



# PROJECT PROPOSAL FORM

<b>Lead Partner:</b>	Centre for development of the Vardar planning region
<b>Partner municipalities:</b>	Municipalities of Sveti Nikole, Lozovo, Veles, Chaska, Gradsko, Rosoman, Kavadarci, Negotino and DemirKapija

<b>Ref. No.</b>	
(for UNDP use only)	

<b>ADMINISTRATIVE PART</b>
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## A. PRESENTATION OF THE PARTNER MUNICIPALITIES

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### (1) Lead Partner

Name and contact details of the Lead Partner.

Name of the Lead Partner	Centre for Development of VPR
Name of the authority	Aleksandar Buzalkov
Address	“Panko Brashnar” 1
Contact person	Marko Kolev
Project leader /Coordinator name	Aleksandar Buzalkov
Phone	043 211 484
Fax	043 211 484
E-mail (contact person)	<a href="mailto:m.kolev@vardarregion.gov.mk">m.kolev@vardarregion.gov.mk</a>

### (2) Partner municipalities

Name and contact details of partner-municipalities in the project.

<b>PARTNER 1:</b> Name of Municipality	Municipality of DemirKapija
Name of Mayor	TrajceDimitriev
Address	“11 Oktomvri” bb
Contact person	Jovan Jovanov
Phone	043 366 212
Fax	043 366 212
E-mail	<a href="mailto:els.demirkapija@yahoo.com">els.demirkapija@yahoo.com</a>

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<b>Name of the Municipality</b>	Municipality of Gradsko
<b>Name of Mayor</b>	GligurKocev
<b>Address</b>	“Marsal Tito” 70a
<b>Contact person</b>	ElizabetaKostovaBocvarova
<b>Phone</b>	043 251 522
<b>Fax</b>	043 251 522
<b>E-mail (contact person)</b>	<u>gradsko1@t-home.mk</u>

<b>Name of the Municipality</b>	Municipality of Veles
<b>Name of Mayor</b>	Goran Petrov
<b>Address</b>	“Panko Brashnar” 1
<b>Contact person</b>	Sasko Ristovski
<b>Phone</b>	043 232 966
<b>Fax</b>	043 232 966
<b>E-mail (contact person)</b>	<u>opve@veles.gov.mk</u>

<b>Name of the Municipality</b>	Municipality of Kavadarci
<b>Name of Mayor</b>	Aleksandar Panov
<b>Address</b>	“Marsal Tito” bb
<b>Contact person</b>	Anita GinovaKarakutova
<b>Phone</b>	043 400 217
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<b>Name of the Municipality</b>	Municipality of Negotino
<b>Name of Mayor</b>	Pane Trajkov
<b>Address</b>	“AcoAdziilov” 2
<b>Contact person</b>	Lolita Ristova
<b>Phone</b>	043 361 045
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<b>E-mail (contact person)</b>	<a href="mailto:o_negotino@yahoo.com">o_negotino@yahoo.com</a>

<b>Name of the Municipality</b>	Municipality of SvetiNikole
<b>Name of Mayor</b>	Robert Gjorgiev
<b>Address</b>	“Plostadllinden” bb
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<b>E-mail (contact person)</b>	<a href="mailto:info@svetnikole.gov.mk">info@svetnikole.gov.mk</a>

<b>Name of the Municipality</b>	Municipality of Rosoman
<b>Name of Mayor</b>	StojanceLazov
<b>Address</b>	“Proleterska” 1a
<b>Contact person</b>	Blazo Kostovski
<b>Phone</b>	043 441 331
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<b>Name of the Municipality</b>	Municipality of Lozovo
<b>Name of Mayor</b>	OrceCvetkovski
<b>Address</b>	“Marsal Tito” bb
<b>Contact person</b>	AnkicaAnakieva
<b>Phone</b>	032 458 458
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<b>E-mail (contact person)</b>	opstinalozovo@opstinalozovo.gov.mk

<b>Name of the Municipality</b>	Municipality of Chaska
<b>Name of Mayor</b>	GorancoPanovski
<b>Address</b>	“Ilindenska” 8
<b>Contact person</b>	LidijaPljakova
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## A1. Capacity to manage and implement projects

### LEAD PARTNER : Centre for Development of VPR

Title of project	Funded by	Amount in MKD	Duration of the project	Main activities of the project	Role of the municipality in the project (co-ordination, management, direct implementation, etc.)
1. Development of transit and alternative tourism in the VPR	Bureau for Regional Development (BRD) Municipalities from the region	6.433.000,00	13/10/2010 to 13/10/2011	1.Preparation of Study for identification of strategic location on a corridor 10 for setting of info points for transit tourists and preparation of urban plans for them,  2.Preparation of Strategy for marketing and promotion of the region  3. Preparation of Study for basic and additional services for the transit tourists	Implementer
2.Defining and branding of agricultural products for protection by geographical origin	Bureau for Regional Development (BRD) Municipalities from the region	834.555.00	01/08/2010 to 31/12/2010	1.Preparation of Study for identification of agricultural products which potential to be protected by geographical origin	Immediate implementer
3.Physical activities for healthy mental development of children at preschoolage	Bureau for Regional Development	2.112.200.00	01/06/2011 to 01/12/20	1. Purchase and installation of children requisite	Immediate implementer

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	nt (BRD) Kinder gardens from the region		11	sfor physicalactivity inkindergartensin the region	
4. Institutional support for the Centre for regional development – Case development	SDC Swiss development cooperation CDVPR	30.000 CHF	01/10/2011 to 01/06/2012	1. Implementation of ISO 9001:2008 quality standard 2. Preparation of Territorial sectoral analysis and analysis for the value chain for the sector with greatest opportunity for development	Partner implementer
5. Implementation of a modern system of waste management in the Vardar Planning Region according to European standards	OeKB Bank Austria Municipality of Veles CDVPR	122.500 EUR	01/05/2010 to 31/12/2010	1. Preparation of Pre-feasibility Study for implementation of a modern waste management system according to environmental standards of the EU for the Vardar planning region	Partner implementer

