement is considered the Most Advantageous Proposal. More details are given in the applicable procurement regulations.

c. Least Cost-based Selection

Similar to QCBS, LCS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. LCS is generally appropriate for assignments of a standard or routine nature (such as engineering designs of non-complex Works), for which well-established practices and standards exist.

The request for proposals document specifies the minimum score for the technical Proposals. Among the Proposals that score higher than the minimum technical score, the Proposal with the lowest evaluated cost is considered the Most Advantageous Proposal.

d. Quality-based Selection

Under QBS, the Proposal quality is evaluated without using cost as an evaluation criterion. If the request for proposals requests both technical and financial Proposals, the financial Proposal of only the highest technically qualified firm is opened and evaluated to determine the Most Advantageous Proposal. However, if the request

for proposals document requests only technical Proposals, the firm with the highest-ranked technical Proposal is invited to submit its financial Proposals for negotiations.

QBS is appropriate for the following types of assignments:

- a. complex or highly specialized assignments for which it is difficult to define precise TOR and the input required from the firm, and for which the MLSP/PMU expects the firm to demonstrate innovation in its Proposals;
- b. assignments that have a high downstream impact; and
- c. assignments that can be carried out in substantially different ways, so that Proposals will not be comparable.

e. Consultant’s Qualification-based Selection

The PMU shall request expressions of interest (REOI), through advertisement or, through direct targeting, by attaching the TOR to the REOI. At least three qualified firms shall be requested to provide information about their relevant experience and qualifications. From the firms that have submitted an EoI, the MLSP/PMU selects the firm with the best qualifications and relevant experience and invites it to submit its technical and financial Proposals for negotiations.

CQS is appropriate for small assignments or Emergency Situations in which preparing and evaluating competitive Proposals is not justified.

f. Direct Selection

Proportional, fit-for-purpose, and VfM considerations may require a direct selection (single-source or sole-source selection), approach, that is: approaching and negotiating with only one firm. This selection method may be appropriate when only one firm is qualified, a firm has experience of exceptional worth for the assignment, or there is justification to use a preferred firm (more details are given in the applicable procurement regulations).

B.1 Selection Procedures for Consulting Firms when using QCBS, FBS or LCS method

1. Prepare and Publish the Request for Expressions of Interests (REOI). The REOI includes the complete TOR;
2. Submission of Expressions of Interests: give firms sufficient time to respond to the REOI, normally no less than 10 Business Days. Late submission of an expression of interest (EoI) is not a cause for its rejection unless the MLSP/PMU has already prepared a Shortlist of qualified firms based on EoIs received;
3. Shortlisting: assess the expressions of interest to determine the Shortlist. The criteria to be used for short listing may normally include: core business and

years in business, relevant experience, technical and managerial capability of the firm. Key personnel are not evaluated at this stage. The final Shortlist is communicated to all firms that expressed interest, as well as any other firm or entity that requests this information. The invitation to Shortlisted firms to submit Proposals includes the names of all Shortlisted firms.

The Shortlist shall include not fewer than five (5) and not more than eight (8) eligible firms. The Bank may agree to Shortlists comprising a smaller number of firms when not enough qualified firms have expressed interest in the assignment, not enough qualified firms could be identified, or the size of the contract or the nature of the assignment does not justify wider competition.

The following is not normally be included in the same Shortlist with private sector firms:

- UN Agencies; or
- SOEs or institutions and not-for-profit organizations (such as NGOs, and universities), unless they operate as commercial entities.
- If such entities are included in the list, the selection should normally be made using QBS or CQS. The Shortlist shall not include individual Consultants.

4. Issue request for proposals document to all the Shortlisted firms. The firms should be given sufficient time s to prepare their Proposals depending on the nature and complexity of the assignment (not less than 7 business days);
5. Proposal Submission,
6. Technical Proposal Opening and evaluation of technical proposals:
7. Evaluation of Technical Proposals: the evaluation of the technical Proposals shall be in accordance with the evaluation criteria specified in the request for proposals document;
8. Communications of results. once the evaluation of technical Proposals is complete, the PMU shall inform all firms that submitted Proposal of their score and whether they met the minimum qualifying technical score specified in the request for proposals document. The PMU shall simultaneously notify the firms that have met the technical Proposal requirements of when the financial Proposal shall be opened.
9. Financial Proposals Opening. Financial Proposals shall not be opened earlier than seven (7) Business Days from the communication of technical evaluation results to the Consultants.
10. Evaluation of Financial Proposals: shall meet the requirements indicated in the request for proposals document;
11. Combined Quality and Cost Evaluation: shall meet the requirements set out in the request for proposals document;
12. Negotiations: Negotiations shall include discussions of the TOR, the methodology, MLSP/PMU's inputs, and special conditions of the contract.

- These discussions shall not substantially alter the original scope of services under the TOR or the terms of the contract;
13. Notification of Intention to Award and Standstill Period: as per Procurement regulations.;
 14. Award of Contract and publication of contract award: shall meet the requirements of given in the Procurement regulations; and
 15. Debriefing: as per Procurement regulations..

B.2 Selection Procedures for Consulting Firms when using QBS method

1. Shortlisting –same as when using the methods QCBS, FBS or LCS method
2. Issue Request for Proposals document to all the Shortlisted firms;
3. Proposal preparation period: the MLSP/PMU shall allow sufficient time for the firms to prepare their Proposals depending on the nature and complexity of the assignment;
4. Proposal Submission: the MLSP/PMU shall choose between the following two (2) alternatives:
 - i. the technical and financial Proposals shall be submitted at the same time in two (2) separate and sealed envelopes; or
 - ii. only the technical Proposal shall be submitted and after evaluating the technical Proposals, the MLSP/PMU shall request the firm with the highest ranked technical Proposal to submit a detailed financial Proposal for negotiations;
5. Technical Proposal opening and Evaluation of Technical Proposals: the evaluation of the technical Proposals shall be in accordance with the evaluation criteria specified in the request for proposals document;
6. Communications of Results: the MLSP/PMU shall:
 - i. notify the consulting firm that has the highest score for the technical Proposal as to when the financial Proposal shall be opened or when to submit the financial Proposal; and
 - ii. simultaneously inform the other firms who submitted Proposals of their technical scores and that their technical Proposal has not been evaluated as the highest ranked;
7. Financial Proposals Opening: (if technical and financial Proposals have been submitted):
 - i. Financial Proposals shall not be opened earlier than seven (7) Business Days from the communication of technical evaluation results to the consulting firms;
 - ii. the PMU shall conduct the opening of the financial Proposal of the consulting firm with the highest ranking technical Proposal in the

- presence of the firms who submitted Proposals and wish to attend;
and
 - iii. the PMU shall prepare the minutes of the public opening and a copy of this record shall be promptly sent to all consulting firms who submitted Proposals.
8. Financial Proposals Opening (if only technical Proposal was initially invited):
 - i. Invitation to the highest technically evaluated firm to submit financial Proposals shall not be earlier than seven (7) Business Days from the communication of technical evaluation results to the Consultants; and
 - ii. Negotiate the financial Proposal submitted by the highest technically evaluated firm.
 9. Evaluation of Financial Proposals and Negotiations
 10. Notification of Intention to Award and Standstill Period: as per procurement regulations
 11. Award of Contract and Publication of Contract Award
 12. Debriefing

B.3 Non-profit Organizations

Not-for-profit organizations such as NGOs may be uniquely qualified to assist in the preparation, management, and implementation of projects or carrying out other project activities, because of their involvement in and knowledge of local issues and community needs, or their participatory approaches. Such organizations may be included in the Shortlist if they express interest and if the Implementing agency and the Bank are satisfied with their qualifications. For these assignments the Shortlist may be made up entirely of NGOs. In such a case, the procurement follows an appropriate selection method (QCBS, FBS, LCS, or CQS), based on the nature, complexity, and size of the assignment, and the evaluation criteria reflect the unique qualifications of NGOs, such as local knowledge, scale of operation, and prior relevant experience. MLSP/PMUs may also select the NGO on a single-source basis, provided the criteria set out for the direct selection of consulting firms above are met.

B.4 Selection methods for Individual Consultants

Individual Consultants selected to be employed by the MLSP/PMU shall be the most experienced and best qualified among the candidates, and shall be fully capable of carrying out the assignment. The evaluation shall be based on the relevant qualifications and experience of the individual Consultant. In case of Limited competitive selection (directly inviting individual consultants) there should be min 3 candidates on the short list

Advertisement through REoIs is encouraged. REoIs shall include complete TOR. Individual Consultants are selected from those that expressed interest in response to a REoI. When the Implementing agency has knowledge of experienced and qualified individuals and their availability, instead of issuing a REoI, it may invite those individual Consultants that it deems qualified to provide the required Consulting Services. The complete TOR shall be sent with the invitation. Individual Consultants shall be selected from those that expressed interest in response to the invitation. Individual Consultants may be selected on direct selection basis, with due justifications. More details are given in the Procurement regulations.

9.3 Notification of Intention to Award

9.3.1 Goods, Works and Non-consulting Services

Following the decision to award the PMU shall promptly and simultaneously provide, by the quickest means available, and as further specified in the request for bids/request for proposals document, written notification of the intention to award the contract to the successful Bidder/Proposer (Notification of Intention to Award). Such notification shall be sent to each Bidder/Proposer that submitted a Bid/Proposal, (unless the Bidder/Proposer has previously received notification of exclusion from the process at an interim stage of the procurement process).

For contracts subject to prior review by the Bank, the MLSP/PMU shall transmit the Notification of Intention to Award only after receiving the Bank's no-objection to the evaluation report.

The Notification of Intention to Award shall provide to each recipient, as a minimum, the following information as applicable to the selection method, and as further specified in the relevant request for bids/request for proposals document:

- the name and address of the Bidder(s)/Proposer(s) submitting the successful Bid/Proposal;
- the contract price, or where the successful Bid/Proposal was determined on the basis of rated criteria (where price and technical factors are rated), the contract price and the total combined score of the successful Bid/Proposal;
- the names of all Bidders/Proposers that submitted Bids/Proposals, and their Bid/Proposal prices as read out, and as evaluated;
- a statement of the reason(s) why the recipient's Bid/Proposal was unsuccessful, unless the price information, already reveals the reason. The Implementing agency shall not divulge any other Bidder's/Proposer's confidential or proprietary information such as: cost breakdown, trade secrets, manufacturing processes and techniques, or other confidential business or financial information;
- instructions on how to request a debriefing and/or submit a complaint during the Standstill Period, as set out in the request for bids/request for proposals; and
- the date the Standstill Period is due to end.

9.3.2 Consulting Services

Following the initialing of the draft negotiated contract by the successful Consultant, the PMU shall promptly and simultaneously provide, to each Consultant whose financial Proposal was opened, the Notification of Intention to Award to the successful Consultant with whom the MLSP/PMU successfully negotiated the contract

For contracts subject to prior review, such Notification of Intention to Award shall be provided promptly after receiving the Bank's no-objection to the draft negotiated contract initialed by the successful Consultant.

The Notification of Intention to Award shall provide to each recipient, as a minimum, the following information as relevant to the selection method, and as further specified in the request for proposals document:

- the name and address of the Consultant with whom the Implementing agency successfully negotiated a contract, and the contract price;
- the names of all Consultants included in the short list, indicating those that submitted Proposals;
- where the selection method requires, the price offered by each Consultant as read out and as evaluated;
- the overall technical scores and scores assigned for each criterion and sub-criterion to each Consultant
- the final combined scores and the final ranking of the Consultants;
- statement of the reason(s) why the recipient's Proposal was unsuccessful, unless the combined score already reveals the reason. The Implementing agency shall not divulge any other Consultant's confidential or proprietary information such as: cost breakdown, trade secrets, methodology or other confidential business or financial information
- instructions on how to request a debriefing and/or submit a complaint during the Standstill Period, as set out in the request for proposals document; and
- the date the Standstill Period is due to end.

9.4 Standstill Period - The period following the Notification of Intention to Award

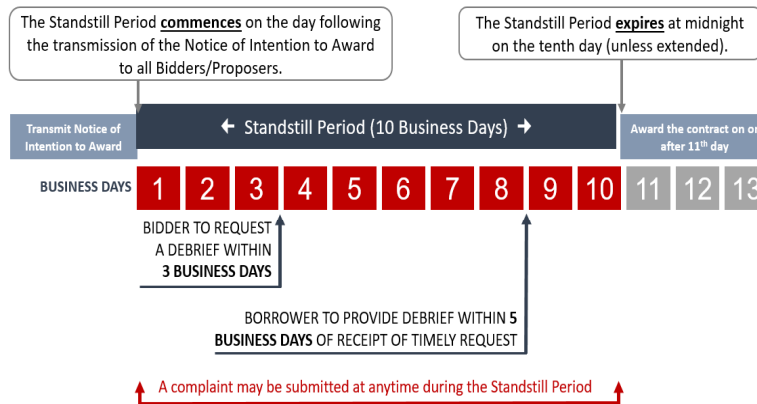
To give Bidders/Proposers/Consultants time to examine the Notification of Intention to Award and to assess whether it is appropriate to submit a complaint, a Standstill Period shall apply,

Transmission of the MLSP/PMU's Notification of Intention to Award, begins the Standstill Period. The Standstill Period shall last ten (10) Business Days after such transmission date, unless otherwise extended in accordance with the Procurement guidelines. The contract shall not be awarded either before or during the Standstill Period.

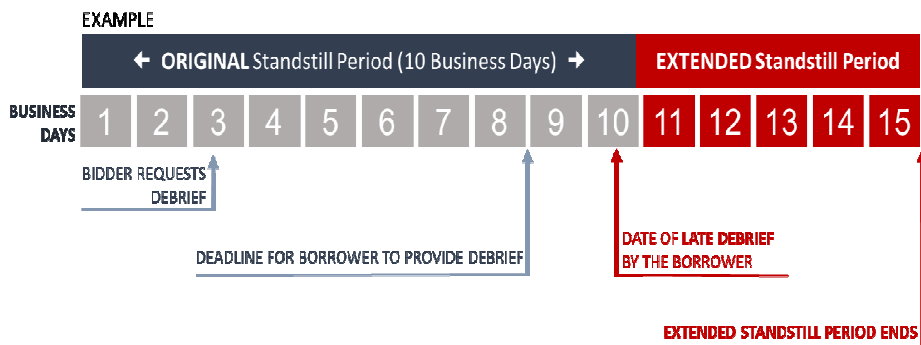
Notwithstanding above, there shall not be a requirement for a Standstill Period in the following situations:

- a. only one Bid/Proposal was submitted in an open competitive process;
- b. direct selection, selection of individual consultant and selection based on consultant qualifications;
- c. call-off process among firms holding FAs; and
- d. Emergency Situations recognized by the Bank.

Standstill Period



Extended Standstill Period-After the Debriefing



9.5 Debriefing

- On receipt of the Notification of Intention to Award, the unsuccessful Bidder/Proposer/Consultant has three (3) Business Days to make a written request to the PMU for a debriefing.

