



REPUBLIC OF MACEDONIA
MINISTRY OF LABOR AND SOCIAL POLICY

РЕПУБЛИКА МАКЕДОНИЈА
Министерство за труд и социјална политика
Бр. 02-Мн39/2
14-12-2015
20 год.
СКОПЈЕ

Skopje, 11 December 2015

L E T T E R O F A C C E P T A N C E

With reference to the United Nations Development Programme (UNDP) Substantive Budget Revision of the Project titled **"Promoting Sustainable Employments IV and Supporting the Government in the implementation of the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2015"** I hereby confirm, on behalf of the Government of the Republic of Macedonia, that the Government of Macedonia agrees to be bound by the aforementioned Substantive Budget Revision and accepts the rights and duties stipulated in the Substantive Budget Revision.

This acceptance of the Ministry of Labour and Social Policy, that the Substantive Budget Revision is concluded by the Letter of Acceptance does not preclude that the Government of the Republic of Macedonia accepts to refer to itself otherwise than its constitutional name of our country - Republic of Macedonia.

Hereby the Government of the Republic of Macedonia understands that the aforementioned Substantive Budget Revision as attached to this Letter of Acceptance constitute an agreement to be obligatory for the both parties to this Project.

Ms. Frosina Tashevskа-Remenski
Minister of Labour and Social Policy



Ms. Louisa Vinton
Resident Representative
United Nations Development Programme



REPUBLIC OF MACEDONIA
EMPLOYMENT SERVICE AGENCY

Skopje, 11 December, 2015

L E T T E R O F A C C E P T A N C E

With reference to the United Nations Development Programme, Substantive Budget Revision of the of the Project titled **"Promoting Sustainable Employment IV and Supporting the Government in the Implementation of Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2015"**, I hereby confirm, on behalf of the Government of the Republic of Macedonia, that the Government of Macedonia agrees to be bound by the aforementioned Substantive Budget Revision and accepts the rights and duties stipulated in the Substantive Budget Revision.

This acceptance of the Employment Service Agency, that the Substantive Budget Revision is concluded by the Letter of Acceptance does not preclude that the Government of the Republic of Macedonia accepts to refer to itself otherwise than its constitutional name of our country - Republic of Macedonia.

Hereby the Government of the Republic of Macedonia understands that the aforementioned Substantive Budget Revision as attached to this Letter of Acceptance constitute an agreement to be obligatory for the both parties to this Project.



Mr. Vlatko Popovski
Director of Employment Service Agency

Ms. Louisa Vinton
Resident Representative
United Nations Development Programme



"Promoting Sustainable Employments IV and Supporting the Government in the implementation of the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2015"

**SUBSTANTIVE BUDGET REVISION
December 2015**

1. Background

The project "Promoting Sustainable Employments IV" aims to support the Ministry of Labour and Social Policy (MLSP) and the Employment Service Agency (ESA) to design and effectively implement the employment measures and services defined with the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2015. More specifically, the project supports the implementation of Self-Employment Programme, Programme for Supporting Growth of Micro and Small Companies for Additional Employment, Community Works Programme and the Self-Employment Programme for People with Disabilities.

In line with the Operational Plan 2015, the project partners have agreed on the following targets:

- To create 900 small businesses and employment of 960 unemployed people;
- To create 200 new employments in the existing micro and small companies and craftsmen shops; and
- To engage and activate 300 hard-to-employ people through Community Works Programme;
- To support establishment of 120 businesses by unemployed people with disabilities and creation of additional 240 jobs by these start-ups

The project is foreseen to be implemented within 21 months, in the period from 1 April 2015 to 31 December 2016.

II. Description of the Revision

During its 123rd session, held on 01.12.2015, the Government adopted proposed amendments to the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2015, foreseeing an increase of the number of Self-Employment Programme beneficiaries from 960 to 1,139, which entails creation of 60 new businesses and 119 additional employments in supported start-up companies. This decision implied an increase in the allocation of Government's budget funds for activities implemented with UNDP's support. The budget implications on the project "Promoting Sustainable Employments IV" are presented in the tables 1-3:


Table 1- Distribution of Government and ESA funds per project activity

	Activities	Unemployed (originally planned)	Unemployed (revised)	Source of funds	Total MKD (originally planned)	Total MKD (revised)	Budget implications in MKD
1	"Training in entrepreneurship and business development"	1500	no change	Government (MLSP)	5,250,000	5,250,000	none
2	Development of business plans - Voucher system (Self-employment)	1050	no change	Government (MLSP)	12,180,000	12,180,000	none
3	Registration of companies (Self-employment)	900	+60	Government (MLSP)	1,350,000	1,350,000	none
				Government (ESA)	0	90,000	+90,000
4	Small capital grants -Self-employment (procurement of equipment and /or raw materials)	868	+60	Government (MLSP)	160,580,000	160,580,000	none
				Government (ESA)	0	11,100,000	+11,100,000
5	Small capital grants - for the most innovative businesses in Self-Employment (procurement of equipment and/or materials)	32	no change	Government (MLSP)	8,224,000	8,224,000	none
6	Small capital grants for additional employments- Self-employment	60	+119	Government (MLSP)	5,520,000	5,520,000	none
				Government (ESA)	0	10,948,000	+10,948,000
7	Support to micro and small enterprises with micro grants (procurement of equipment and /or raw materials)	200	no change	Government (MLSP)	18,400,000	18,400,000	none
8	Support for engagement of hard-to-employ people in Community Works Programme	300	no change	Government (MLSP)	4,145,900	4,145,900	none
				Government (ESA)	7,014,100	7,014,100	none
9	Self-Employment Programme for people with disability	360	no change	Government (ESA)	59,160,000	59,160,000	none
10	Support to the implementation of the Employment Programme			Government (MLSP)	9,350,100	9,350,100	none
				Government (ESA)	0	737,418	+737,418
TOTAL funds from the Government					291,174,100	314,049,518	22,875,418

**Table 2** - Distribution of UNDP funds per project activity

	Activities	Source of funds	Total MKD	Total MKD (revised)	Budget implications in MKD
1	Capacity building of national partners	UNDP	842,811	842,811	none
2	Project implementation support	UNDP	7,913,669	7,913,669	none
TOTAL funds from UNDP			8,756,480	8,756,480	none

Table 3 - Total project funds

	Source of funds	Total MKD (planned)	Total MKD (revised)	Budget implications in MKD
1	Total funded by the Government (MLSP)	225,000,000	225,000,000	none
2	Total funded by the Government (ESA)	66,174,100	89,049,518	+22,875,418
3	Total funded by UNDP	8,756,480	8,756,480	none
TOTAL		299,930,580	322,805,999	+22,875,418

The increased Government's contribution of 22,875,418.00 MKD (Table 3, line 2) shall be transferred to UNDP as per the agreed schedule of payment in the Cost Sharing Agreement signed between UNDP, MLSP and ESA.



UNITED NATIONS DEVELOPMENT PROGRAMME

“Promoting Sustainable Employments IV and Supporting the Government in the implementation of the Operational Plan for Labour Market Services and Active Employment Programmes and Measures for 2015”

This substantive budget revision reflects the changes in the Government’s Operational Plan for Labour Market Services and Active Employment Programmes and Measures 2015 and the decision to increase the number of beneficiaries of the Self-employment Programme from 960 to 1,139, including creation of 60 new businesses and 119 additional employments in supported start-up companies. This change implies an increase of the budget allocation in the self-employment programmes in the amount of 22,875,418.00 MKD (393,186.91 USD). All other project activities, as well as terms and conditions in the Cost-sharing Agreement signed between the Ministry of Labour and Social Policy, Employment Service Agency and UNDP remain the same.

Programme Period: April 2015 – December 2016
Programme Component: Social Inclusion

Project Title: **“Promoting Sustainable Employments IV and Supporting the Government in implementation of the Operational Plan on Active Programs and Measures for Employment for 2015”**

Project Duration: 21 months

Management Arrangement: NIM

Budget	\$ 5,865,652	322,805,999 MKD
GMS	\$ 166,184	9,147,073 MKD

Allocated Resources:

Government (MLSP)	\$ 4,111,241	225,000,000 MKD
Government (ESA)	\$ 1,594,411	89,049,518 MKD
UNDP	\$ 160,000	8,756,480 MKD
UNDP in-kind Contribution	\$ 117,915	5,383,050 MKD

* United Nations official exchange rate in March 2015, 1 USD = 54.728 MKD; in July 2015, 1 USD = 55.132 MKD; and in December 2015, 1 USD = 58.179 MKD

Agreed by the Ministry of Labor and Social Policy (MLSP): Ms. Frosina Tashevskas-Remenski, Minister

Agreed by the Employment Service Agency (ESA): Mr. Vlatko Popovski, Director

Agreed by the United Nations Development Programme (UNDP): Ms. Louisa Vinton, Resident Representative