**A2 Available financial resources (separately for every partner)**

Table: Review of the Annual Budget, Revenues and Expenditures

Name of the Applicant (Lead) partner		Centre for Development of VPR		
Year	Annual Budget	Revenues from the adopted annual report	Expenditures from the adopted annual report	
2010	31.730.375,00	15.852.127,00	15.852.127,00	
2011	44.781.447,00	4.427.945,00	4.427.945,00	
2012	43.155.904,00			

## A2.1 Available organisational and human resources (separately for every partner)

Table: Review of the organization forms (sectors/departments) and occupied job positions by type and degree of education and years of work experience in the respective job position.

### Centre for Development of VPR

Name of lead Partner:Center for Development of VPR	Total number of civil servants employed	3	
	Total number of technical staff employed	0	
<b>Review of organization forms:</b>			
Sector	Department		
	1.Department for regional development and professional-technical affairs		
	2.Department for Normative-Legal and Financial affairs		
<b>Review of occupied job positions by organization forms:</b>			
Organization form	Profession and job position	Degree and type of education	Years of work experience in respective job position in the CDVPR
1. 1. Department for regional development and professional-technical affairs	1.Coordinator-advisor for regional development	VII/1 Faculty Social Sciences	3
	2.Coordinator-advisor for regional development	VII/1 Faculty Natural Sciences	3

### Partners – Municipalities human resources

Municipality	Civil servants	Technical staff	Total
Veles	38	10	48
Kavadarci	65	4	69
Negotino	30	2	32
DemirKapija	18	2	20
SvetiNikole	37	7	44
Lozovo	9	2	11
Gradsko	11	8	19
Chaska	13	6	19
Rosoman	5	2	7

#### The number of staff of the Centre of the VPR which will be actively involved in Inter-municipal cooperation:

Throughout the project duration all employees of the Centre of the VPR will be fully engaged. At the beginning of the project implementation, each municipality involved will also nominate a project focal point – a civil servant responsible for local economic development. Besides the municipalities, focal points will be identified from the branch offices of relevant Ministries, regional branches of the both Chambers of commerce and relevant NGOs from the region.

#### Equipment and offices (if any) to be allocated for the purpose of the project

The available ITC equipment and current premises-offices of the Centre of the VPR will be used during the project initiation phase. If needed, adequate ITC equipment and office space of the municipality of Veles will be also on disposal.

-Other relevant resources (if any) to be allocated to the project



## B. PROJECT DATA

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### (1) Project Summary

<b>Project title</b>	<b>Establishment of Joint Working Body - Network for Inclusive Development of VPR/NID of VPR (as per Law on IMC)</b>
<b>Project duration</b>	15 December 2012 –15 December 2013
<b>Amount provided by UNDP – LD Programme</b>	40 000 USD
<b>Total Project cost (including own contribution)</b>	60 000 USD (40 000 USD from UNDP + 20 000 USD contribution from the VPR municipalities)
<b>Area of IMC to be established</b>	Regional and local development
<b>Form of IMC to be established</b>	<b>Joint Working Body - Network for Inclusive Development of VPR/NID of VPR (as per Law on IMC)</b>
<b>Involved municipalities</b>	Veles, Kavadarci, Negotino, SvetiNikole, Chaska, Gradsko, Lozovo, Rosoman and DemirKapija
<b>Target Group –Direct beneficiaries</b>	<ul style="list-style-type: none"> <li>• Commercial entities/economic operators in the region</li> <li>• Centre for development of VPR</li> <li>• Regional Chamber of Commerce</li> <li>• Regional Chamber of Crafts</li> <li>• Local NGOs</li> <li>• Municipalities from the region and their administrations (LED units in particular)</li> <li>• The population of the region will benefit from improving the conditions for starting and running a sustainable business and creation of new jobs.</li> </ul>
<b>Project Objectives</b>	<p><b>Strengthened cooperation between the key stakeholders through networking for inclusive development of the Vardar Planning Region.</b></p> <p><i>The vitaltarget of the Joint Working Body - Network for Inclusive Development of VPR is to bring together a wide range of stakeholders to coordinate support for local actions.</i></p>
<b>Project Activities</b>	<ul style="list-style-type: none"> <li>• Formal establishment of the Joint Working Body - Network for Inclusive Development of VPR/NID of VPR as a form of Inter-municipal Cooperation;</li> <li>• Preparation of Rules of Procedure for the NID of VPR</li> <li>• Reconstruction and adaptation of the building of former Radio Veles (located in the city of Veles) and its transformation into official seat of the NID of VPR;</li> <li>• Recruitment of development specialist by the Centre of the VPR that will be tasked to provide technical services for the NID of VPR for the whole duration of the project;</li> <li>• Provision of technical secretariat services for the NID of VPR by the Centre of the VPR;</li> <li>• Procurement of necessary IT equipment and furniture for the seat of the NID of VPR;</li> </ul>