- Where a request for debriefing is received within the deadline, the PMU shall provide a debriefing within five (5) Business Days, unless the PMU decides, for justifiable reasons, to provide the debriefing outside this timeframe. In that case, the Standstill Period shall automatically be extended until five (5) Business Days after such debriefing is provided. If more than one debriefing is so delayed, the Standstill Period shall not end earlier than five (5) Business Days after the last debriefing takes place.
- The PMU shall promptly inform, by the quickest means available, all Bidders/Proposers/Consultants of the extended Standstill Period.
- For contracts subject to prior review, the PMU shall simultaneously send the information on the extended Standstill Period to the Bank.
- Where a request for debriefing is received by the MLSP/PMU later than the three (3) Business Day deadline, the PMU shall provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of Contract Award Notice. Requests for debriefing received outside the three (3) Business Day deadline shall not lead to an extension of the Standstill Period.
- Debriefings of unsuccessful Bidders/Proposers/Consultants may be done In Writing or verbally.
- As a minimum, the debriefing shall repeat the information contained in the Notification of Intention to Award, and respond to any related question(s) from the unsuccessful Bidder/Proposer/Consultant. The debriefing shall not include:
 - point-by-point comparisons with another Bidder's/Proposer's/Consultant's Bid/Proposal; and
 - information that is confidential or commercially sensitive to other Bidders/Proposer.
- A written summary of each debriefing shall be included in the official procurement records, and copied to the Bank for contracts subject to prior review

9.6 Conclusion of the Standstill Period and Contract Award

- At the end of the Standstill Period, if the MLSP/PMU has not received any complaint from an unsuccessful Bidder/Proposer/Consultant, the PMU shall proceed to award the contract in accordance with its decision to award, as previously communicated through the Notification of Intention to Award.
- For contracts subject to prior review, when no complaints are received by the MLSP/PMU within the Standstill Period, the MLSP/PMU shall proceed to award the contract in accordance with the award recommendation that had previously received the Bank's no-objection. The PMU shall inform the Bank within three (3) Business Days of such award.
- The PMU shall transmit the notification of award to the successful Bidder/Proposer/ Consultant, along with other documents as specified in the request for bids/request for proposals document for the contract.

- If the MLSP/PMU does receive a complaint from an unsuccessful Bidder/Proposer/Consultant within the Standstill Period, the PMU shall not proceed with the contract award (or conclusion of a FA), until the complaint has been addressed, as set forth under paragraph 3.6 of Annex III, Procurement-related Complaints of the respective Procurement regulation.
- For contracts subject to prior review by the Bank, the PMU shall not proceed with contract award without receiving the Bank's confirmation of satisfactory resolution of complaint.
- For all contracts, whether subject to the Bank's prior review or post review, the PMU shall publish a public notice of award of contract (Contract Award Notice) within 10 (ten) Business Days from the MLSP/PMU's Notification of Contract Award to the successful Bidder/Proposer/Consultant.
- The Contract Award Notice shall include, at a minimum, the following information as relevant and applicable for each selection method:
 - a. name and address of the MLSP/PMU's Project Implementing Unit undertaking the procurement, and if different, the MLSP/PMU's contracting agency;
 - b. name and reference number of the contract being awarded, and the selection method used;
 - c. names of all Bidders/Proposers/Consultants that submitted Bids/Proposals, and their Bid/Proposal prices as read out at Bid/Proposal opening, and as evaluated;
 - d. names of all Bidders/Proposers/Consultants whose Bids/Proposals were rejected either as nonresponsive or as not meeting qualification criteria, or were not evaluated, with the reasons therefore;
 - e. the name of the successful Bidder/Proposer/Consultant, the final total contract price, the contract duration and a summary of its scope; and

9.7 Procurement-related Complaints

9.7.1 General requirements for Procurement-related Complaints

- Complaint may challenge:

- The selection documents, including: prequalification, initial selection, request for bids, requests for proposals documents;
- the decision to exclude an Applicant/Bidder/Proposer/Consultant from a procurement process prior to award; and/or
- the decision to award the contract following transmission of unsuccessful Bidder/Proposer/Consultant in the Notice of Intention to Award.

- Complaints should be submitted by 'interested parties.' An interested party for this purpose means an actual Bidder/Proposer/Consultant seeking to obtain the contract at issue (including an Applicant for Prequalification/Initial Selection, if the complaint challenges the Applicant's disqualification). Potential Applicants/Bidders/Proposers/Consultants are also interested parties in relation to complaints

challenging the Prequalification/Initial Selection document, request for bids/ request for proposals document, or any other MLSP/PMU document requesting bids/Proposals or Applications.

-Complaints shall be submitted to the MLSP/PMU in a timely manner, as described in paragraph point G.2 given below.

-The content of a Complaint is subject to the following requirements. Complaints shall be submitted In Writing to the MLSP/PMU and shall identify the name, contact details, and address of the complainant. In addition, the Complaint shall:

- generally identify the complainant’s interest in the procurement
- identify the specific project, the procurement reference number, the current stage of the procurement process, and any other relevant information;
- specify any previous communication between the complainant and the MLSP/PMU on the matters addressed in the complaint;
- specify the nature of complaint, and the perceived adverse impact on them; and
- state the alleged inconsistency with or violation of the applicable procurement rules.

-The PMU shall give prompt and fair consideration to each Complaint that meets the requirements of the above provisions, and is submitted within the timelines set forth under point G.2 given below.

-Complaints that do not meet the requirements shall be addressed within a reasonable time. If such Complaints relate to contracts subject to prior review by the Bank, they shall be shared by the PMU with the Bank in order to determine an appropriate course of action.

9.7.2 Timeline and process for review and resolution of Complaints

-Complaints that meet the requirements are subject to the timelines and procedures set out below. The Implementing agency shall not proceed with the next stage/phase of the procurement process, including the contract award, until it has properly addressed any such Complaint.

-Complaints challenging the terms of prequalification/initial selection documents: request for proposals documents, and any other MLSP/PMU document requesting Bids, Proposals or Applications should be submitted to the MLSP/PMU at least ten (10) Business Days prior to the deadline for submission of Applications/ Bids/Proposals, or within five (5) Business Days after the issuing of any amended terms, whichever is later.

-The MLSP/PMU shall acknowledge In Writing the receipt of the Complaint within three (3) Business Days, and shall review the Complaint and respond to the complainant not later than seven (7) Business Days from the date of receipt of the Complaint. If as a result of the MLSP/PMU ’s review of the Complaint, the MLSP/PMU decides to modify the prequalification/initial selection, request for bids/ request for proposals, or other documents, the MLSP/PMU shall issue an addendum, and if necessary, extend the application/Bid/Proposal submission deadline.

- Complaints challenging the exclusion from a procurement process prior to contract award should be submitted to the MLSP/PMU within ten (10) Business Days following the MLSP/PMU's transmission to the interested party of notice of such exclusion. The MLSP/PMU shall acknowledge In Writing the receipt of the Complaint within three (3) Business Days, and shall review the Complaint and respond to the complainant not later than seven (7) Business Days from the date of receipt of Complaint. If as a result of the MLSP/PMU's review of a Complaint, the MLSP/PMU changes the results of the earlier stage/phase of the procurement process the MLSP/PMU shall promptly transmit a revised notification of evaluation results to all relevant parties advising on the next steps.
- Complaints following transmission of the Notification of Intention to Award the contract (, shall be submitted to the MLSP/PMU within the Standstill Period. The MLSP/PMU shall acknowledge In Writing the receipt of the Complaint within three (3) Business Days, shall review the Complaint and respond to the complainant, not later than fifteen (15) Business Days from the date of receipt of Complaint. If, as a result of the MLSP/PMU's review of a complaint, the MLSP/PMU changes its contract award recommendation, it shall notify the revised intent to award to all previously notified Bidders/Proposers/Consultants, and shall proceed with the contract award.

9.7.3 Complaints where the contract is subject to prior review

For contracts subject to prior review, the MLSP/PMU shall promptly inform the Bank of any Complaints received, and shall provide for the Bank's review all relevant information and documentation, including a draft response to the complainant once this is available.

If the MLSP/PMU's review of the Complaint results in:

- a. modification of the prequalification/initial selection, request for bids/request for proposals, or other document;
- b. the MLSP/PMU's changing its decision to exclude an Applicant/Bidder/Proposer/Consultant; or
- c. the MLSP/PMU's changing its contract award recommendation;

the MLSP/PMU shall, upon confirmation by the Bank of the satisfactory resolution of the Complaint:

- a. issue an addendum, and if necessary, extend the Application/Bid/Proposal submission deadline; or
- b. promptly transmit to the Bank a revised evaluation report.

The MLSP/PMU shall not proceed with the next stage/phase of the procurement process, including with awarding a contract without receiving from the Bank confirmation of satisfactory resolution of Complaint(s).

Notwithstanding this, for Complaints challenging the prequalification/initial selection/request for bids/request for proposals or other such document, or challenging exclusion prior to award, the MLSP/PMU should consult with the Bank about which, if any, steps in the procurement process may appropriately go forward while the Complaint is being considered.

9.7.4 Resolution of Complaints

In resolving a Complaint, the MLSP/PMU should ensure a timely and meaningful review of the Complaint, including all relevant documentation and facts and circumstances related to it. The MLSP/PMU shall provide sufficient information in its response to the complainant, while maintaining the confidentiality of information. A response to a Complaint should, as a minimum include the following elements:

- a. Statement of Issues: Specify the issues raised by the complainant that need to be addressed;
- b. Facts and Evidence: Specify the facts and evidence that in the MLSP/PMU’s view, are relevant to the resolution of the Complaint. These facts and evidence should be presented as a narrative, organized around the issues;
- c. Decision and reference to the basis for the decision: State the decision that has been made following the review. Also, include reference to the basis for the decision e.g., Procurement Regulations, SPD for the contract in question, etc. The response should be as precise as possible in referring to the specific decision basis;
- d. Analysis: Provide an explanation why the basis for the decision applied to the facts/issues raised by the Complaint necessitates this particular decision. The analysis may be short as long as it is clear and identifies each question that has to be answered in order to arrive at an outcome; and
- e. Conclusion: State clearly the resolution of the Complaint and describe the next steps to be taken.

Business standards for procurement-related complaints (where the procurement is subject to Prior Review) Process step	Responsible Entity	Timeframe
Complaints challenging the terms of prequalification / initial selection documents, request for bids/ request for proposals documents, or any other MLSP/PMU document requesting Bids/Proposals or Applications	Potential Bidders/ Proposers/ Consultants	Complaints shall be submitted at least ten (10) Business Days prior to the deadline for submission of Applications/Bids/Proposals MLSP/PMU shall respond not later than seven (7) Business Days from the date of receipt of complaint.
Notify Applicant/Bidder/Proposer/Consultant of the basis for exclusion from consideration for a contract; rejection of Bid submitted; or intention to award.	MLSP/PMU	The timeframe will be specified in the respective documents governing the procurement process. As a general matter, notification should take place promptly

		after the MLSP/PMU has made the relevant determination. Upon receipt a Complaint challenging the above determination, the MLSP/PMU shall respond to the complainant not later than seven (7) Business Days after the receipt of complaint.
Complaints following transmission of the notification of the intention to award the contract shall be submitted to the MLSP/PMU within the Standstill Period.		Complaints should be submitted within the Standstill Period. The MLSP/PMU shall respond not later than 15 Business Days from the date of receipt of Complaint.
Request for debriefing.	Bidder/ Proposer/ Consultant	Within three (3) Business Days from the receipt of the MLSP/PMU's notification of the intention to award the contract.
Conduct debriefing when requested in a timely manner.	MLSP/PMU	The MLSP/PMU shall hold the debriefing within five (5) Business Days of receipt of the request. For all other requests for debriefing, the MLSP/PMU shall hold debriefing not later than fifteen (15) Business Days from the date of publication of public notice of award of contract.
Acknowledge receipt of Complaint.	MLSP/PMU	Within three (3) Business Days from the date of receipt of the Complaint
Forward complaint to the MLSP/PMU, if Complaint is submitted only to the Bank	Bank	Within three (3) Business Days from the date of receipt of the Complaint
Forward Complaint to the Bank, along with all relevant information and documentation.	MLSP/PMU	As soon as possible after receipt of Complaint

ANNEX 1: Detailed Project Description

Component 1: Promoting social inclusion through improved access to social benefits and services (US\$12.7 million /10.8 million EURO equivalent)

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The objective of this component will be to strengthen the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups not currently covered. In the initial phase, the project will support social services policy development and implementation. In parallel and to strengthen the Government's capacity for service delivery, the project will support the development of a social welfare information system that integrates the CBMIS and LIRIKUS (the platform for social services). The second-stage activities will involve piloting and testing interventions that aim to develop noninstitutional services at the local level. Throughout project implementation, a set of activities will support capacity building of the MLSP and its agencies involved in social service delivery, such as the SWCs. The overall focus will be on promoting human-centered design approaches, which can facilitate inclusion of the vulnerable categories of the population. Social audit meetings will be organized for direct beneficiaries to achieve transparency, disclosure, and beneficiary oversight for supported subprojects. Subcomponents and activities to be supported by this component are detailed in the following paragraphs.

Subcomponent 1.1. Developing legislative and policy framework. This subcomponent will finance technical assistance for social services policy development and implementation, including through the (a) implementation of a needs assessment; (b) development of standards and accreditation and licensing processes for social service providers; and (c) development of social and child protection laws, regulations, and guidelines. These activities will support setting up a comprehensive system of social services, based on the solutions that will be adopted in the new Law on Social Protection in 2018.

Social services are currently provided in 11 residential institutions of social care and as the following types of noninstitutional care: immediate social service, assistance to a person or family, home care, day care and temporary care, placement in foster families, placement in a small group home, and assisted living. Supervision of professional work, setting of the service standards, and monitoring of social service providers are the responsibility of the Institute for Social Activities (ISA), which is expected to assume additional roles in the coordinating bodies under the project. Both noninstitutional and residential services are mainly provided by the public institutions, although the system allows involvement of nongovernmental organizations, private persons, and associations as service providers. Most of the social services are centrally organized, established, and financed (by the MLSP). The process of decentralization is still in the initial stage, and municipalities currently do not assume the social protection responsibilities.

The proposed project activities will contribute to the complete overhaul of the system of social service provision and implementation of new service models, using the mechanisms laid out in the following paragraphs.

Subcomponent 1.2. Piloting a grant mechanism for development of noninstitutional social services. The subcomponent will support piloting a grant mechanism that will test interventions and promote development of (noninstitutional) social services at the local level. The subcomponent will finance (a) Grants for Social Services Subprojects designed to develop noninstitutional social services, including immediate social service, assistance to a person or family, home care, day care, temporary care, placement in foster families, placement in a small group home, and assisted living and (b) advice for the preparation of Social Services Subproject proposals and the carrying out of an assessment on municipal social services needs and demand. The grants will be financed by the MLSP and will target innovative services provided by municipalities and non state providers. The municipalities, based on their local and regional plans, will determine their needs for particular services and will apply to a public call announced by the MLSP. Technical assistance on local need and demand assessments, as well as grant proposal/application preparation, will be provided under the project. Particularly, the project will support initial assessments of the municipal capacities and provide technical assistance tailored to the needs of each municipality. A grant application will be submitted by one or more municipalities, together with potential providers (preferably licensed or in the licensing process), for a type of service for which the need has been identified. The GAC will be responsible for evaluating and selecting grant proposals for project financing. The GAC will be guided by criteria described in the Grant Operations Manual (GOM) (previously approved by the World Bank). To ensure both sustainability and scalability of the proposed services, the municipalities may be obliged to provide services even after the completion of the grant program or when applying for grant financing in the subsequent public calls.⁷ Given the novel approach, all the lessons learned in the process of grant implementation and subsequent evaluations of services provided should feed into development of updated social service standards.