	<ul style="list-style-type: none"> <li>• Capacity building for the Centre of the VPR staff, the development specialist and the focal points representing the key stakeholders of the NID of VPR;</li> <li>• Preparation of 2013 - 2015 Programme and 2013 Action Plan of the NID of VPR;</li> <li>• Upgrade of the existing web site of Center for development of the VPR (translation of the existing data/info in English, update with new data and info related to the activities of the NID of VPR and promotion of the VPR as a competitive business destination);</li> <li>• Activities for increase of the project preparation and absorption capacities of the key stakeholders including preparation of priority project applications;</li> <li>• Facilitation of negotiations for establishment of info-points for transit tourism through public-private partnerships;</li> <li>• Campaign for wider involvement of business community in the NID of VPR activities in order to ensure its sustainability.</li> </ul>
<p><b>Project Results</b></p>	<ul style="list-style-type: none"> <li>• NID of VPR established as a Joint Working Body of the VPR municipalities and cooperation between the VPR municipalities and business community and civil sector on inclusive development implemented in integrated and institutionalized/formalized manner;</li> <li>• Ensured adequate spatial and other working conditions including ICT for the NID of VPR;</li> <li>• Defined vision, mission, strategic and operative goals, measures and actions of the NID of VPR;</li> <li>• Increased capacity of the Centre of the VPR and the focal points representing the key stakeholders for inclusive development including transferred knowledge and skills for project preparation, coordination, networking, facilitation of negotiations, monitoring, evaluation and reporting;</li> <li>• Priority project concepts/applications prepared by the municipal administration of the VPR municipalities and representatives from the business community, NGOs and chambers of commerce. At least three project applications prepared and submitted for funding to different funding sources;</li> <li>• Upgraded web site of the Centre of the VPR in English and with data/info for promotion of the comparative strengths and advantages of VPR with regard to the business opportunities. Improved access to relevant information for business entities and NGOs</li> <li>• Established Info Points through PPP for development of transit tourism;</li> <li>• Business community provides additional support in terms of funding and technical assistance for the operations of the Network</li> </ul>

## C. DESCRIPTION OF THE PROJECT

### 1. Project Background

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The economic development is identified in the **Programme for Development of Vardar Planning Region (VPR)**, as an area of utmost significance for the region due to the **burning issues of unemployment and migration** that negatively affect the overall human well-being of its population. The VPR municipalities still face many challenges when it comes to local development, particularly in the area of financing the local services, job creation, provision of support for the local business and investment sectors, project preparation and absorption capacity.

Unemployment rate of VPR was 36.4% in 2011 and as such is higher than the average rate in the country which was 31.4% in 2011. With regard to this indicator, the VPR is ranked at 6<sup>th</sup> place among the eight planning regions. In 2009 the Vardar region GDP share was 7,3% (SSO, 2011), thus being ranked on the 5<sup>th</sup> place.

In that regard, the efforts for designing well-conceived policies and active measures for support of the private sector and creation of conditions for development of strong and competitive regional economy are expected to mitigate the intensity and the consequences of unemployment and migration. That is the main challenge that is to be addressed immediately.

This project builds upon the following activities in area of local and regional economic development that have been implemented by the CVPR in close cooperation with the municipalities:

- Established cooperation with the Regional Chamber of Commerce and Regional Chamber of Crafts,
- Established Economic Council of the president of the Council for development of VPR,
- Territorial analysis of economic development sectors and analysis of the value chain with the greatest potential for growth in the region,
- The regional Chamber of Commerce signed few Memorandums of cooperation with Chambers from different regions. The process was facilitated by municipality of Veles and Center for Development of Vardar Planning Region (CDVPR), etc.

Furthermore, the CVPR facilitated the participatory development of few Strategic regional documents, such as:

- Programme for development of the VPR;
- Strategy for promotion and marketing of the VPR 2011-2015;
- Study for defining agriculture products with potential for protection in VPR (2010);
- Study for implementation of integrated system for solid waste management in VPR (2011);
- Study for identification of the basic and additional integrated needs, services and content (for development of the transit and alternative tourism (2011); etc.;

Existence of these well elaborated and relevant strategic and planning documents for integrated regional development enables focusing of the action on identified priorities.

The above-mentioned activities have already contributed for strengthening of cooperation among the municipalities and the business community and **it is to be expected that the cooperation will culminate by the establishment of the Network for Inclusive Development of the VPR**. In that way a bottom up approach will be applied that is to be

considered as unconventional when assessing it against the existing top-down approaches for supporting the local and regional development mainly through fragmented interventions.

In addition to the fact that the NID of VPR will provide very specific services to all municipalities and the other relevant parties, it will simultaneously contribute for achievement of the Programme for development of VPR objectives related to start-up of SMEs and creation of new jobs. Creation of a NID of VPR is also fully in line with the adopted measures of the two-year Action Plan for implementation of the National Strategy for balanced regional development.

Creation of the NID of VPR signifies a very concrete and advanced solution for the existing lack of effective coordination of activities for private sector development and regional competitiveness in VPR. Creation of this Network as an institutional arm of the Centre and the municipalities of the VPR will also benefit the both regional Chambers of Commerce, the private sector entities and relevant NGOs. Especially, the role of the civil society and the various communities will be strengthened and they will be able to have a more active participation in the work of the local institutions on this priority issues. The NID of VPR will also prevent issues and bottlenecks such as the eligibility for utilization of funds from sources that require more representative institutional form of cooperation. The very existence of the Network will provide for the Centre of the VPR to play a more important role in coordinating and channeling investments at the planning region level.

In order the Network to be created in sustainable manner besides the expression of political will of local authorities, technical and financial resources of the partners will be joined including:

- Veles municipal council decision for infrastructural adaptation of the building of the former Radio Veles and approval for use by the NID of VPR that will result in savings as alternative to renting adequate office space for hosting the Joint Working Body - the NID of VPR;
- Project documentation for its reconstruction that is already developed by the municipality of Veles;
- Co-financing in cash provided by the applicant and the partner municipalities in total amount of 20.000 USD
- Contribution of the Municipality of Veles in cooperation with the private sector with labor and construction materials for reconstruction of the public building of the former Radio Veles

During the consultations on the priority IMC forms, Municipality of Negotino and DemirKapija expressed readiness to provide for use additional facilities<sup>1</sup> which will serve as dispersed offices of the NID of VPR and can be further utilized in order to bring these specific local services closer to the citizens and the local business sector.

Considering above mentioned facts and arguments, the **creation of a Joint Working Body as Inter-municipal Cooperation form** emerges as an optimal solution for establishment of the NID of VPR. IMC is already a well-known tool utilized by seven out of nine VPR municipalities for creation of the following forms:

- Veles-Chaska – IMC for efficient delivery of services;
- Veles – Lozovo – IMC for inspection, accounting and audit;
- Kavadarci – Rosoman – IMC for financial affairs, and IMC for improving of water supply in municipality of Rosoman;
- Negotino – DemirKapija – IMC for creation and maintenance of data base on

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<sup>1</sup>Municipality of DemirKapija will provide a Tourist Educational and Research Centre which is to be established through IPA CBC project and the municipality of Negotino will provide tourist bureau office.

environmental protection and monitoring as well as updating of LEAPs.

Previous very positive IMC experience of involved municipalities not only that provides guarantee for optimal functioning of the NID of VPR as a Joint Working Body but creates additional opportunities for increasing the number of inter-municipal partners that can start cooperating on additional specific municipal competencies and services.

**The NID of VPR will be established in accordance with the provisions of the Law on Inter-municipal Cooperation<sup>2</sup> as innovative IMC form that has the potential to be replicated nationwide.**

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<sup>2</sup>Official Gazette no. 79 of the year 24/06/2009

## 2. Main purpose/objectives of the project

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**Main purpose** of the project is to reinforce the cooperation between the key stakeholders through networking for inclusive development of the Vardar Planning Region as additional institutional form of the cooperation between the municipalities, the business community and the NGOs in the region.

In order the main purpose to be achieved, the project will be focused on achieving the following **objectives**:

- Establishment of most appropriate form of IMC for inclusive regional and local development in accordance with the Law on IMC and the relevant national and local policies;
- Ensured additional institutional support for municipalities, the business community and the relevant NGOs in the region through the establishment of the Network for Inclusive Development of the VPR.
- Specific services provided for private sector development and increased overall competitiveness of the region;
- Accurate and resolute Programme and Action Plan for inclusive development of VPR developed and implemented through the NID of VPR with emphasis on the private sector development and regional competitiveness;
- Developed capacities of all key stakeholders that will constitute the Network for preparation of projects and available EU and other funds;
- Increased awareness of wider business community in the region regarding the benefits gained through the operations of the Network and ensured sustainability

What type of municipal capacities for implementation of competencies in LED will be improved?

Capacity of the Centre of the VPR and the focal points representing the key stakeholders (municipalities, business community and NGOs) for inclusive development will be improved through transfer of knowledge and skills for project preparation, coordination, networking, facilitation of negotiations, monitoring, evaluation and reporting.

The exchange of information will be enhanced and the efficiency of the information flow will increase since the Network will also function as a hub of relevant data and information for private sector development and regional competitiveness.

Level of awareness will be increased among the key stakeholders on the necessity for creating and applying innovative tools and establishing innovative coordination mechanisms for inclusive development of the region.

Adequate spatial and other working conditions including ICT for the NID of VPR will be ensured. The upgrade of the web site of the Centre of the VPR in English and with data/info for promotion of the comparative strengths and advantages of VPR with regard to the business opportunities will contribute for improved access to relevant information for local, regional, national and foreign business entities and NGOs.

Who will be the target group as well as the main beneficiary/ies?

- Commercial entities/economic operators in the region
- Centre for development of VPR
- Regional Chamber of Commerce
- Regional Chamber of Crafts
- Local NGOs
- Municipalities from the region and their administrations (LED units in particular)

The region's population will benefit from improving the conditions for starting and running a sustainable business and creation of new jobs.

It is also expected that the Network operations will trigger interest of foreign investors for direct investments.

Why the selected partner municipalities/region are/is the most appropriate one/s?

- VPR is statistical/planning region established in accordance with the Law on balanced regional development that covers the territory of nine municipalities;
- Regional Chamber of Commerce and Regional Chamber of crafts are located in the city of Veles;
- All nine municipalities that belong to VPR expressed political will and support for establishment of the Joint Working Body – Network for Inclusive Development of the VPR
- There is previous very positive experience gained by the municipalities from the region from implementation of joint projects by using the IMC as innovative service delivery tool

### 3. Project activities

In order the anticipated project objectives to be achieved, three main groups of activities will be implemented including: the formal establishment of the Joint Working Body – the NID of VPR as IMC form in accordance with the Law on IMC; preparation and endorsement of a Programme and Action Plan of the Network and implementation of several actions considered as priority; and capacity development of the key stakeholders that will constitute the Network.

In addition, the project will realize a campaign for wider involvement of business community in the NID of VPR Centre activities in order to ensure its sustainability on mid and long term.

More specifically, the project activities will include:

- **Formal establishment of the Joint Working Body - Network for Inclusive Development of VPR/NID of VPR as a form of Inter-municipal Cooperation**

The Joint Working Body - Network for Inclusive Development of VPR/NID of VPR will be formally established in accordance with the procedure regulated in the Law on IMC. The process will be facilitated and monitored by the UNDP team of IMC specialists. Considering that the procedure for establishment of the IMC form will require up to three months, it will be implemented in parallel with the other activities described below. Standardised templates of all documents needed for establishment of IMC, that were developed through other UNDP IMC interventions will be utilized to the maximum extent.