Subcomponent 1.3. Developing integrated social welfare information system. This subcomponent will support development of a social welfare information system that integrates CBMIS and LIRIKUS. The integrated social welfare information system covering both social assistance benefits and services would also include simplified and more efficient administrative procedures.

The CBMIS currently provides a platform for the delivery of all cash transfers and includes the following modules: eligibility determination for benefits, payments and financial module, controls module, analytics/stats, security, and so forth. It has interfaces for different levels of work (views)—social worker, supervisor, head of SWC, accountant, head of payments department, payments officer, state secretary in MSLP, and so on. Each user has different access levels and personal identification numbers. The eligibility module operates as an ‘integrated social registry’ that allows people to apply for various types of benefits ‘rights’ through a single process, with annual recertification. Self-reported information is

⁷The evidence from a similar project in Serbia (implemented through the Social Innovation Fund) shows that one quarter of all home assistance/care services established throughout the country was initially project financed. (Source: Vukovic and Calosevic. 2009. *Socijalna zastita, regionalne nejednakosti i moguca nova uloga Fonda za socijalne inovacije*. Beograd: UNDP)

complemented by data exchange with other administrative systems under an interconnectivity (interoperability) project that seeks to link administrative systems for 14 institutions (they already have real-time connectivity between the MLSP, the Pension and Disability Fund, and the State Employment Agency). The institutions have memorandums of understanding for data exchange but do not yet have 'rectification protocols' to reconcile differences or errors in information across agencies. For payments, the system issues a certificate to enrolled beneficiaries, who bring the certificate to the payment service provider of their choice (partnerships with 10 banks), and the bank then sends back the record to the MLSP to link the account of the beneficiary to the bank for benefits payments. Payments are made monthly. The remaining challenges in the information system development would be to (a) update information systems with the upcoming sweeping social assistance and child protection reforms, (b) integrate the information systems for cash and services (which are currently separate); (c) upgrade or strengthen LIRIKUS functionalities to go beyond profiling and referrals for social services and allow for monitoring of services provided, case management and tracking, grievances and complaints (still paper based), norms and standards, protocols for referral and counter referral, and improving analytics and reporting; (d) continue expanding and strengthening interoperability across the agencies (with better interagency coordination, stronger interconnectivity framework, memorandums of understanding, protocols for rectification, information update, and information security); (e) strengthen data quality and cross-checks; (f) enhance adaptability of the social safety net and strengthen it for disaster response; and (g) undertake journey mapping for citizen interface with the systems, simplifying business processes, and offering e-services window—to improve the 'human-centered' aspects of the system and reduce barriers to inclusion.

The LIRIKUS system for social services was developed separately from benefits. It serves two key functions: (a) supporting information for the profiling of applicants according to 22 risks and (b) supporting social workers in making referrals to service providers according to those profiles. The key risks include disabled, mental health patients, orphans, children of divorced parents, divorcing couples, pregnancy, minors under 16 years entering marriage, elderly, single parents, victims or perpetrators of domestic violence, victims of sex abuse, homeless, former prisoners, those in conflict with law, asylum seekers, alcohol/substance abusers, human trafficking victims, prostitutes, and so on. Services are categorized into 7–8 broad categories (and many subcategories) and there is a registry of over 2,000 services and service providers. The proposed project will support integrating the CBMIS and LIRIKUS and adapting the system in line with the provisions of the new social protection law (to be adopted in 2018). This would enable early and improved identification of actual individual/family needs, more poor or vulnerable individuals and families receiving support, and better case management (that is, referrals, tracking, and monitoring) using the integrated social welfare information system. The

8 Macedonia's population, environment, and economy are highly exposed to natural disasters, such as earthquakes, floods and wildfires. The effects of climate change may have a negative impact on the citizens and the country's overall development objectives. The project will strengthen the capacities of institutions and programs to better deal with disaster and climate risk reduction.

new system will allow the cash transfers recipients to automatically access a range of social and child protection services, as needed. Conversely, all individuals and families who are entitled to social services would be able to benefit from streamlined access to cash benefits (if the need has been determined). A new human-centered approach and integrated information system will enhance targeting and prioritization of beneficiaries for services (including the ECEC). This will also include developed referrals between social services, preschools, and other relevant institutions. The focus will be on the beneficiaries (including the preschool children), their needs, and facilitation of their inclusion in the system of benefits and services.

Subcomponent 1.4. Capacity building. This subcomponent will provide support for carrying out (a) capacity-building activities on social assistance policy revisions and development; (b) capacity-building activities, including for the design, implementation, and analysis of evaluations and survey data; and (iii) rehabilitation works, including provision of relevant equipment, of selected offices within the MLSP, CSW, and other borrower's agencies involved in the provision of social services. Capacity-building activities would focus on strengthening a central policy unit engaged in analytical and M&E activities for the MLSP. The unit would oversee various analytical activities, including the design, implementation, and analysis of evaluations and survey data, which would feed into policy development. Training activities for the MLSP staff and its agencies would be financed under this component to support the implementation of project-related activities. The project would need to finance increased outreach activities by the system (SWCs and other institutions at the local level) to include more poor and vulnerable people in the system of social benefits and services. Additionally, this subcomponent will finance technical assistance and training activities to support strengthening the capacity of local governments/municipalities for future service provision. The subcomponent may also finance goods and small works (renovation) of office spaces in the MLSP, SWC, and other government institutions involved in social service delivery. The renovation of office spaces will include considerations of climate risks and will address climate mitigation by including energy efficiency measures. The interventions will enable reduction of energy consumption, such as through use of energy efficient lighting, windows, or improved heating system.

Component 2: Expanding the access to and improving of the quality of preschool services (US\$18.6 million/16.0 million EURO equivalent)

The project would support quality early learning for preschool children (3–6 years old) and their families and strengthen the transition into primary education, with a focus on inclusive education and learning. Other aspects of the project include expansion of access to ECEC institutions, especially for children from lower socioeconomic and vulnerable backgrounds, revision of ECEC financing, and more efficient use of the ECEC and the primary school network. The focus is given to the ECEC rather than to ECD due to the cost-effectiveness of the ECEC investment and its impact on improvement of the lives of individuals and the conditions in the country. High-quality preschool programs lead to reduced school dropouts, better educational performance, and an array of socioeconomic returns, such as reduced crime and unemployment rates. Given the benefits that quality preprimary education yields for both the individuals and the society as a whole, the Government wants to extend the access to and quality of ECEC services. The additional argument to invest in quality and expansion of ECEC is

the continuous and comprehensive support that UNICEF has been providing to the Government in ECD.

Subcomponent 2.1. Improving access to and demand for ECEC. This subcomponent aims at increasing access to ECEC for 3–6-year-old children across the country, with a focus on children from vulnerable groups and children with disability by increasing the availability of ECEC services and stimulating demand for ECEC services. This subcomponent will support (a) Grants for Infrastructure Subprojects; (b) advice to selected municipalities for the design of Infrastructure Subproject proposals; (c) support for the construction of a selected number of preschools and rehabilitation of selected existing infrastructure to be used as preschools, including relevant equipment and teaching and learning materials; and (d) advice for the development of a Grants Operational Manual. The subcomponent will also support the construction or rehabilitation, including provision of relevant equipment for about five innovative preschool centers in the cities of Skopje, Tetovo, Stip, and Bitola; as well as the implementation of outreach activities for families.

Expanding preschool capacity entails a combination of building new centers and repurposing (or upgrading) of existing infrastructure for preschool programs. For all new and rehabilitated preschool institutions, the project will finance furniture, teaching-learning materials, equipment, and playgrounds. In addition, the project will finance capacity building of local architects and engineers for such innovative and highly energy-efficient infrastructure. Training and knowledge-sharing activities will be focused on development of innovative designs for new preschool institutions and mapping, analyzing, and proposing readjustment of the existing physical infrastructure and regulatory environment.

This activity will include considerations of climate risks to enhance the design and construction of the buildings in the context of natural disasters (for example, ensuring that new preschool institutions are located outside of areas at high risk of flooding) aimed at improving climate resilience of the sector (and hence contributing to the country's climate adaptation efforts). The interventions will also address climate mitigation by including energy efficiency measures as part of the retrofitting of buildings (for example, architectural or building changes that enable reduction of energy consumption, such as new windows or improved heating system) and construction of new buildings (for example, use of highly efficient architectural designs and energy efficient appliances and equipment). These efforts will support the Government's own commitments to reduce emissions from the building sector. This subcomponent would also explore options to construct passive buildings, aimed at demonstrating a higher ambition in terms of generating climate mitigation co-benefits.

FYR Macedonia is a high seismic risk country and has experienced several destructive earthquakes in the past. The project will ensure the seismic safety of the childcare facilities that will be renovated or built under the project.

Approximately 7,500 new preschool spaces will be created in both urban and rural areas, equivalent to covering 54 percent of children aged 3 to 6 years, assuming that the available resources for infrastructure will be evenly split between repurposing and building of the new classrooms. The estimates show that the infrastructure funds would significantly increase the supply of spaces for preschool education under all scenarios (table 1.1). The project should aim at maximizing the share of repurposed spaces as these are significantly cheaper than newly built spaces. A 70 percent share of repurposed spaces would allow additional enrollment of a

quarter of Macedonian children, who are currently not enrolled. However, the decision regarding the share of new and repurposed spaces will be determined based on the needs and available capacities in the municipalities, on a case-by-case basis.

Table 1.1. Different Scenarios Regarding Possible Number of Spaces Created by The Project

Scenario	Number of Additional Spaces		Increase in Enrollment Ratio for Children 3–6YearsOld by 2019a
50/50 split between repurposing and new spaces	New: 1,500	Total: 7,500	Increase by 10.7 percentage points, up to 46.44% enrollment ratio
	Repurpose: 6,000		
70/30 split between repurposing and new spaces	New: 900	Total: 9,300	Increase by 13.2 percentage points, up to 49.0% enrollment ratio
	Repurpose: 8,400		
30/70 split between repurposing and new spaces	New: 2,100 Repurpose: 3,600	Total: 5,700	Increase by 8.1 percentage points, up to 43.88% enrollment ratio

Source: MLSP.

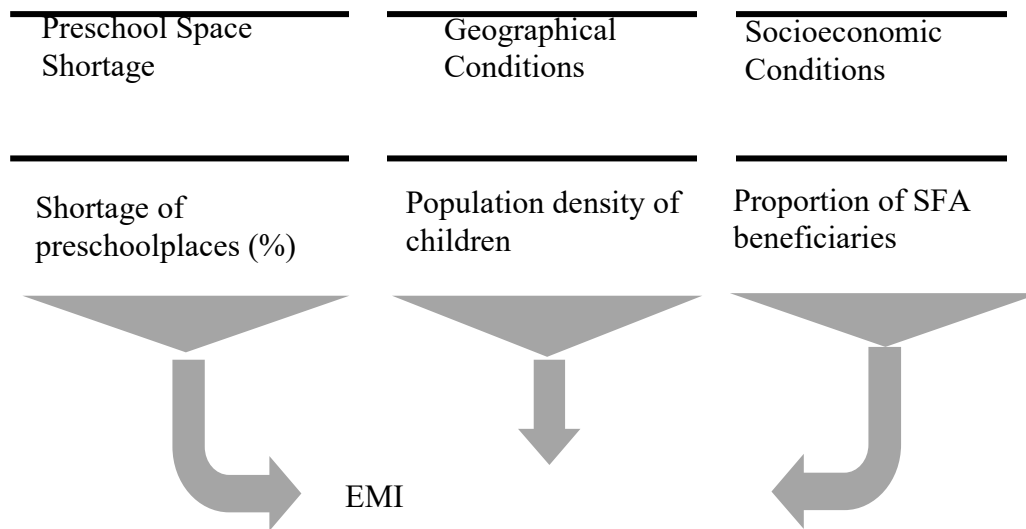
Note: The number of 3–6-year-old children was calculated using the following data given by the MLSP Child Protection Department: the number of children 3–6 years in 2017 was 70,302 and the number of enrolled children in kindergartens aged 3–6 years in 2017 was 25,146. It assumes a net migration of zero.

The implementing arrangement for the infrastructure works will be through grant programs to the municipalities. This grant program will benefit from the implementation mechanisms established by the well-functioning ‘grant program’ developed under the World Bank-funded ‘Municipal Services Improvement Project.’ The grant program will finance technical assistance to the municipalities aimed at designing grant proposals and fund the grants. The MLSP would also receive technical assistance for the development of a GOM for awarding grants. The completion of the GOM satisfactory to the World Bank would be a condition for disbursing against this activity. The key instrument for implementing this subcomponent would be the grant agreement between the MLSP and the selected municipalities.

Implementation includes three phases, as detailed in the following paragraphs.

Phase 1: Preliminary identification of municipalities. Municipalities will be identified and prioritized based on a proposed Eligible Municipality Index (EMI). The EMI is a proposed measure to help identify and prioritize municipalities for expanding ECEC services. The EMI is constructed based on social and economic characteristics of the municipality and estimated preschool needs. The EMI rates all municipalities from lowest to highest needs (figure 1.1).

Figure 1.1.EMI



Phase 2: Needs and feasibility assessment. Municipalities will be invited to submit proposals that will include analysis of infrastructure needs and plans for reconstruction, repurposing, or new construction. Interested municipalities will receive technical assistance to prepare quality proposals. reselection of the municipalities will be done based on the quality of the proposals, including their prioritization based on the EMI (see table 1.2). Preselected municipalities will be consulted to confirm their commitment to participate in the preschool service expansion project (including their commitment to maintain the infrastructure, connect the relevant utilities, pay for the recurrent utility bills, and ensure adequate staffing of all new preschool classrooms). Once the list of the selected municipalities is confirmed, an assessment will be carried out to validate municipalities’ proposals for new versus renovated preschool facilities (and retrofitted primary schools) and a final list of the specific construction and renovation sites will be produced accordingly.