This project proposal was discussed and endorsed by the Council of the VPR on its session held on 26 November, 2012 (hosted by municipality of Negotino), thus providing assurance that the procedure for formal establishment of the IMC form with decisions made by the municipal councils will be implemented efficiently.

The Joint Working Body - Network for Inclusive Development of VPR/NID of VPR will be constituted of a focal points of the key stakeholders including:

- At least one focal point from each of the nine municipalities, appropriately a civil servant that leads the organizational unit responsible for development such as the local economic development unit, unit that deliver social and child protection and education services and/or units that are responsible for urban planning and environmental protection;
- Specialized local institutions such as the Tourism Development Bureau located in the municipality of Negotino, the Centre for Education in Tourism that will be established in the municipality of DemirKapija, etc.;
- The Regional Chamber of Commerce and the Regional Chamber of Crafts, both located in the municipality of Veles;
- Relevant Local NGOs<sup>3</sup> and business operators;
- The Centre for Development of the VPR.

The private sector and civil society will be involved in structuring the approach to the local and regional development and prioritization of its objectives, including its potential for social entrepreneurship and employment generation.

The Centre for Development of the VPR will organize the inaugural meeting of the Network immediately after the respective decisions will be made by the municipal councils and as a lead partner of this project will provide technical secretariat services for the Network.

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<sup>3</sup>The relevant local NGOs and business operators will be mapped through the governance assessment exercise that will be realized by service provider contracted by UNDP until the end of 2012



The Director of the Centre for Development of the VPR will serve as a Project coordinator and a person in charge for coordination of the activities of the Network.

- **Preparation of Rules of Procedure for the NID of VPR**

The first draft of the Rules of Procedure for the NID of VPR will be prepared by the Centre of the VPR in cooperation with legal experts from the municipal administrations and will be circulated for discussion and provision of comments and suggestions by the focal points of the key stakeholders that will constitute the Network.

The Rules of Procedure for the NID of VPR will also regulate the establishment of sub-groups for coordination of the implementation of specific activities of the Programme and the Action Plan of the Network including appointment of sub-groups chair persons and coordinators.

The Rules of Procedure for the NID of VPR will be discussed and endorsed during the inaugural meeting of the Network.

- **Reconstruction and adaptation of the building of Radio Veles (located in the city of Veles) and its transformation into official seat of the NID of VPR**

Two floors building known as a building of former Radio Veles is located in the city of Veles, Str. Shefki Sali No.4, in the downtown area, the central part of the city. Existing building was built in 1961 -1962 as a seat of the public institution - Radio Veles. The object has a rectangular shape with dimensions of 12.70x8.30 m. and 213 m<sup>2</sup> of interior surface area. Subject of reconstruction will be the first - ground floor. The reconstruction will be realized through the following activities:

- Reconstruction of the floor as a combined laminate and granite floor with surface area of about 114 m<sup>2</sup>;
- Reconstruction and painting of the walls;
- Replacement of the existing 6 windows with EE PVC windows and partial reconstruction of the exterior walls of the building;
- Installing new energy-efficient lighting and heating and related installations;
- Reconstruction of the kitchen and toilet and related installations

Technical documentation for the reconstruction is available with the Urban Planning unit of the municipality of Veles.

The purpose of the reconstruction of the ground floor of the building is to provide adequate space for two offices (one office for the local development specialist that will be recruited in the frame of the project and the other that will serve as info/internet point for the stakeholders), one multipurpose conference/exhibition room that is to be utilized for the meetings of the focal points of the Network, activities of the Network including separate activities of the both Chambers of Commerce and the involved NGOs, a toilet and a small kitchen. The reconstruction will be done in accordance with the energy efficiency requirements and principles, by using the most appropriate construction materials and techniques.

All construction materials and installations including related labor will be provided by the Municipality of Veles in cooperation with the private construction sector of the VPR as their voluntary contribution. The reconstruction works will be coordinated by the CVPR and the municipality of Veles.

Funds for covering the unforeseen/contingency costs for the reconstruction are specified in the budget. The decision for utilization of the contingency costs will be made jointly by the CVPR and UNDP on the basis of a notification prepared by the CVPR.

- **Recruitment of development specialist**

One development specialist will be recruited for a period of 11 months by the CVPR in accordance with the national public civil service recruitment rules and procedures. The ToR for this position will be jointly prepared by UNDP and CVPR and the selection of the best applicant will be endorsed by an ad-hoc evaluation committee consisting of representatives of CVPR and UNDP. The remuneration package is defined in the project budget as a full time job and at the level of the income received by the coordinators – advisors for regional development already employed in CVPR.

The recruited development specialist will work under the supervision of the Director of the CVPR and will be tasked to provide technical services for the NID of VPR for the whole duration of the project including the secretariat services for the Network. The intention is, due to the limited staff of the VPR (three employees) to recruit additional person that has good knowledge of the economic situation of the region and its priorities, excellent IT and English language skills as well as organizational and communication skills.

Also, in accordance with the Law on volunteers, two more students will be accepted to fulfill their legal obligation for practical work by assisting in implementation of the project activities.

- **Provision of technical secretariat services for the NID of VPR by the Centre of the VPR;**

Besides the recruited development specialist all staff of the CVPR will be tasked to provide technical secretariat services for the Network that at least include the following functions: maintenance of regular correspondence, organization and facilitation of meetings, taking of meeting minutes/notes, reporting, office support services (copying, scanning, etc.), provision of basic bookkeeping, maintenance of the project archive (including the electronic archive) etc.

- **Procurement of necessary IT equipment and furniture for the seat of the NID of VPR;**

IT equipment: two PCs, one printer, one scanner, a copier, LCD projector and one laptop computer (with necessary software and installations) will be purchased.

Furniture: two work desks, two auxiliary desks, four elements with drawers, two cupboards for office supplies, six chairs and an element for promotional material for offices as well as a big conference table for twenty people and twenty chairs, three energy efficient air conditioners and heating panels will be purchased.

The purchase of the IT equipment and office furniture will be done by the CVPR in

accordance with the national public procurement rules and procedures. The selection of the best offeror(s) will be endorsed by ad-hock evaluation committee consisted of representatives of CVPR and UNDP. The required funds are specified in the project budget.

- **Capacity building for the Centre of the VPR staff, the development specialist and the focal points representing the key stakeholders of the NID of VPR**

Capacity of the employees of the Centre of the VPR (incl. the development specialist) and the focal points representing the key stakeholders (municipalities, business community and NGOs) for inclusive development will be improved through transfer of knowledge and skills for project preparation, coordination, networking, facilitation of negotiations, monitoring, evaluation and reporting.

Since, the Network will also function as a permanent forum for dialogue and exchange of information it will also enable peer-to-peer learning, knowledge-sharing, and documentation of best practices to make local actions more effective, sustainable, and replicable.

In addition, capacity needs assessment will be realized during the initiation phase of the project and additional training on topics considered as priority (besides the topics mentioned above) will be delivered.

CVPR will recruit external experts/trainers in accordance with the national regulation on procurement of consultancy services. The selection of the trainers will be endorsed by ad-hock evaluation committee consisted of representatives of CVPR and UNDP. Each of the employees of the Centre of the VPR (incl. the development specialist) and the focal points representing the key stakeholders will receive minimum three days of training. The required funds for capacity development activities are specified in the project budget.

- **Preparation of 2013 - 2015 Programme and 2013 Action Plan of the NID of VPR;**

The first draft of the 2013 -2015 Programme and 2013 Action Plan of the NID of VPR will be prepared by the Centre of the VPR in cooperation with the local development experts from the municipal administrations and will be circulated for discussion and provision of comments and suggestions by the focal points of the key stakeholders that will constitute the Network.

The 2013 -2015 Programme of the NID of VPR will be structured around the following 10 thematic areas:

1. SME's access to available funds and government subsidies
2. Support for business ideas: research and innovation
3. Measures that aim at decreasing the informal sector
4. SME's access/connections to domestic and foreign markets and organization of B2B meetings
5. Facilitation of initiatives for foreign direct investments by using in first place the industrial zones infrastructure
6. Measures for enhancement of the rural development, revitalization of villages and development of VPR specific forms of tourism
7. Green growth including eco-labeling and implementation of agro-environmental

measures;

8. Support for implementation of active local labor market measures
9. Brokering social partnerships between local authorities, civic and private actors to deliver inclusive diversified and innovative social services.
10. Most appropriate and applicable social entrepreneurship models within the existing policy and normative framework;

The Programme and its Action Plan will be discussed and endorsed during the first working meeting which is to be held two weeks after the inaugural meeting of the Network.

- **Upgrade of the existing web site of Center for development of the VPR**

The existing web site of the CVPR (<http://www.vardarregion.gov.mk/>) will be upgraded through translation of the existing data/info in English, update with new data and info related to the activities of the NID of VPR that aim at promotion of the VPR as a competitive business destination.

It is expected that this activity will significantly contribute for increasing the awareness among the project participants on the need for undertaking common actions, through their involvement in all stages of the project activities. A banner with a link to special pages dedicated to the Network will be posted on the CVPR web site and other relevant web sites. Gradually the CVPR web site will captivate all features of a small and medium enterprises web portal.

The development specialist will be tasked to regularly update the CVPR web site pages dedicated to the Network.

- **Activities for increase of the project preparation and absorption capacities of the key stakeholders including preparation of priority project applications**

For implementation of this activity, besides the assistances provided by the staff of the CVPR and the focal points of the key stakeholders of the Network, qualified external consultants will be contracted by the CVPR in accordance with the national procurement rules and procedures for consultancy services.

For this purpose 45 expert days are budgeted with a daily fee that shall not exceed 150 USD.

The selection of the consultants will be endorsed by ad-hock evaluation committee consisted of representatives of CVPR and UNDP.

At least three project applications will be prepared and submitted for funding to available domestic and international sources. Preparation of projects that relate to local and regional capital investments, rural development, support for the clusters and business start-ups, establishment of municipal business incubators and/or other diversified and innovative SMEs support tools; and overall increase of the employment opportunities in different economic and local service delivery sectors will be considered as priority interventions.

It is expected that this activity will trigger:

- Increase of the effectiveness of the local public spending;

- Increase of the capital investments absorption capacity and
- Creation of Facility for preparation of technical documentation in the next phase of the project
- **Facilitation of negotiations for establishment of info-points for transit tourism through public-private partnerships**

This activity will be implemented in accordance with the recommendations of the Study for identification of strategic locations on the Corridor 10 for setting of info points for transit tourists and preparation of urban plans for them, through establishing a Private Public Partnership.

The CVPR already launched negotiations with attentivelandowners for setting of info-points in accordance with the Study as PPP forms. This activity will be continuation and extension of already commenced negotiations.

Involvement of the mayors from the region in the later stages of the negotiations isalso envisaged. The minimum funds for facilitation of the negotiations are specified in the project budget.

- **Campaign for wider involvement of business community in the NID of VPR activities in order to ensure its sustainability.**

In order to ensure the sustainability of the NID of VPR, a campaign for involvement of the wider business community will be prepared and conducted.

After establishment of the NID for VPR, promotional meetings with the biggest economic operators will be organized and held in each of the partner municipalities, and joint statements will be made for the local and national media.