Table 1.2. Prioritization of Municipalities

Name of Municipality	Number of Available Kindergarten Spaces	Score for Preschool Shortage of Spaces, Children 3–5.5	Score for Preschool Shortage of Spaces, Children 0–5.5	Score for Population Density, Children 0–5.5	Score for Incidence of Poverty	Ranking
Suto Orizari	220	0.124	0.131	0.247	1.000	1
Cair	1,150	0.053	0.058	1.000	0.424	2
Aracinovo	0	1.000	1.000	0.034	0.556	3
Lipkovo	20	1.000	1.000	0.005	0.818	4
Studenicani	0	1.000	1.000	0.007	0.400	5

Name of Municipality	Number of Available Kindergarten Spaces	Score for Preschool Shortage of Spaces, Children 3–5.5	Score for Preschool Shortage of Spaces, Children 0–5.5	Score for Population Density, Children 0–5.5	Score for Incidence of Poverty	Ranking
Bogovinje	25	0.935	0.998	0.008	0.316	6
Tearce	0	1.000	1.000	0.007	0.324	7
Zelino	0	1.000	1.000	0.007	0.220	8
Vrapciste	0	1.000	1.000	0.005	0.276	9
Saraj	90	0.527	0.567	0.010	0.235	10
Cucer I Sandevo	0	1.000	1.000	0.002	0.275	11
Plasnica	0	1.000	1.000	0.001	0.850	12
Centar	1,678	0.038	0.049	0.291	0.033	13
Brvenica	0	1.000	1.000	0.004	0.084	14
Zrnovci	0	1.000	1.000	0.002	0.160	15
Caska	0	1.000	1.000	0.001	0.497	16
Sopiste	0	1.000	1.000	0.002	0.158	17
Dolneni	20	0.363	0.340	0.002	0.286	18
Butel	920	0.028	0.032	0.032	0.168	19
Staro Nagoricane	0	1.000	1.000	0.000	0.280	20
Kumanovo	1,204	0.045	0.047	0.009	0.303	21
Tetovo	770	0.090	0.097	0.004	0.351	22
Debar	180	0.049	0.049	0.006	0.396	23
Gostivar	504	0.079	0.084	0.005	0.269	24
Mavrovo I Rostuse	0	1.000	1.000	0.000	0.464	25
Vasilevo	50	0.184	0.193	0.003	0.214	26
Krusevo	90	0.058	0.062	0.003	0.499	27
Gazi baba	1,610	0.023	0.025	0.035	0.092	28
Strumica	590	0.051	0.052	0.008	0.148	29
Kichevo	240	0.215	0.290	0.002	0.162	30
Struga	310	0.133	0.140	0.005	0.060	31
Bosilevo	40	0.173	0.175	0.004	0.062	32
Jegunovce	40	0.124	0.125	0.003	0.115	33
Aerodrom	1,965	0.023	0.028	0.150	0.010	34
Zelenikovo	50	0.174	0.211	0.002	0.104	35
Krivogastani	40	0.086	0.095	0.002	0.146	36
Gorce Petrov	730	0.035	0.040	0.026	0.027	37
Kisela voda	1,505	0.015	0.018	0.049	0.029	38
Debarca	0	1.000	1.000	0.000	0.081	39

Name of Municipality	Number of Available Kindergarten Spaces	Score for Preschool Shortage of Spaces, Children 3–5.5	Score for Preschool Shortage of Spaces, Children 0–5.5	Score for Population Density, Children 0–5.5	Score for Incidence of Poverty	Ranking
Ohrid	731	0.048	0.054	0.005	0.085	40
Prilep	920	0.034	0.036	0.002	0.268	41
Veles	917	0.020	0.020	0.004	0.215	42
Petrovec	110	0.064	0.067	0.002	0.128	43
Centar Zupa	70	0.025	0.024	0.002	0.331	44
Bitola	1,480	0.029	0.032	0.004	0.137	45
Kocani	650	0.021	0.023	0.003	0.233	46
Rankovce	25	0.107	0.116	0.001	0.254	47
Negotino	360	0.024	0.026	0.005	0.121	48
Rosoman	80	0.057	0.080	0.001	0.139	49
Ilinden	370	0.026	0.030	0.007	0.029	50
Radovis	578	0.019	0.019	0.002	0.143	51
Stip	1,200	0.014	0.016	0.003	0.105	52
Dojran	50	0.040	0.044	0.001	0.083	53
Kavadarci	560	0.036	0.039	0.001	0.088	54
Valandovo	240	0.025	0.029	0.001	0.119	55
Kriva Palanka	355	0.015	0.016	0.001	0.178	56
Karbinci	50	0.043	0.043	0.001	0.080	57
Gradsko	25	0.041	0.039	0.000	0.153	58
Resen	112	0.051	0.052	0.001	0.098	59
Cesinovo I Oblesevo	100	0.043	0.052	0.002	0.035	60
Sveti Nikole	330	0.014	0.015	0.001	0.127	61
Delcevo	315	0.013	0.014	0.001	0.142	62
Makedonska Kamenica	160	0.015	0.018	0.001	0.115	63
Vinica	380	0.010	0.009	0.001	0.134	64
Lozovo	60	0.023	0.026	0.001	0.112	65
Pehcevo	93	0.019	0.027	0.001	0.166	66
Mogila	20	0.177	0.184	0.001	0.010	67
Berovo	160	0.015	0.015	0.001	0.133	68
Demir Kapija	80	0.042	0.053	0.000	0.096	69
Gevgelija	680	0.016	0.020	0.002	0.036	70
Konce	20	0.048	0.043	0.001	0.026	71
Bogdanci	220	0.008	0.009	0.003	0.036	72
Novo Selo	100	0.013	0.011	0.001	0.035	73

Name of Municipality	Number of Available Kindergarten Spaces	Score for Preschool Shortage of Spaces, Children 3–5.5	Score for Preschool Shortage of Spaces, Children 0–5.5	Score for Population Density, Children 0–5.5	Score for Incidence of Poverty	Ranking
Makedonski Brod	124	0.023	0.028	0.000	0.437	74
Demir Hisar	155	0.007	0.008	0.000	0.156	75
Probistip	422	0.001	0.001	0.001	0.070	76
Kratovo	160	0.001	0.000	0.001	0.060	77
Novaci	0	1.000	1.000	0.000	0.006	78
Karpos	1,680	0.012	0.014	0.065	0.000	79
Vevcani	75	0.000	0.000	0.005	0.011	80

Phase 3: Renovation and new construction. The renovation (or repurposing or expansion) of existing buildings is expected to be the largest part of project activities under this component due to lower costs and the availability of unused or underused infrastructure, especially in small cities and rural areas. Reconstruction will be prioritized in municipalities and facilities where technical documentation and plans for construction are complete and available.

New construction will be delivered through development of locally adaptable model for preschool designs, including climate risk screening and opportunities for energy efficiency measures. Preschools constructed under this model would share similar design characteristics but would differ by their capacity. The core architectural design that would be used for these new preschool facilities would be developed ex ante as part of the project preparation and later customized by local architects.

In addition to all the new and upgraded preschools described above, the project would also finance five innovative preschool centers in cities that host preschool pedagogical university departments, to serve as model preschools for training purposes. These preschool centers could be either constructed new (in cities where such centers do not exist) or renovated in cases where the innovative institutions exist. They would be equipped as needed for the optimal delivery of preschool services and for teacher training. The new innovative preschool centers intended to serve as model preschools for training purposes would also serve as models in terms of highest building standard.

Finally, this subcomponent will finance a nationwide communication campaign. The campaign would be used to raise awareness about the importance of the early years and seek to empower parents (with children aged 0–6 years) to play a key role in promoting their young children’s development through (a) early stimulation, play, positive interactions, good health, and nutrition practices at home and (b) information about the range of services that are available in the community and that they may be eligible for, to support the overall development of their children (including in the health, nutrition, early screening of disabilities, social protection, and early learning areas) and the importance of preschool attendance.

Subcomponent 2.2. Ensuring quality of ECEC services. A growing body of research recognizes that ECEC brings a wide range of benefits, but all these benefits are conditioned by ‘quality’. Expanding access to services without attention to quality will not deliver good outcomes for children or long-term productivity benefits for the society. This subcomponent would finance (a) strengthening pre-service and in-service teacher capacity-building programs, development of new preschool teachers’ required competencies, and implementation of preschool teachers’ capacity-building program; (b) carrying out capacity-building activities for ECEC preschool administrators and other decision makers; (c) developing materials for age-appropriate teaching and learning; and (d) enhancing ECEC quality assurance mechanisms. The subcomponent will also provide support for developing a per student funding formula that improves teaching quality.

Strengthening preservice and in-service teacher training. Recent research⁹ provides evidence that better-trained staff are more likely to provide high-quality pedagogy and learning environment, which in turn, fosters children’s development and better learning outcomes. This subcomponent would finance activities that contribute to strengthening preservice and in-service preschool teacher training. Preservice training for preschool teachers is currently fragmented and of varying quality. There are high inconsistencies among the study programs with respect to their content as well as quality. This issue was recognized in the new Strategy for Development of Education (2018–2025) as one of the weaknesses of preschool. Therefore, this subcomponent will support measures to align these preservice programs and define competencies that the students need to acquire to become professional preschool teachers. Initial training of teachers will be modernized by introducing modern teaching techniques and more practical experience in its curriculum, so that future teachers could employ theoretical knowledge and acquire core professional teacher competences. Similarly, the system of in-service training is not well developed and is mainly donor driven. To address this, the subcomponent will provide technical assistance to evaluate, reform, and harmonize in-service preschool teacher training. Specifically, this will review the existing in-service training system and will support the improvement in the substance and relevance of the training, as well as assure the quality of teacher training providers. In addition, the subcomponent will finance the identification of training needs, development of training courses, and provision of this training to increase competences of teachers as well as leadership and competencies of managerial staff.

Next, this subcomponent will finance activities to improve evaluation of quality in the preschool education system. The prevailing role of the system would be ‘quality building,’ to cultivate the importance of continuous support and actions to improve preschool quality. Information gathered through different M&E instruments—capturing both structural and process quality¹⁰—would inform the changes in the curriculum, improvement in teacher training, and

⁹Litjens, I., and M. Taguma. 2010. Literature Overview for the 7th Meeting of the OECD Network on Early Childhood Education and Care. OECD: Paris.

¹⁰ Process quality refers to the child’s day-to-day experiences in ECEC settings and encompasses dynamic elements such as interactions with teachers, peers, and materials, the quality of daily routines, and the implementation of the curriculum. Structural elements, in

utilization of innovative approaches with children, parents, and communities. To this end, this subcomponent would support development of both dimensions for quality assurance, self-evaluation, and external evaluation as well as establishing of the mechanisms for utilization of collected information for evidence-based decision making. Technical assistance will be provided for quality evaluation tools. The tools could include classroom observation tools as well as surveys of teachers, parents, and children, among others. Once the instruments are developed, piloted, and adopted, the subcomponent would support training for external evaluators, preschool staff and administrators, and other decision makers on the use of the instruments for external and self-evaluation of quality.

In addition, this subcomponent will finance development and procurement of age-appropriate learning materials and toys. Young children learn best by experimenting with their environment through hands-on activities and play, which is why appropriate learning materials and toys are such a vital part of the preschool classroom. This subcomponent will finance (a) development of learning materials (books) for children and manuals for teachers and (b) procurement of the toys and learning materials from well-known producers.

Finally, this subcomponent would also provide technical assistance in developing a new funding formula as an important condition for the fiscally sustainable expansion of ECEC coverage. This activity will be prioritized due to the need to ensure sustainable and efficient expansion of the preschool enrollment. The ultimate goal will be development of perstudent funding formula that would allow for transparent and more equitable way of distributing resources and would overcome issues of efficiency, but also of equity and quality. It would finance the (a) analysis of the current ECEC funding formula, (b) the analysis of the current planning and allocation of ECEC funding to municipalities and kindergartens, and (c) the development of a revised formula based on the analysis of the above. It is expected that the Government would adopt the new formula in the second year of project implementation.

Component 3: Project management, monitoring and evaluation (US\$2.1 million/1.8 million EURO equivalent)

)

This component will support the day-to-day management of the project implementation and the M&E of its objectives and outcomes. This component will finance the activities that would ensure effective administration and implementation of the project by supporting (a) the establishment and operation of the PMU, including the provision of operating costs, (b) development and implementation of a M&E system for the project, and (c) development and carrying out of a public awareness campaign to inform vulnerable groups of available social assistance services, including the application process requirements. It will also fund incremental operating cost.

Subcomponent 3.1. Project management. This subcomponent will support the operation of a PMU which will report to the Project Director from the MLSP and which will be responsible for all day-to-day project implementation activities, as well as procurement, disbursement,

contrast, include things such as center infrastructure and materials, health and safety aspects, and characteristics of the group of children and teachers (group size, student/teacher ratio), and caregiver characteristics (teachers' level of education, experience, salary, and so on).

accounting, and safeguards functions. World Bank financing will be provided for consultants hired in the PMU, as well as for assistance and training to all project staff, project audits, office equipment, and incremental operating costs.

Subcomponent 3.2. Monitoring and evaluation. Strengthened analytical capacity and M&E activities will provide important feedback mechanisms for policy, effectiveness, and credibility of the activities supported under the project. The project will support the design and implementation of (a) tools to monitor the Results Framework for the project and (b) evaluations to review and assess implementation of the programs/activities supported under the project.

Subcomponent 3.3. Dissemination, communications, and awareness activities. This subcomponent will support technical assistance, goods, services, and training to design and implement an information and dissemination campaign to make sure that all prospective beneficiaries are informed of their eligibility for the social assistance benefits and services, including also the requirements of the application process. The project will also support preparation and dissemination to the public of information on the program, including dissemination of key policies, operational aspects, audits, and evaluations.

ANNEX 2: Terms of reference

Annex 2.1 TOR for Financial Audit of the Macedonia Social Services Improvement Project

(1) Background

The Government of the Republic of Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups,

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

(2) Objective

The objective of the audit is to enable the auditor to express an opinion on the SSI project financial statements (PFS) as of [MONTH, DATE, YEAR] and for the fiscal year then ending.

The Project's accounting system (books and records) which provides the basis for the preparation of the PFS, was established to record the financial transactions of the Project, and is maintained by Project's management unit (PMU) within Ministry of Labor and Social Policy.

(3) Scope of Services

The audit will be conducted in accordance with International Standards on Auditing (ISA) as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC), with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and to relevant World Bank guidelines. In conducting the project audit, special attention should be paid to the following:

- a) External funds have been used in accordance with the conditions of the relevant general conditions, relevant financing agreements and disbursement letter, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
- b) Extending the scope of review with respect to grants given to the final entities to include performance review at least on a sample basis to ensure that agreed outputs are delivered in an efficient manner
- c) Goods, works and services financed have been procured in accordance with the relevant general conditions, relevant financing agreements and disbursement letter;
- d) Necessary supporting documents, records, and accounts have been kept in respect to fall Project ventures including expenditures reported via Summary Report or Designated Accounts (DAs) used as the basis of disbursement. Clear linkages should exist between the accounting records and the financial reports presented to the Bank.
- e) Designated Accounts have been maintained in accordance with the provisions of the relevant general conditions, relevant financing agreements and disbursement letter.
- f) The PFS have been prepared in accordance with generally accepted accounting principles and practices and relevant World Bank guidelines, and give a true and fair view of the financial position of the Project as of [MONTH DATE, YEAR] and of the resources and expenditures for the fiscal year then ending.

3.1 Project Financial Statements

As part of the audit of the PFS, the auditor is required to audit the Project Financial Statements:

- a) Summary of Funds received, showing the World Bank, Project funds separately.
- b) Summary of Expenditures shown under the main project headings and by main categories of expenditures, both for the current fiscal year and accumulated to-date;

- c) Summary of Summary Reports used as the basis for the submission of withdrawal applications;
- d) A Statement of Designated Account; and
- e) a Balance Sheet showing Accumulated Funds of the Project, bank balances, other assets of the Project, and liabilities, if any.

3.2 Summary report

Apart of the audit of the PFS ,the auditor is required to audit all Summary Reports and Interim Un-audited Financial Reports (Interim Reports) used as the basis for the submission of withdrawal applications

These Summary Reports (or Interim Reports) should be compared for project eligibility with the relevant general conditions, relevant financing agreements, and disbursement letter, and with reference to the Project Appraisal Document for guidance when considered necessary. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted in separate note disclosures and also in the management letter, by the auditor. The Project Financial Statements (or included within the notes to the project financial statements) should be a schedule listing individual Summary Reports (or Interim Reports if used as the basis of disbursement) withdrawal applications by specific reference number and amount

The auditor should pay particular attention as to whether:

- a) the Summary Reports (or Interim Reports) have been prepared in accordance with the provisions of the relevant financing agreement.
- b) expenditures have been made wholly and necessarily for the realization of project objectives.
- c) Information and explanation necessary for the purpose of the audit have been obtained;
- d) supporting records and documents necessary for the purpose of the audit have been retained, and
- e) the Summary Reports (or Interim Reports) can be relied upon to support the related withdrawal applications.

3.3 Designated account

In conjunction with the audit of the Project Financial Statements, the auditor is also required to audit the activities of the Designated Accounts associated with the Project. The Designated Accounts usually comprise

- a) Deposits and replenishments received from the Bank;
- b) Payments substantiated by withdrawal applications;
- c) Interest that may be earned from the balances and which belong to the borrower; and
- d) the remaining balances at the end of each fiscal year.

The auditor should pay particular attention as to the compliance with the Bank's procedures and the balances of the Designated Accounts at the end of the fiscal year (or period). The auditor should examine the eligibility of financial transactions during the period under examination and fund balances at the end of such a period, the operation and use of the DAs in accordance with the relevant general conditions, relevant financing agreements and disbursement letter, and the adequacy of internal controls for this type of disbursement mechanism.

For this Project, the Designated Accounts are referred to in [CITE RELEVANT CLAUSES] of the relevant general conditions, relevant financing agreements and disbursement letter.

3.4 Audit reports

The auditors will issue an audit opinion on the Macedonia Social Services Improvement Project (SSIP), Project Financial Statements .

In addition to the audit opinion, the auditor will prepare a "management letter," in which the auditor will:

- a) Give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;
- b) Identify specific deficiencies and areas of weakness in systems and controls and make recommendation for their improvement;
- c) Report on the lack of compliance of each financial covenant in the relevant financing agreement;
- d) Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation of the project;
- e) Bring to the borrower's attention any other matters that the auditor considers pertinent; and
- f) Include management's comments in the final management letter.

The financial statements, including the audit opinion, and management letter should be received by the SSI Project's Management Unit no later than six months after the end of the audited fiscal year. The SSI Project's Financial Manager should then promptly forward two copies of the audited project financial statements (including audit opinion) and management letter to the Bank.

(4) Duration, Reporting and Outputs

Audit services would be required to cover the following periods:

The following reports should be furnished:

1. Audit report including the audit opinion and management letter covering the period from (shall be additionally defined up to December 31, 2019 should be completed not later than June 20, 2020;

2. Audit report including the audit opinion and management letter covering the period from January 1, 2020 up to December 31, 2020 should be completed not later than June 20, 2021;
3. Audit report including the audit opinion and management letter covering the period from January 1, 2021 up to December 31, 2021 should be completed not later than June 20, 2022;
4. Audit report including the audit opinion and management letter covering the period from January 1, 2022 up to December 31, 2022 should be completed not later than June 20, 2023;
5. Audit report including the audit opinion and management letter covering the period from January 1, 2023 up to December 31, 2023 should be completed not later than June 20, 2024;
6. Audit report including the audit opinion and management letter covering the period from January 1, 2024 up to June 30, 2024 should be completed not later than December 31, 2024.

The financial statements, the auditor's report and management letter on English and Macedonian should be submitted to the Project director and Financial manager. The Financial manager should then promptly forward two copies of the audited project financial statements (including the auditor's report) and management letter to the World Bank.

(5) General

The responsibility for the preparation of financial statements including adequate disclosure is that of the project management unit of the Macedonia Social Services Improvement Project (SSIP). This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the entity. As part of the audit process, the auditor will request from management written confirmation concerning representations made to the auditor in connection with the audit.

The SSI Project's Management Unit will co-operate fully with the auditor and will make available to the auditor whatever records, documentation and other information is requested by the auditor in connection with the audit. The auditor should be given access to all legal documents, correspondence, and any other information associated with the project and deemed necessary by the auditor. Confirmation should also be obtained of amounts disbursed and outstanding at the Bank.

It is highly desirable that the auditor become familiar with the relevant World Bank guidelines, which explain the Bank's financial reporting and auditing requirements. These guidelines include:

- Financial Management Practices in World Bank Financed Investment Operations, dated November 2005, updated 2017

- World Bank Disbursement Handbook for Borrowers, updated 2017
- World Bank Disbursement Guidelines, dated September 2005, updated 2017
- Financial Monitoring Report (FMR)
- Guidelines to Borrowers dated November 30, 2001.

The auditor should understand that working papers under World Bank project can be subject to the review by Client's and/or World Bank designated staff.

Annex 2.2 TOR for Operational and Performance audit of the Macedonia Social Services Improvement Project

TERMS OF REFERENCE (TOR)
FOR THE OPERATIONAL AND PERFORMANCE AUDIT OF THE MACEDONIA SOCIAL SERVICES
IMPROVEMENT PROJECT
FOR THE YEAR (PERIOD) ENDED [MONTH DATE, YEAR]
[This TOR is applicable to new operation/project using new the disbursement guidelines]

1. Background

The Government of the Republic of Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups,

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

2. Objective

The key objective of this assignment is to express a professional opinion on the implementation of the two Subprojects: Grants for Social Services Subprojects Grants for Infrastructure Subprojects., i.e. to express a professional opinion regarding their implementation and to detect whether the implementation of this Subprojects is in line with the procedures outlined in the separate Grant Operations Manuals

3. Scope of Activities

The review will cover implementation of the Grants for development of non institutional social services and Grants for Infrastructure within the Social Services Improvement Project (SSIP).

The consultant must use several techniques to complete the work including review of documents and processes, direct observation, individual interviews and focus groups.

The Consultants will undertake a thorough and in-depth review of various business processes being used for implementing the Subprojects including application process, selection process, implementation process, compliance monitoring process, payment process, reporting, complaints handling and other management tasks with a view to identify major risks to efficient and effective achievement of objectives and areas for improvement.

The Consultants should identify specific aspects requiring improvement, including systems, processes, procedures and administrative arrangements and provide practical and actionable recommendations to achieve the necessary improvements. The Consultant should also provide an estimate of resource requirements for implementing each proposed recommendation.

4. Expected Outputs

The consultant shall deliver the following outputs for each of the Grant subproject.

- a report containing brief description of each element of the arrangements,
- overall assessment of the financial management and administrative arrangements;
- assessment of the major risks and weaknesses in the system, and practical recommendations to achieve improvements including indicative cost of implementing the recommendations; and conclusions on whether the arrangements achieve, or are likely to achieve within the timeframe for the project, the objectives of the project efficiently and effectively

Each audit is to be completed in a period of 2 months after receiving notification from the Ministry of Labor and social policy for starting the audit.

Annex 2.3 TOR for PMU members

Annex 2.3.1 TOR for Project Manager

Project Manager

i. Overview

The Government of the Republic of Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

The Social Services Improvement Project will help address the challenges that are particularly associated with social exclusion of vulnerable groups and the low quality and fragmentation of Early Childhood Education and Care (ECEC) and social services.

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

ii. Objective of the assignment

Management of the daily activities related to the SSI Project Implementation.

iii. Specific tasks

- Overall management responsibility for the daily implementation of the project
- Coordination of duties among PMU staff;
- Oversee the activities related to implementation of SSIP;
- Manage development of the annual project budget and procurement plan;
- Manage preparation of internal project documents, TORs and bidding documentation, evaluation committees and reports, contracts and agreements;

- Ensure accurate financial, procurement and accounting records and maintain financial and procurement discipline;
- Develop and establish an appropriate communication and information dissemination system to facilitate project preparation and coordination arrangements between the PMU, MLSP and stakeholders;
- Ensure proper stakeholder consultations on all issues related to project preparation;
- Liaise with the World Bank, donors and other governmental and international financial institutions;
- Liaise with other projects;
- Any other activities in correlation with the implementation of the SSIP project;

iv. Reporting obligations

The consultant shall regularly debrief the Project Director and the Minister on the progress in respect to the contract obligations performed.

v. Data, local services, personnel and facilities to be provided by the Client

The Consultant will be provided with suitable office space, appropriate equipment such as PC and printer.

Selection method and contract: The selection method is Direct Selection and the contract shall be Time based according to the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017., www.worldbank.org.

vi. Duration of assignment

The Consultant will work under a time-based contract. The assignment will be full time, working 8 hours a day on the regular business days in Macedonia. The contract for this assignment will be until June 30, 2024. A downstream work might be needed, subject to Client's business needs under the project and subject to consultant's satisfactory performance.

Annex 2.3.2 TOR for Procurement Manager

Procurement Manager

I. Overview

The Government of the Republic of Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

The Social Services Improvement Project will help address the challenges that are particularly associated with social exclusion of vulnerable groups and the low quality and fragmentation of Early Childhood Education and Care (ECEC) and social services.

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

II. Objective of the assignment

Procurement of goods, works and services related to the SSI Project Implementation.

III. Specific tasks

- Managing day-to-day project procurement activities;
- Preparing annual work plan;
- Based on the work plan prepare an annual procurement plan;
- Coordinate the procurement process for each contract by guiding preparation of bidding documents, receiving no-objections from the World Bank (WB) where necessary, sending invitations of bids and clarifications to bidders;
- Arrange advertising for the procurement of goods and services;
- Prepare procurement documents (invitation of bids, standard bidding documents, evaluation reports, contracts, etc) ;
- Organize and coordinate procurement evaluations including evaluation criteria, contract award/rejection notices and all other documentation associated with the evaluation process;
- Provide guidance in bid evaluation to nominated committees;

- Using Bank’s online procurement planning and tracking tools to record all procurement actions under IPF operations, including preparing, updating and clearing its Procurement Plan, and seeking and receiving the Bank’s review and No-objection to procurement actions as required;
- Provide assistance during the project implementation activities in respect to the procurement issues;
- Liaise with the World Bank procurement staff;
- Interact with other PMU members in order to support overall project activities;
- Any other activities in correlation with the implementation of the SSIP project.

IV. Reporting obligations

The consultant shall regularly debrief the Project Director and the Project Manager on the progress in respect to the contract obligations performed.

V. Data, local services, personnel and facilities to be provided by the client

The Consultant will be provided with suitable office space, appropriate equipment such as PC and printer.

Selection method and contract: The selection method is Direct Selection and the contract shall be Time based according to the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017., www.worldbank.org.

VI. Duration of assignment

The Consultant will work under a time-based contract. The assignment will be full time, working 8 hours a day on the regular business days in Macedonia. The contract for this assignment will be until June 30, 2024. A downstream work might be needed, subject to Client's business needs under the project and subject to consultant's satisfactory performance.

Annex 2.3.3 TOR for Financial Manager

Financial Manager

I. Overview

The Government of the Republic of Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

The Social Services Improvement Project will help address the challenges that are particularly associated with social exclusion of vulnerable groups and the low quality and fragmentation of Early Childhood Education and Care (ECEC) and social services.

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

II. Objective of the assignment

Performing all financial management Financial and administrative support to the PMU

III. Specific tasks

The Consultant is responsible for:

- all the accounting and disbursement aspects of the project;
- all financial management functions, including financial reporting, disbursement, consolidation, budgeting, planning, accounting and auditing aspects of the project;
- ensuring that all project transactions are recorded in the consolidated project's financial statements, meet the World Bank (WB), the Ministry of Finance and the Ministry of Labor and Social Policy (MLSP) financial requirements;
- establishing and maintaining close links with the WB, National Bank of the Republic of Macedonia (NBRM), Ministry of Finance and the Ministry of Labor and Social Policy and to ensure that all sources of financing are available for the project;
- preparing and submitting for approval to the Project Manager, MLSP and Ministry of Finance (MOF) all financial statements, budgets, financial projections, cash flow forecasts and all other Project reports as requested by the World Bank and the Macedonian Government;

- cooperate closely with the Project management Unit (PMU) Procurement Manager to ensure that all accounting, procurement and disbursement aspects are properly linked;
- preparing financial statements, budgets, financial projections and cash flow, as well as all project reports;
- in a cooperation with the Procurement Manager lead the annual work plan and budget formulation process with selected PMU staff and the loan end-users staff, and prepare final plans for approval by the Project Director, Project Manager and the Minister of Labor and Social Policy;
- ensuring that payments are made in a proper and timely manner, that all sources of financing are available for the Project and that a contract payments' monitoring system is operational, working in close cooperation with the procurement specialist;
- preparation of documents required for audit of the project accounts;
- controlling incoming invoices and preparing documents for payments;
- keeping and updating accounting records, essential for the generation of reports;
- Any other activities in correlation with the implementation of the SSIP project;

IV. Reporting obligations

The consultant shall regularly debrief the Project Director and the Project Manager on the progress in respect to the contract obligations performed.

V. Data, local services, personnel and facilities to be provided by the client

The Consultant will be provided with suitable office space, appropriate equipment such as PC and printer.

Selection method and contract: The selection method is Direct Selection and the contract shall be Time based according to the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017., www.worldbank.org.

VI. Duration of assignment

The Consultant will work under a time-based contract. The assignment will be full time, working 8 hours a day on the regular business days in Macedonia. The contract for this assignment will be until June 30, 2024. A downstream work might be needed, subject to Client's business needs under the project and subject to consultant's satisfactory performance.

Annex 2.3.4 TOR for Grant Administrative Coordinator

Grant Administrative Coordinator

I. Overview

The Government of the Republic of Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

The Social Services Improvement Project will help address the challenges that are particularly associated with social exclusion of vulnerable groups and the low quality and fragmentation of Early Childhood Education and Care (ECEC) and social services.

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

II. Objective of the assignment

Managing the Grant sub projects Implementation.

III. Specific tasks

- Managing the administration of grant sub projects and ensuring that they are implemented in line with the Project Operational Manual and Grant operational Manuals;
- Organization and conducting public consultations related to the grant sub projects implementation;
- Organization and conduction Social audit meetings (inviting interested for the social audit meetings, producing information and posting on social services notice boards and generating beneficiary feedback) for direct project beneficiaries to achieve transparency, disclosure and beneficiary oversight for supported subprojects;

- Developing and administration of Grievance Redress Mechanism, to allow all ECEC stakeholders to submit questions, comments, suggestions, and/or complaints or provide any form of feedback on all project-funded activities;
- Preparing and publishing Public Calls for inviting the municipalities to apply for a grant for new pre-school spaces through construction, extension, upgrade or adaptation of facilities for care and upbringing of pre-school children in the Municipalities and Public Calls for inviting the interested service providers to apply together with the municipalities for a grant for development of a social services;
- Assisting the potential applicants for preparation of Grant proposals;
- Collecting and keeping the Grant Application;
- Conduct review of the necessary documentation, prepared by the grant applicants;
- Organizing the Grant Approval Committee Meetings, provide guideline to the committee members in line with the evaluation criteria in the Grants operational manuals;
- Preparing verification reports and recommendation reports for selecting grant proposals to be financed;
- Notifying the grant applicants for their selection/non selection;
- Provide assistance during the grant implementation activities and draft reports regarding their the implementation;
- Work closely with grant end-users and develop quality control measures;
- Work closely with the Project Monitoring and Evaluation officer in monitoring the project activities. Using the SSIP set of indicators, monitor the overall SSIP effectiveness in order to timely detect of the shortcomings and provide suggestions for project improvement;
- Conduct regular monitoring of the activities undertaken under the sub grants
- Assist in preparation of project reports;
- Interact with other PMU members in order to support overall project activities;
- Any other activities in correlation with the implementation of the SSIP project.

IV. Reporting obligations

The consultant shall regularly debrief the Project Director and the Project Manager on the progress in respect to the contract obligations performed.

V. Data, local services, personnel and facilities to be provided by the client

The Consultant will be provided with suitable office space, appropriate equipment such as PC and printer.