The NID of VPR will be promoted as a potential project partner for all stakeholders and as indispensable source of information related to the regional economy.

The campaign will be conducted by the involved state and public civil servants, CVPR staff, the Regional Chambers of Commerce and the NGOs representatives in the Network.

Funds for preparation and execution of the Campaign are specified in the project budget.

### 3.1 Timetable (in months)

#	ActivityName	Responsible	Months												
			1	2	3	4	5	6	7	8	9	10	11	12	
1.	Formal establishment of the Joint Working Body - Network for Inclusive Development of VPR/NID of VPR as a form of Inter-municipal Cooperation	UNDP IMC team, CDVPR and municipalities	█	█	█										
2.	Preparation of Rules of Procedure for the NID of VPR	UNDP IMC team, CD VPR Municipalities		█	█										
3.	Reconstruction and adaptation of the building of Radio Veles (located in the city of Veles) and its transformation into official seat of the NID of VPR	CDVPR Municipality of Veles	█	█	█	█									
4.	Recruitment of development specialist	UNDP CDVPR	█	█											
5.	Provision of technical secretariat services for the NID of VPR	CDVPR				█	█	█	█	█	█	█	█	█	█
6.	Procurement of necessary IT equipment and furniture for the seat of the NID of VPR;	CDVPR UNDP				█	█								
7.	Capacity building for the Centre of the VPR staff, the development specialist and the focal points representing the key stakeholders of the NID of VPR	UNDP CDVPR Municipalities				█	█	█					█	█	█
8.	Preparation of 2013 - 2015 Programme and 2013 Action Plan of the NID of VPR	UNDP and CDVPR Municipalities		█	█	█									
9	Upgrade of the existing web site of Center for development of the VPR	CDVPR Municipalities Chambers					█	█	█	█	█	█	█	█	█
10	Activities for increase of the project preparation and absorption capacities of the key stakeholders including preparation of priority project applications	UNDP CDVPR Municipalities Chambers					█	█	█	█	█	█	█	█	█

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11	Facilitation of negotiations for establishment of info-points for transit tourism through public-private partnerships	UNDP CDVPR Chambers Municipali ties (LED)											
12	Campaign for wider involvement of business community in the NID of VPR activities in order to ensure its sustainability.	CDVPR UNDP Chambers Municipali ties											

## 4. Project results

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### Outputs:

- NID of VPR established as a Joint Working Body of the VPR municipalities;
- Ensured adequate spatial and other working conditions including ICT for the NID of VPR;
- Defined vision, mission, strategic and operative goals, measures and actions of the NID of VPR;
- Increased capacity of the Centre of the VPR and the focal points representing the key stakeholders for inclusive development including transferred knowledge and skills for project preparation, coordination, networking, facilitation of negotiations, monitoring, evaluation and reporting;
- Priority project concepts/applications prepared by the municipal administration of the VPR municipalities and representatives from the business community, NGOs and chambers of commerce. At least three project applications prepared and submitted for funding to different funding sources;
- Upgraded web site of the Centre of the VPR in English and with data/info for promotion of the comparative strengths and advantages of VPR with regard to the business opportunities. Improved access to relevant information for business entities and NGOs
- Established Info Points through PPP for development of transit tourism;
- Business community provides additional support in terms of funding and technical assistance for the operations of the Network

### Outcomes:

- Innovative arrangements for efficient and quality service provision, including use of information technologies designed and implemented by promoting public-private partnership, outsourcing and inter-municipal cooperation;
- Achieved economy of scale and maximum use of human resources,
- Attracted investment funds from public, private or donor/incl. EU sources through better promotion, marketing and visibility of municipalities
- Improved transparency and accountability
- Institutional and human capacities at local level improved for implementing effective and transparent provision of decentralized competencies in the area of regional and local development;
- Regional bodies and relevant organizational units of the municipal administrations, the Chambers of Commerce and the involved NGOs have improved technical, human and operational capacities for implementing regional development policies,



- Cooperation between the VPR municipalities and business community and civil sector on inclusive development implemented in integrated and institutionalized/formalized manner;

## **5. Involvement of external experts/consultancies/NGOs**

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Engagement of external experts is envisaged for the following two activities:

- Capacity building for the Centre of the VPR staff, the development specialist and the focal points representing the key stakeholders of the NID of VPR
- Increase of the project preparation and absorption capacities of the key stakeholders including preparation of priority project applications

As already mentioned, UNDP will support implementation of the project activities with its expertise and experience.

Additionally, during the overall project period, UNDP IMC specialists will be providing support on management and monitoring of the project.

## **6. Impacts and benefits for partner municipalities**

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By implementing the above described designed activities, the municipalities and the local communities of the VPR will be motivated and supported to work together in a more structured way to ensure inclusion and development benefits for all citizens.

Participation and collaboration of the not-for-profit and private sectors with the local-self-government units and the local communities in service delivery will be encouraged and the social capital within a concentrated area will be mobilized.

The established partnerships and applied innovative tools and mechanisms will result in attraction of more investment funds that will further contribute for securing more sustainable local and regional growth and creation of jobs.

## **7. Sustainability and Future Plans**

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Implementation of the project activities in the period 15 December 2012 – 15 December 2013 will be co-financed by the UNDP, the CVPR and partner municipalities including the contributions received by the business community.

UNDP will contribute for covering the start-up costs forestablishment of the Network as a concrete IMC form and part of the running costs until 15 December 2013 as specified under the project budget section.

Further functioning of the Network after 15 December 2013 will be financed by the CVPR and the partner municipalities. The he Regional Chambers of Commerce and interested commercial entities and NGOs will be invited to support the Network on the basis of mutual agreement and from resources provided through implementation of various joint projects.