Selection method and contract: The selection method is Direct Selection and the contract shall be Time based according to the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017., www.worldbank.org.

VI. Duration of assignment

The Consultant will work under a time-based contract. The assignment will be full time, working 8 hours a day on the regular business days in Macedonia. The contract for this assignment will be until June 30, 2024. A downstream work might be needed, subject to Client's business needs under the project and subject to consultant's satisfactory performance.

Annex 2.3.5 TOR for IT Manager

IT Manager

Overview

The Government of the Republic of Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

The Social Services Improvement Project will help address the challenges that are particularly associated with social exclusion of vulnerable groups and the low quality and fragmentation of Early Childhood Education and Care (ECEC) and social services.

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

I. Objective of the assignment

The Consultant's work covers delivery of consulting and support services to the Ministry of Labor and social policy (MLSP) in everyday IT related activities regarding IT system development and administration. The IT manager among other will need to coordinate the work for Development of an integrated social welfare information system covering both social assistance

benefits and services. In executing this and other tasks the IT coordinator will work closely with the MLSP IT department.

II. Specific tasks

The consultant – IT Manager will provide full time services and shall work with MLSP IT staff on everyday IT related activities as follows:

1. Coordinating the work for Development of an integrated social welfare information system covering both social assistance benefits and services;
2. Identify IT opportunities and recommend solutions that will enhance or improve current business processes;
3. Understanding and resolving MLSP's software and hardware issues;
4. Identification of the needs for upgrading the current MLSP Management Information System in terms of software, hardware and network;
5. Escalate and route complex or unsolved problems to respected IT support companies;
6. Ensures software, hardware and network installs, re-installs, upgrades, moves, changes and relocations are made when necessary and as required;
7. Assist on projects or special initiatives as assigned;
8. Assist the MLSP IT department in their day-to-day responsibilities;
9. Other IT related activities.

III. Reporting obligations

The consultant shall regularly debrief the Project Director and the Project Manager on the progress in respect to the contract obligations performed

IV. Data, local services, personnel and facilities to be provided by the client

The Consultant will be provided with suitable office space, appropriate equipment such as PC and printer.

Selection method and contract: The selection method is Direct Selection and the contract shall be Time based according to the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017., www.worldbank.org.

V. Duration of assignment

The Consultant will work under a time-based contract. The assignment will be full time, working 8 hours a day on the regular business days in Macedonia. The contract for this assignment will

be until June 30, 2024. A downstream work might be needed, subject to Client's business needs under the project and subject to consultant's satisfactory performance.

Annex 2.3.6 TOR for Financial and Administrative Officer

Financial and Administrative Officer

I. Overview

The Government of the Republic of Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

The Social Services Improvement Project will help address the challenges that are particularly associated with social exclusion of vulnerable groups and the low quality and fragmentation of Early Childhood Education and Care (ECEC) and social services.

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

II. Objective of the assignment

Financial and administrative support to the PMU

III. Specific tasks

The Consultant is responsible for:

- Assisting the Grant Administrative Coordinator in administration of grant sub projects;
- Assisting the Financial Manager in conduction the disbursements under the project;

- Keep evidence of the entire project documentation and establishing of an adequate system for record and documents keeping;
- Maintaining and Updating the project website;
- Assist in preparation and organization of meetings, as well as prepare minutes from the meetings;
- Any office assistance, operational and secretarial activities as requested by the Project manager;
- Any other activities in correlation with the implementation of the SSIP project.

IV. Reporting obligations

The consultant shall regularly debrief the Project Director and the Project Manager on the progress in respect to the contract obligations performed.

V. Data, local services, personnel and facilities to be provided by the client

The Consultant will be provided with suitable office space, appropriate equipment such as PC and printer.

Selection method and contract: The selection method is Direct Selection and the contract shall be Time based according to the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017., www.worldbank.org.

VI. Duration of assignment

The Consultant will work under a time-based contract. The assignment will be full time, working 8 hours a day on the regular business days in Macedonia. The contract for this assignment will be until June 30, 2024. A downstream work might be needed, subject to Client's business needs under the project and subject to consultant's satisfactory performance.

Annex 2.3.7 TOR for Project Architect

Project Architect

I. Background

The Government of the Republic of Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

II. General objective

The objectives of the assignment are to support the Project Management Unit (PMU) and the MLSP during the process of building and or renovation of facilities.

III. Scope of the services

- Prepare technical specifications for procurement of works, goods and relevant technical services;
- Support beneficiary institutions in acquiring required permissions, approvals of authorities and additional architectural designs if needed;
- Cooperate and coordinate with relevant departments in MLSP and other beneficiary institutions on obtaining technical documents (i.e. Bill of quantities, TORs, technical specifications, etc) for timely preparation of invitations to quote/requests for proposals;
- Provide assistance or to participate in the evaluation committees during the evaluation process related to the building/reconstruction activities;
- Maintain proper records of all tests carried out , meetings and site visits;
- Managing and supervising the implementation of the contracts signed for preparation of project designs, furnishing and for works i.e. for building and or renovation of facilities
- Close monitoring of the works and closely liaising with the Supervisors hired under the project;

- Monitor and inspect progress of works, by making regular follow up visits to building/reconstruction sites in order to ensure that building/reconstruction works are performed within the agreed deadlines;
- Certify all payments related to the procurement of goods, works and services after verification of work performed at sites;
- Perform any other duties related to the scope of the assignment that might arise and as determined by the Project Director/ Project Manager.

IV. Reporting obligations

The consultant shall regularly debrief the Project Director and the Project Manager on the progress in respect to the contract obligations performed

V. Data, local services, personnel and facilities to be provided by the client

The Consultant will be provided with suitable office space, appropriate equipment such as PC and printer.

Selection method and contract: The selection method is Direct Selection and the contract shall be Time based according to the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017, www.worldbank.org.

VI. Duration of assignment

The Consultant will work under a time-based contract. The assignment will be full time, working 8 hours a day on the regular business days in Macedonia. The contract for this assignment will be until June 30, 2024. A downstream work might be needed, subject to Client's business needs under the project and subject to consultant's satisfactory performance.

ANNEX 3: Financial Management Reports

Interim un-audited financial reports (IFR)

_____ Project (Loan No. xxxxx)
DESIGNATED ACCOUNT STATEMENT
For the quarter ending xx/xx/20xx
In EUR

Opening Balance at the beginning of period		
Plus: Replenishment during the period		
Interest earned and retained on account		
Less: Amount of eligible expenditures paid during the period		
Refund from DA		
Closing Balance at the end of period		
Balance per DA Bank Statement Euro		
Discrepancy in closing balance		
Explanation		

Insert un-audited financial reports (FR)

Project (Loan No. xxxxx)
USES OF FUNDS BY PROJECT ACTIVITY
 For the quarter ending xx/xx/20xx
 in EUR

	ACTUAL			BUDGET			VARIANCE		
	Current period	Year To Date	Cumulative to Date	Current period	Year To Date	Cumulative to Date	Current period	Year To Date	Cumulative to Date
Component 1 Name of the component									
1.1 Infrastructure Investments									
Grant 1									
Contract 1									
Contract 2									
Payment method contract									
Grant 2									
Contract 1									
Contract 2									
Payment method contract									
Sub-total component 1									
Component 2 Name of Component									
Grant 1									
Contract 1									
Contract 2									
Payment method contract									
Sub-total component 2									
Component 3 Name of Component									
Grant 1									
Contract 1									
Contract 2									
Payment method contract									
Sub-total component 3									
Grant-end Fee									
Total Project Investments									

Insert un-audited financial reports (FR)

Project (Loan No. xxxxx)
BREAKDOWN OF GRANTS UNDER COMPONENT 1.1.1
 For the quarter ending xx/xx/20xx
 in EUR

Description	Grant No. / approval date	Approved Grant amount	Paid Grant amount	Remaining balance	Outstanding payments	Payment requests processed
Component 1.1.1 Infrastructure Investments						
Beneficiary 1						
Contract 1						
Contract 2						
Beneficiary 2						
Contract 1						
Contract 2						
Beneficiary 3						
Contract 1						
Contract 2						
Beneficiary 4						
Contract 1						
Contract 2						
Beneficiary 5						
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Contract 2						
Beneficiary 77						
Contract						

Interim un-audited financial reports (IFRs)

_____ Project (Loan No. xxxxx)
PROJECT CASH RECEIPTS & PAYMENTS
 For the quarter ending xx/xx/20xx
 In EUR

	Actual			Budget			Variance		
	Current period	Year To Date	Cumulative to Date	Current period	Year To Date	Cumulative to Date	Current period	Year To Date	Cumulative to Date
Sources of Funds									
Loan funds									
Interest Earned									
Total sources	0,00	0,00	0,00						
Less: Uses of Funds									
Comp.1 Promoting social inclusion through improved access to social benefits and services									
Comp.2 Expanding the access to and improving the quality of preschool services									
Comp.3 Project management, monitoring and evaluation									
Front-end Fee									
Total uses of funds	0,00	0,00	0,00						
Net increase/(Decrease) in cash flow	0,00	0,00	0,00						
Bank Balances beginning of period	0,00	0,00	0,00						
Bank Balances end of period	0,00	0,00	0,00						

Interim un-audited financial reports (IFRs)

_____ Project (Loan No. xxxxx)
NARRATIVES TO THE REPORTS
ACCOUNTING POLICIES AND EXPLANATORY NOTES

ANNEX 4. Results Framework and Monitoring

Project Development Objective(s)

To expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

RESULT_FRAME_TBL_PDO										
PDO Indicators by Objectives / Outcomes	DLI	CRI	Unit of Measure	Baseline	Intermediate Targets					End Target
					1	2	3	4	5	
To strengthen overall social protection delivery system for improved service provision and access										
Share of cash benefit recipients and social services recipients recertified and recorded in the new information system			Percentage	0.00	0.00	10.00	40.00	50.00	60.00	60.00
Share of cash benefit recipients and social services recipients recertified and recorded in the new information system - Female			Percentage	0.00						60.00
Number of beneficiaries receiving noninstitutional social services (alternative/non-residential forms of care) from licensed providers			Number	0.00	0.00	900.00	1,000.00	1,500.00	3,000.00	3,000.00
Share of female beneficiaries out of all beneficiaries receiving noninstitutional social services (alternative/non-residential forms of care) from licensed providers			Percentage	45.00						50.00
To improve access to quality ECEC services, in particular for socially disadvantaged children										
National preschool enrollment rates for children 3 to 6 year old			Percentage	35.70	35.70	35.70	40.00	43.00	46.50	46.50
preschool enrollment rates for children 3 to 6 year old who belong to the families recipients of the SFA			Percentage	0.40	0.40	5.00	10.00	15.00	17.00	20.00
Share of preschools with improved process quality as measured by the quality assessment tool			Text	to be determined by baseline assessment of a representative sample of preschools						40 % of preschools improved as measured by the follow up assessment of a representative sample of preschools

RESULT_FRAME_TBL_IO

Intermediate Results Indicators by Components	DLI	CRI	Unit of Measure	Baseline	Intermediate Targets					End Target
					1	2	3	4	5	
Promoting social inclusion through improved access to social benefits and services										
Full integration of CBMIS and social services IS within the upgraded social welfare information system as a platform for social and child protection service delivery			Text	no integration	no integration	partial integration	partial integration	full integration	full integration	full integration
Development of social service standards, accreditation, licensing			Text	not developed	not developed	partially developed	fully developed	fully developed	fully developed	new service standards, accreditation, and licensing developed
Share of social service providers using new service standards			Percentage	0.00	0.00	0.00	10.00	30.00	50.00	50.00
Beneficiaries of social safety net programs		Yes	Number	130,000.00						140,000.00
Beneficiaries of social safety net programs - Female		Yes	Number	65,000.00						70,000.00
Expanding the access to and improving of the quality of preschool services										
Additional energy- efficient classrooms built at the preschool level resulting from project interventions			Number	0.00	0.00	0.00	20.00	40.00	60.00	60.00
Additional classrooms rehabilitated or re-purposed at the preschool level resulting from project interventions			Number	0.00	0.00	40.00	100.00	180.00	240.00	240.00
Additional qualified preschool teachers resulting from project interventions			Number	0.00	0.00	500.00	1,000.00	1,500.00	2,500.00	2,200.00
Number of pre-service training institutions that reformed their study programs based on the core competencies required for ECEC teachers			Number	0.00						5.00
Assessment of the students cognitive and socio-emotional development conducted			Text	no	no	pre-test conducted	main assessment conducted	Report available		yes
Project management, monitoring and evaluation										
Communication campaign developed and implemented			Text	no	no	yes	yes	yes	yes	yes
Share of supported sub-projects in which direct beneficiaries report their engagement in decision making.			Percentage	0.00	10.00	15.00	20.00	25.00	30.00	30.00
Share of beneficiaries satisfied with responsiveness of the grievance redress mechanism			Percentage	0.00	20.00	25.00	30.00	40.00	50.00	50.00

Indicator Name	Share of cash benefit recipients and social services recipients recertified and recorded in the new information system
Definition/Description	This indicator will measure the share of cash benefit recipients and social services recipients recertified and recorded in the new social welfare information system; the new social welfare information system is to be developed through integration of the CBMIS and LIRIKUS.
Frequency	Annual
Data Source	MLSP administrative data
Methodology for Data Collection	Analysis of MLSP administrative data
Responsibility for Data Collection	MLSP/PMU

Indicator Name	Share of cash benefit recipients and social services recipients recertified and recorded in the new information system - Female
Definition/Description	This indicator will measure the share of recipients (female) who have been recertified and recorded in the new social welfare information system.
Frequency	Annual
Data Source	MLSP administrative data
Methodology for Data Collection	Analysis of administrative data
Responsibility for Data Collection	MLSP/PMU

Indicator Name	Number of beneficiaries receiving noninstitutional social services (alternative/non-residential forms of care) from licensed providers
Definition/Description	This indicator will measure the number of beneficiaries receiving noninstitutional social services (alternative/non-residential forms of care) from licensed providers. This is also a corporate results indicator ("Beneficiaries of social safety net programs - other social assistance programs").
Frequency	Annual
Data Source	MLSP administrative data
Methodology for Data Collection	Analysis of MLSP administrative data
Responsibility for Data Collection	MLSP, municipalities

Indicator Name	Share of female beneficiaries out of all beneficiaries receiving noninstitutional social services (alternative/non-residential forms of care) from licensed providers
Definition/Description	This indicator will measure the share of female beneficiaries out of all beneficiaries who have received noninstitutional social services (alternative/non-residential forms of care) from licensed providers
Frequency	Annual
Data Source	MLSP administrative data

Methodology for Data Collection	Analysis of administrative data
Responsibility for Data Collection	MLSP, municipalities

Indicator Name	National preschool enrollment rates for children 3 to 6 year old
Definition/Description	This indicator will be measured by the percentage of children ages 3 and 6 years who attend preschool institutions.
Frequency	Annual
Data Source	ECEC data base/ Progress reports
Methodology for Data Collection	administrative data
Responsibility for Data Collection	MLSP

Indicator Name	preschool enrollment rates for children 3 to 6 year old who belong to the families recipients of the SFA
Definition/Description	This indicator will be measured by the percentage of children ages 3 and 6 years who attend preschool institutions among the Social Financial Assistance (SFA) families
Frequency	Annual
Data Source	CBMIS- Progress reports
Methodology for Data Collection	MLSP administrative data
Responsibility for Data Collection	MLSP

Indicator Name	Share of preschools with improved process quality as measured by the quality assessment tool
Definition/Description	This indicator measures the percentage of preschools that undergo the evaluation by quality assessment tool and improved quality. Improved quality would be defined in accordance with the measurement scales of the quality assessment instrument. . . one baseline and one follow up assessment
Frequency	
Data Source	Assessment report
Methodology for Data Collection	survey
Responsibility for Data Collection	MLSP/BDE

Indicator Name	Full integration of CBMIS and social services IS within the upgraded social welfare information system as a platform for social and child protection service delivery
Definition/Description	This indicator will measure the level of integration of CBMIS and social services IS within the upgraded social welfare information system.
Frequency	Annual
Data Source	Progress reports
Methodology for Data Collection	Observation, analysis of MLSP administrative data, and review of progress reports
Responsibility for Data Collection	MLSP/PMU

Indicator Name	Development of social service standards, accreditation, licensing
Definition/Description	This indicator will measure the development of social service standards, accreditation processes, and licensing procedures.
Frequency	Annual
Data Source	Progress reports
Methodology for Data Collection	Observation and review of progress reports
Responsibility for Data Collection	MLSP

Indicator Name	Share of social service providers using new service standards
Definition/Description	This indicator will measure the share of social service providers that are using new service standards (developed under the project).
Frequency	Annual
Data Source	Administrative data/Progress Reports
Methodology for Data Collection	Review of progress reports
Responsibility for Data Collection	MLSP

Indicator Name	Beneficiaries of social safety net programs
Definition/Description	
Frequency	Annual
Data Source	MLSP administrative data
Methodology for Data Collection	Analysis of MLSP administrative data
Responsibility for Data Collection	MLSP/PMU

Indicator Name	Beneficiaries of social safety net programs - Female
Definition/Description	
Frequency	Annual
Data Source	MLSP administrative data
Methodology for Data Collection	Analysis of MLSP administrative data
Responsibility for Data Collection	MLSP/PMU

Indicator Name	Additional energy- efficient classrooms built at the preschool level resulting from project interventions
Definition/Description	This indicator will be measured by the number of classrooms that are built as the result of the project financing . All new buildings have to be energy efficient. The information will be collected as part of the project implementation.
Frequency	Annual
Data Source	Progress reports
Methodology for Data Collection	administrative data
Responsibility for Data Collection	MLSP and Municipalities

Indicator Name	Additional classrooms rehabilitated or re-purposed at the preschool level resulting from project interventions
Definition/Description	This indicator will be measured by the number of classrooms that are renovated as a result of repurposed/renovated available spaces in the primary schools and/or municipality buildings, financing by the project. The information will be collected as part of the project implementation.
Frequency	Annual
Data Source	Progress reports
Methodology for Data Collection	Analysis of administrative data and review of progress reports.
Responsibility for Data Collection	MLSP/ Municipalities

Indicator Name	Additional qualified preschool teachers resulting from project interventions
Definition/Description	This indicator is defined as the number of preschool teachers who receive training in the modern (child-centered) teaching methodology as part of the project interventions. Teachers will be considered qualified if they have participated in the BDE approved in-service training. This will be monitored as part of the corporate results indicator ("Number of teachers trained") monitoring.
Frequency	bi-annual

Data Source	Project progress reports based on data collected by teacher training providers
Methodology for Data Collection	data will be collected by teacher training providers
Responsibility for Data Collection	BDE/ PMU

Indicator Name	Number of pre-service training institutions that reformed their study programs based on the core competencies required for ECEC teachers
Definition/Description	This is defined as the number of pre-service training institutions (universities) that have revised their program. Programs will be considered revised if they incorporate the new core competencies required for ECEC teachers, as defined by the MLSP and increase time for effective practice in the classrooms.
Frequency	annual
Data Source	Progress report
Methodology for Data Collection	Review of the programs
Responsibility for Data Collection	MLSP/PMU

Indicator Name	Assessment of the students cognitive and socio-emotional development conducted
Definition/Description	This indicator will be measured with yes or no. The report of the sample -based assessment, utilizing one of the world-recognized instruments(IDELA, MELQO) conducted and results summarized in the report.
Frequency	once during the life-span of the project
Data Source	Assessment report
Methodology for Data Collection	Assessment
Responsibility for Data Collection	MLSP/PMU

Indicator Name	Communication campaign developed and implemented
Definition/Description	Campaign will be considered developed when there is a completed program ready for broadcast. It will be considered broadcast when a national broadcaster has aired it.
Frequency	bi-annual
Data Source	Media reports
Methodology for Data Collection	Review of media coverage
Responsibility for Data Collection	MLSP

Indicator Name	Share of supported sub-projects in which direct beneficiaries report their engagement in decision making.
Definition/Description	
Frequency	Annual
Data Source	Progress reports based on the information from social audit meetings and similar
Methodology for Data Collection	Review of the reports from social audit meetings
Responsibility for Data Collection	MLSP/PMU

Indicator Name	Share of beneficiaries satisfied with responsiveness of the grievance redress mechanism
Definition/Description	This indicator will measure the percentage of beneficiaries who received feedback or proposed solution within the timeframe that is publicized in the grievance mechanism tool.
Frequency	Annual
Data Source	specialized survey
Methodology for Data Collection	survey

ANNEX 5. Initial Procurement Plan

Description (Value cannot exceed 250 Characters)	Reference No.	Procurement Category	Procurement Method	Estimated amount in USD	Estimated amount in EUR	Bank Financed %	Review Type	Planned Start Date
Component 1-Promoting social inclusion through improved access to social benefits and services								
Sub component 1.1 Implementation of the GMI								
Technical assistance for legislative changes regarding the implementation of GMI	1.1.1	CS	CQS	120,000.00	103,080.00	100	Prior	2019/01/15
Technical assistance for activation of GMI beneficiaries	1.1.2	CS	CQS	120,000.00	103,080.00	100	Post	2019/02/15
Sub component 1.2 Implementation of social services reform								
Technical assistance for legislative changes regarding the implementation of social services reform	1.2.1	CS	CQS	180,000.00	154,620.00	100	Post	2019/03/01
Technical assistance for legislative changes regarding the implementation of reformed licensing system	1.2.2	CS	CQS	120,000.00	103,080.00	100	Post	2019/03/01
Social service needs assessment	1.2.3	CS	CQS	120,000.00	103,080.00	100	Post	2019/03/01
Developing system for financing of social services including determination of cost of services,	1.2.4	CS	CQS	120,000.00	103,080.00	100	Post	2019/05/01

Development of quality standards including licensing and accreditation and system for monitoring for their achievement	1.2.5	CS	CQS	120,000.00	103,080.00	100	Post	2019/03/01
Piloting a grant mechanism that will promote development of (non-institutional) social services at local level	1.2.6	Grant		8,116,570.00	6,972,133.63	100		2020/01/15
Transformation of the large institutional capacities into small group homes, living with support, deinstitutionalization through foster families and other appropriate forms of protection	1.2.7	CS	CQS	235,000.00	201,865.00	100	Post	2020/01/15
Outreach activities including Citizen Engagement activities	1.2.8	CS	QCBS	350,000.00	300,650.00	100	Prior	2019/03/01
Sub component 1.3 Capacity building								
Development of an integrated social welfare IS covering both social assistance benefits and services	1.3.1	GO	RFB	600,000.00	515,400.00	100	Prior	2019/01/15
Hardware equipment for the MLSP and the social institutions	1.3.2	GO	RFB	600,000.00	515,400.00	100	Post	2019/03/01
Capacity building of MLSP, SWCs, Municipalities, NEA and other institutions included in the SP system	1.3.3	TR		600,000.00	515,400.00	100	Prior	2019/08/01
Renovation of MLSP, SWCs, Municipalities, NEA and other institutions included in the SP system	1.3.4	WO	RFB/Multiple	608,000.00	522,272.00	100	Prior	2019/08/01
Actuary in the Unit for Analysis, Evaluation and Monitoring	1.3.5	CS	CDS	161,000.00	138,299.00	100	Prior	2019/01/01
IT in the Unit for Analysis, Evaluation and Monitoring	1.3.6	CS	INDV	161,000.00	138,299.00	100	Prior	2019/01/01

Researcher in the Unit for Analysis, Evaluation and Monitoring	1.3.7	CS	CDS	103,000.00	88,477.00	100	Prior	2019/01/01
Social Consultant in the Unit for Analysis, Evaluation and Monitoring	1.3.8	CS	CDS	72,000.00	61,848.00	100	Post	2019/01/01
Legal Advisor in the Unit for Analysis, Evaluation and Monitoring	1.3.9	CS	CDS	103,000.00	88,477.00	100	Prior	2019/01/01
Total component 1				12,609,570.00	10,831,620.63			
Component 2-Enhancing access to and quality of ECEC								
Sub component 2.1 Enhancing access to ECEC								
Grant program for infrastructure projects	2.1.1	Grant		14,460,000.00	12,421,140.00	100		2020/01/01
Project designs for kindergartens	2.1.2	CS	QCBS	1,220,000.00	1,047,980.00	100	Prior	2019/01/15
Sub component 2.2 Enhancing quality of ECEC								
Developing of age appropriate teaching-learning materials	2.2.1	CS	QCBS	365,000.00	313,535.00	100	Post	2019/04/01
Developing a new capitation formula	2.2.2	CS	CQS	122,000.00	104,798.00	100	Post	2019/03/01
Training for pre-primary school program	2.2.3	G	RFB	609,000.00	523,131.00	100	Post	2020/01/15
In service teacher training	2.2.4	G	RFB	609,000.00	523,131.00	100	Post	2020/01/15
Developing a system for evaluation of quality in the preschool education system	2.2.5	CS	QCBS	366,000.00	314,394.00	100	Post	2019/03/01
Training of ECED administrators and other decision makers to improve capacity and development of monitoring programs and tools	2.2.6	CS	QCBS	430,000.00	369,370.00	100	Post	2020/01/15
Outreach activities including Citizen Engagement activities	2.2.7	CS	QCBS	365,000.00	313,535.00	100	Post	2019/03/01

Capacity building of local architects and engineers for such innovative and highly energy-efficient infrastructure	2.2.8	CS	INDV	85,300.00	73,272.70	100	Post	2019/03/01
Total component 2				18,631,300.00	16,004,286.70	100		
Component 3- Project management, analytical, M&E activities								
Sub component 3.1 Project management								
Project Manager	3.1.1	CS	CDS	183,000.00	157,197.00	100	Prior	2019/01/01
Procurement manager	3.1.2	CS	CDS	169,000.00	145,171.00	100	Prior	2019/01/01
Coordinator for ECDE	3.1.3	CS	INDV	110,000.00	94,490.00	100	Prior	2019/01/01
Coordinator for Social services development	3.1.4	CS	INDV	110,000.00	94,490.00	100	Prior	2019/01/01
IT manager	3.1.5	CS	CDS	161,000.00	138,299.00	100	Prior	2019/01/01
Financial manager	3.1.6	CS	CDS	121,000.00	103,939.00	100	Prior	2019/01/01
Civil engineer/architect	3.1.7	CS	CDS	95,000.00	81,605.00	100	Post	2019/01/01
Civil engineer/architect	3.1.8	CS	CDS	55,000.00	47,245.00	100	Post	2019/01/01
Civil engineer/architect	3.1.9	CS	CDS	81,000.00	69,579.00	100	Post	2019/01/01
Civil engineer/architect	3.1.10	CS	CDS	81,000.00	69,579.00	100	Post	2019/01/01
Environmental/social safeguards specialist	3.1.11	CS	INDV	110,000.00	94,490.00	100	Prior	2019/01/01
Grant Administrative Coordinator	3.1.12	CS	CDS	95,000.00	81,605.00	100	Post	2019/01/01
Grant Financial officer	3.1.13	CS	CDS	75,000.00	64,425.00	100	Post	2019/01/01
Grant application officer	3.1.14	CS	CDS	75,000.00	64,425.00	100	Post	2019/01/01
M&E Officer	3.1.15	CS	INDV	73,000.00	62,707.00	100	Post	2019/01/01
IT officer	3.1.16	CS	CDS	73,000.00	62,707.00	100	Post	2019/01/01
Project Audit	3.1.17	CS	LCS	49,000.00	42,091.00	100	Prior	2019/01/01
Equipment (4 years)	3.1.18	GO	RFQ	68,000.00	58,412.00	100	Post	2019/01/01
IOC	3.1.19			85,000.00	73,015.00	100	Post	2019/01/01
Training (Seminars)		TR		61,000.00	52,399.00	100	Prior	2019/01/01
Sub component 3.2 Analytical, M&E								

activities								
Operational and Performance Audit of the implementation of the ECDE Grant program for infrastructure projects	3.2.1	CS	CQS	60,000.00	51,540.00	100	Post	2019/02/01
Operational and Performance Audit for the implementation of the grant mechanism that will promote development of (non-institutional) social services at local level	3.2.2	CS	CQS	60,000.00	51,540.00	100	Post	2019/02/01
Baseline and Follow up Institutional Assessment of the preschool quality process	3.2.3	CS	CQS	61,000.00	52,399.00	100	Post	2019/02/01
Vehicles (2)	3.2.6	GO	RFQ	49,000.00	42,091.00	100	Prior	2019/02/01
Total Component 3				2,160,000.00	1,855,440.00			
Total Project				33,484,300.00	28,763,013.70			

ANNEX 6. Template of Environmental and Social Screening (ESS) Check list (TO BE COMPLETED BY SUB-PROJECT PROPONENT)

Environmental and Social Screening (ESS) Check list

INSTRUCTION FOR FULFILMENT:

OBJECTIVES OF THE ESS CHECK LIST

THE ENVIRONMENTAL AND SOCIAL SCREENING (ESS) CHECK LIST WILL SUPPORT YOU TO DETERMINE THE SUB - PROJECT CATEGORY (A / B (B+ OR B) / C) BASED ON ASSESSMENT CRITERIA (TYPE OF ACTIVITY AND PRELIMINARY IMPACT ASSESSMENT). THE SCREENING PROCESS WILL IDENTIFY THE REQUIRED TYPE OF ENVIRONMENTAL DUE DILIGENCE DOCUMENT TO BE USED FOR IMPACT ASSESSMENT FOR YOUR PROJECT.

1. STRUCTURE OF THE CHECK LIST

PART 1: GENERAL INFORMATION ABOUT THE PROJECT AND PROPONENT GRANT APPLICANT PROVIDES INFORMATION ABOUT THE PROPONENT/APPLICANT, PROJECT ACTIVITIES AND RELEVANT DOCUMENTS ALREADY PREPARED (MAIN DESIGN, FEASIBILITY STUDY, EIA REPORT...)

PART 2: SCREENING FOR CATEGORY “A” PROJECTS LISTS LARGE SCALE PROJECTS WITH SIGNIFICANT ADVERSE ENVIRONMENTAL AND SOCIAL IMPACTS WITH LONG TERM REGIONAL/NATIONAL IMPACTS (THEY ARE EXCLUDED BY FINANCING UNDER THE SSIP PROJECT).

PART 3: SCREENING FOR CATEGORY “B” AND “C” PROJECTS INCLUDES TYPE OF ACTIVITIES FOR SMALL SCALE PROJECTS AND PRELIMINARY ASSESSMENT CRITERIA TO EVALUATE POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS OF YOUR PROJECT.

2. HOW TO FULFIL THE CHECK LIST?

THE ESS CHECK LIST NEED TO BE FULFILLED BY THE RESPONSIBLE PERSON FROM THE PROPONENT/GRANT APPLICANT TAKING INTO ACCOUNT THE PROJECT LOCATION, PROJECT TYPE ACTIVITIES, SENSITIVE AREAS AROUND THE PROJECT LOCATION AND POSSIBLE ADVERSE ENVIRONMENTAL AND SOCIAL IMPACTS THAT MIGHT OCCUR. YOU NEED TO PRELIMINARY EVALUATE THE POSSIBLE IMPACTS IN TERMS OF INTENSITY, TIME OF OCCURRENCE AND GEOGRAPHICAL SCALE. THE OVERALL ASSESSMENT OF THE IMPACT WILL LEAD YOU TO THE PROJECT CATEGORY.

CATEGORY “A” PROJECTS ARE LARGE SCALE PROJECTS WITH HIGH ENVIRONMENTAL AND SOCIAL RISKS AND THEY ARE NOT ELIGIBLE FOR FINANCING UNDER THE SSIP PROJECT.

CATEGORY “B” PROJECTS ARE DIVIDED INTO TWO GROUPS B AND B+ BASED ON PROJECT ACTIVITIES AND POTENTIAL IMPACTS, AND FOR THESE PROJECTS DIFFERENT ENVIRONMENTAL AND SOCIAL DUE DILIGENCE INSTRUMENTS NEED TO BE APPLIED FOR PROJECT IMPACT ASSESSMENT.

CATEGORY “C” PROJECTS ARE THOSE PROJECTS FOR WHICH NO ADDITIONAL IMPACT ASSESSMENT IS REQUIRED.

3. HOW TO FULFIL THE CHECK LIST?

PLEASE, COMPLETE THE ESS CHECK LIST AND AT THE END PROVIDE YOUR OVERALL ASSESSMENT OF POTENTIAL IMPACTS AND CATEGORIZE YOUR PROJECT. PLEASE, SIGN COMPLETED ESS CHECK LIST AND SUBMIT IT TO THE MLSP PMU/WB FOR APPROVAL.

AFTER THE APPROVAL OF THE ESS CHECK LIST THE MLSP PMU ESE WILL INFORM YOU ABOUT THE FOLLOWING STEPS AND THE ENVIRONMENTAL DUE DILIGENCE INSTRUMENTS TO BE APPLIED TO YOUR PROJECT.

FOR ALL QUESTIONS RELATED TO FILL OUT THE ESS CHECK LIST, PLEASE CONTACT MLSP PMU ES EXPERT ON TEL. NO.

THANK YOU!

PART 1	GENERAL INFORMATION ABOUT THE PROJECT AND PROPONENT/GRANT APPLICANT	
Proponent/ Grant Applicant's name:		
Address (street and number, postal code and city):		
Project name		
Main Project activities		
Responsible person completing the ESMP Check-list:		
ESMP Check-list completion date:		
Obtained relevant documents (approved EIA Report, obtained permits, etc.)		
PART 2	ENVIRONMENTAL AND SOCIAL SCREENING FOR LARGE SCALE PROJECTS	
Type of Project Activity		
• Trade in wildlife and wildlife products prohibited under the CITES convention	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Release of genetically altered organisms into the natural environment	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Manufacturing, distribution and sale of banned pesticides and herbicides	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Drift seine netting in the marine environment	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Manufacturing, handling and disposal of radioactive products	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Hazardous waste storage, treatment and disposal	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Manufacturing of equipment and appliances containing CFCs and other substances regulated under the Montreal Protocol	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Manufacturing of electrical equipment containing polychlorinated biphenyls (PCBs) in excess of 0,005 % by weight	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Manufacturing of asbestos containing products	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Nuclear reactors and parts thereof	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Tobacco, unmanufactured or manufactured	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Tobacco processing machinery, and Manufacturing of firearms	<input type="checkbox"/> YES	<input type="checkbox"/> NO
• Distilled alcohol for consumption	<input type="checkbox"/> YES	<input type="checkbox"/> NO

Preliminary Assessment of Potential Impact			
• Does the Project have adversely long term regional/national impact on natural habitats?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
• Does the Project have adversely long term regional/national impact on forests and forested areas?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
• Does the Project have adversely long term regional/national impact on physical cultural heritage?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	

PLEASE NOTE: IF ANY OF THE ANSWERS OF THE ABOVE LISTED TYPE OF PROJECT ACTIVITIES IS YES, THE PROJECT BELONGS TO CATEGORY “A” AND THE PROJECT IS NOT ELIGIBLE FOR FINANCING UNDER SSIP.

SUB-PROJECTS WHICH MAY ADVERSELY IMPACT NATURAL HABITATS, FORESTS AND FORESTED AREAS, WITH LONG TERM REGIONAL/NATIONAL IMPACTS, WILL BE AUTOMATICALLY CATEGORIZED AS CATEGORY A PROJECT AND THEY WILL BE EXCLUDED FROM SUPPORT BY SSIP.

IF ALL ANSWERS OF THE ABOVE LISTED TYPE OF PROJECT ACTIVITIES ARE NO, PLEASE CONTINUE WITH

Building rehabilitation/reconstruction					
Site specific vehicle traffic					
Increase dust and noise from demolition and or construction					
Generation of construction waste					
New construction					
New land required for construction					
Excavation impacts and soil erosion					
Increase sediment loads in receiving waters					
New access roads required and specific vehicle traffic					
Increase dust and noise from demolition and or construction					
Generation of construction waste					
Will the sub-project cause dust and noise pollution after its completion?					
Individual wastewater treatment system					

PART 3	ENVIRONMENTAL AND SOCIAL SCREENING FOR SMALL TO MEDIUM SCALE PROJECTS				
Project name:			IF YES		
Activity/Impact	Y (yes)	N (no)	Preliminary assessment of potential impacts		
			Minor/local/ short term	Moderate/local/ medium term	Major/regional/long term
Effluent and/or discharging into receiving waters					
Will the sub-project contribute to pollution of international waters?					
Will the sub-project cause water pollution after its competition?					
Energy efficiency of the new kindergarten facility?					
Acquisition of land					
Encroachment on private property					
Relocation of project affected persons					
Involuntary resettlement					
Loss of assets, property, houses, agricultural produces etc.					
Impacts on livelihood incomes					
Hazardous or toxic materials					
Removal and disposal of toxic and or hazardous demolition and or construction waste					
Storage of machine oils and lubricants					
Asbestos, PCB's, pollution from unspent PV batteries					
Will the sub-project emit greenhouse gases (CO ₂ , NO _x , O ₃) or ozone depleting substances (CFC, methyl bromide etc.)					

PART 3	ENVIRONMENTAL AND SOCIAL SCREENING FOR SMALL TO MEDIUM SCALE PROJECTS				
Project name:			IF YES		
Activity/Impact	Y (yes)	N (no)	Preliminary assessment of potential impacts		
			Minor/local/ short term	Moderate/local/ medium term	Major/regional/long term
Impacts on forests and/or protected areas¹¹					
Sensitive habitats - National parks and game Reserve, Wet-lands, Areas with rare or endangered flora or fauna					
Areas with outstanding					
Scenery/tourist site					
Disturbance of locally protected habitat					
Damage of wildlife species and habitat					
Encroachment on designated forests, buffer and/or protected areas					
Introduction of exotic or alien species					
Will the sub-project involve the use of forest trees or other natural as building materials?					
Traffic and Pedestrian Safety					
Site specific vehicle traffic					
Site is in a populated area					
Other physical and environmental issues and concerns					

¹¹ Proposed sub-projects which may adversely impact natural habitats, forests and forested areas, physical cultural heritage, will be automatically categorized as category A project and they will be excluded from support by SSIP.

Overall impact assessment of the small scale Project	Minor/local/ short term	Moderate/local/ medium term	Major/regional/ long term	Comments
Categorization of the Project done by the Proponent/Grant Applicant	<input type="checkbox"/> Project Category: B ⁺ The project has major/ moderate environmental and social impact.		<input type="checkbox"/> Project Category: B The project has moderate/ minor environmental and social impact.	<input type="checkbox"/> Project Category: C The project has minor or no environmental and social impacts.
Additional comments				

ESS Checklist prepared by: _____

Signature of responsible person _____

Date of fulfillment: _____

Approval of Project Categorization performed in ESS Check List

The fulfilled ESS Check List provided by Proponent

_____ for the Project

_____ was reviewed by MLSP ESE and WB ES

Specialist and the following comments has been provided:

Additional comments provided by MLSP ESE/WB ES for Project categorization:

Categorization of the Project done by MLSP ESE and approved by WB ES Specialist	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Project Category: B ⁺ The project has major/ moderate environmental and social impact.	Project Category: B The project has moderate/ minor environmental and social impact.	Project Category: C The project has minor or no environmental and social impacts.
Environmental and social Due Diligence Instruments	The Proponent need to prepare <u>Initial ESIA with ESMP (the outline of the document will be provided by MLSP PMU)</u>	The Proponent need to prepare <u>ESMP Check-list (the outline of the document will be provided by MLSP PMU)</u>	The Proponent should not prepare any environmental and social documentation.

Project Categorization issued by MLSP ESE: _____

Signature of responsible person: _____

Date: _____

Project Categorization issued by PMU ESE: _____

Signature of responsible person: _____

Date: _____

ANNEX 7 -Template of content of “Initial Limited Environmental and Social Impact Assessment (for Category B+)”

Content

INTRODUCTION

PROJECT DESCRIPTION

BASELINE DATA

- Geology and soil
- Climatic characteristics
- Seismology
- Sensitive receptors
- Air quality
- Waste
- Soil
- Flora and Fauna
- Noise

POTENTIAL IMPACT AND IMPACT ASSESSMENT

- Potential Impacts on the Air quality
- Potential Impacts on water and soil
- Impact of generated waste streams
- Potential impacts on occupational and community (especially for students) health and safety
- Noise Impact
- Potential Impacts on the Flora and Fauna
- Potential Impacts on Cultural Heritage

ENVIRONMENTAL AND SOCIAL MITIGATION PLAN

ENVIRONMENTAL AND SOCIAL MONITORING PLAN

Template of the ENVIRONMENTAL AND SOCIAL MITIGATION PLAN

I. Civil Works Implementation phase

Potential impact	Impact scale	Proposed mitigation measures	Responsibility	Costs
Project activity:				
<i>a) OH&S issues</i>				
<i>b) Waste management</i>				
<i>c) Water quality</i>				
<i>d) Noise</i>				
<i>e) Air quality</i>				

Potential impact	Impact scale	Proposed mitigation measures	Responsibility	Costs
Project activity:				
<i>a) OH&S issues</i>				
<i>b) ACM Waste management</i>				

II. Operational phase

Potential impact	Impact scale	Proposed mitigation measures	Responsibility	Costs

Template of ENVIRONMENTAL AND SOCIAL MONITORING PLAN

I. Civil Works Implementation phase

What parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored?	When is the parameter to be monitored (frequency of measurement)?	Why is the parameter to be monitored?	Cost		Responsibility	
					Construction	Operations	Reconstruction/adaptation of school facilities into the kindergarten facilities	Operations of the Kindergarten facility
Project activity:								

II. Operational phase of the sub - project

What parameter is to be monitored?	Where is the parameter to be monitored?	How is the parameter to be monitored?	When is the parameter to be monitored (frequency of measurement)?	Why is the parameter to be monitored?	Cost		Responsibility	
					Construction	Operations	Reconstruction/adaptation of school facilities into the kindergarten facilities	Operations of the new Kindergarten facility
Project activity:								

ANNEX8-“Template of Environmental and Social Management Plan (ESMP) Checklist
(for Category B)”

Content

1. Short introduction to the sub-project
 - 1.1. Project description and planned activities
 - 1.2 Sensitive receptors
2. Overview of environmental impacts
3. Purpose of the ESMP Checklist and disclosure requirements
4. Application of ESMP Checklist
5. Monitoring and reporting procedures and distribution of responsibility
6. Table part of ESMP Checklist
7. Annexes

Annex 1 Location information

6.1 INSTITUTIONAL & ADMINISTRATIVE

PART 1: INSTITUTIONAL & ADMINISTRATIVE		
Country		
Sub-Project title		
Scope of sub-project and particular activities		
Institutional arrangements (Name and contacts)	Project management	
Implementation arrangements (Name and contacts)	Supervision	
SITE DESCRIPTION		
Name of site		
Describe site location (geographic description)		Annex 1: Site information (figures from the site) <input type="checkbox"/> Y <input type="checkbox"/> N
LEGISLATION		
Identify national & local legislation & permits that apply to sub-project activity(s)		
PUBLIC CONSULTATION		
Identify when / where the public consultation process took place and what were the remarks from the consulted stakeholders		
INSTITUTIONAL CAPACITY BUILDING		
Will there be any capacity building?	<input type="checkbox"/> N or <input type="checkbox"/> Y	

6.2 ENVIRONMENTAL /SOCIAL SCREENING

PART 2: ENVIRONMENTAL /SOCIAL SCREENING		
Will the site activity include/involve any of the following:	Activity	Status
	A. Building rehabilitation/adaptation	<input type="checkbox"/> Yes <input type="checkbox"/> No
	B. New construction	<input type="checkbox"/> Yes <input type="checkbox"/> No
	C. Individual wastewater treatment system	<input type="checkbox"/> Yes <input type="checkbox"/> No
	D. Historic building(s) and districts	<input type="checkbox"/> Yes <input type="checkbox"/> No
	E. Acquisition of land ¹²	<input type="checkbox"/> Yes <input type="checkbox"/> No
	F. Hazardous or toxic materials ¹³	<input type="checkbox"/> Yes <input type="checkbox"/> No
	G. Impacts on forests and/or protected areas	<input type="checkbox"/> Yes <input type="checkbox"/> No
	H. Handling / management of medical waste	<input type="checkbox"/> Yes <input type="checkbox"/> No
	I. Traffic and Pedestrian Safety	<input type="checkbox"/> Yes <input type="checkbox"/> No

6.3 MITIGATION MEASURES CHECKLIST

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
A. General Conditions	Notification and Worker Safety	
B. General Rehabilitation and /or Construction Activities	Air Quality	
	Noise	
	Water Quality	
	Waste management	
C. Individual wastewater treatment system	Water Quality	

¹²Land acquisitions includes displacement of people, change of livelihood encroachment on private property this is to land that is purchased/transferred and affects people who are living and/or squatters and/or operate a business (kiosks) on land that is being acquired.

¹³Toxic / hazardous material includes and is not limited to asbestos, toxic paints, removal of lead paint, etc.

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
E. Acquisition of land	Land Acquisition Plan/Framework	
F. Toxic Materials	Asbestos management	
	Toxic / hazardous waste management	
I Traffic and Pedestrian Safety	Direct or indirect hazards to public traffic and pedestrians by construction activities	

6.4 ENVIRONMENTAL AND SOCIAL MONITORING PLAN

Phase	What (Is the parameter to be monitored)?	Where (is the parameter to be monitored)?	How (is the parameter to be monitored)?	When (Define the frequency or continuous)?	Why (is the parameter being monitored)?	Cost (if not included in project budget)	Who (Is responsible for monitoring)
During activity preparation							
During activity implementation							
During activity supervision							

Minister of Labor and Social Policy



Mila Carovska

Handwritten signature and initials in blue ink.