In order to ensure the project and the NID of VPR sustainability, wider campaign will be realized with an aim the business community to recognize the benefits from the operations of the Network and support its functioning in the period after December 2013.

This project is expected to create an institution that will be able to multiply the partnerships and develop numerous joint projects that could receive funding and in that way to ensure its sustainability.

The project partners are strongly dedicated this form of IMC created in the area of regional and local development to be established for a longer period, beyond the period of project support provided by the UNDP.

## **8. Other type of financial assistance**

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The applicant as a Lead Partner and the partner municipalities agreed to provide own budget contributions as follows:

- The CDVPR will contribute with an amount of 1.500 USD in cash.
- Municipality of Veles will contribute with amount of 8.860USD in cash.
- Municipality of Veles will directly cover the office running expenses for the NID of VPR for 12 months with amount of 2.140USD
- Municipalities of Kavadarci and Negotino will contribute with amount of 2.500USD per municipality or 5 000 USD in total.
- The contribution of the rural municipalities (Chaska, Lozovo, Rosoman, Gradsko and DemirKapija) is 500USD per municipality
- All construction materials and installations including related labor for reconstruction of the ground floor of the public building of the former Radio Veles will be provided by the Municipality of Veles in cooperation with the private construction sector of the VPR as a voluntary contribution worth of app. 7 000 USD.

This direct contribution of the CVPR and the partner municipalities is app. 33 % of the total budget. Certainly, the municipalities will also contribute in the project activities implementation through in kind contribution by involvement of its human resources, use of its IT equipment and municipal premises.

## 9. Overall budget summary

	Name of Partners	Contribution by partners		Financial Support by UNDP		Total Budget	
		USD	MKD	USD	MKD	USD	MKD
1.	Centre for Development of VPR	1.500	70.995	40.000	1.893.200		
2.	Municipality of Veles	8.860	419.344				
	In kind (office running costs)	2.140	101.286				
3.	Municipality of Kavadarci	2.500	118.325				
4.	Municipality of Negotino	2.500	118.325				
5.	Municipalities of Chaska, GradskoLozovo, Rosoman and DemirKapija – 500USD per municipality	2.500	118.325				
	<b>OVERAL TOTAL</b>	<b>20 000</b>	<b>946 600</b>	<b>40.000</b>	<b>1.893.200</b>	<b>60.000</b>	<b>2.738.514</b>

UN Exchange Rate as of October 2012 is 1\$ = 47.33 MKD

## 10. Detailed Budget Breakdown of the UNDP Grant, by Partner Municipality (in MKD)

	Budget Item	UNDP		Lead Partner & Municipalities	
		USD	MKD	USD	MKD
<b>I.</b>	<b>EXTERNAL CONSULTANTS COSTS</b>				
	Capacity building	4.500	212.985,00		
	Preparation of priority project applications	6.800	321.844,00	2.500	118.325,00
<b>II.</b>	<b>OPERATIONAL COSTS</b>				
	Public Campaign	3.500	165.655,00	2.500	118.325,00
	Salary for one employee and compensation for three volunteers for 11 months 1*29.614,00*11months=325.754,00 3*5.202,00*6months=93.636,00			8.860	419.344,00
	Costs of events (travel, logistics)	4.000	189.320,00		
	Office running expenses for the NID of VPR for 12 months as in kind contribution from the municipality of Veles			2.140	101.286,00
	Provision of technical secretariat services for the NID of VPR			1.500	70.995,00
	Costs for translation, data collection, web site upgrading and maintenance	3.000	141.990,00		
<b>III.</b>	<b>INVESTMENT COSTS</b>				
	Procurement of necessary IT equipment and furniture for the seat of the NID of VPR	12.500	591.625,00		

	<p><b>IT Equipment (Hardware and Software)Total: 164.590,00</b>                  2DT                  computers*18.000,00=36.000,00                  1 Laptop computer = 30.000,00                  1 photocopier = 10.500,00                  1 laser printer = 4.590,00                  1 LCD projector = 36.000,00                  1 digital camera = 14.000,00                  1 telephone &amp; fax device = 6.000                  1 scanner = 2.500                  Software = 25.000,00</p> <p><b>Office Furniture Total: 358.000,00</b>                  2 work desks*12.000 = 24.000,00                  2 auxiliary desks*12.000=24.000,00,                  4elements with                  drawers*4.000,00=16.000,00                  2cupboards for office                  supplies*11.000,00=22.000,00                  2 office chairs*12.000=24.000,00                  4 office chairs*4.000=16.000,00                  2 elements for promotional                  material*4.500 = 9.000,00                  1 big conference table=40.000,00                  20 chairs*3.500=70.000,00                  2 flip chart boards*4.500 = 9.000                  3 energy efficient                  AC*20.000=60.000,00                  4heating panels*8.500=34.000,00                  Office accessories = 10.000</p> <p><b>Kitchen Total: 32.000,00</b>                  1 working table with cupboards and                  drawers 2.0x0.8x0.8 = 12.000                  1 hanging element1.0x0.6x0.4 =                  6.000                  1 small refrigerator = 8.000                  1 hot plate = 3.000                  A kitchen accessories = 3.000</p> <p><b>Toilet Total: 37.530,00</b>                  1 laver = 5.540,00                  1 toilet cup = 8.600,00                  1 small water heater10l=7.400,00                  1 water battery = 1.800,00                  1 water battery = 2.100,00                  1 dish-washer element=8.200,00                  1 toiletaccessories=2.050,00                  1 waste bin=1.840,00</p>				
	<p><b>Reconstruction and adaptation</b>                   Previous preparatory works                  (breaking down of interior walls                  26m, dismounting of floor, windows,                  tiles and sanitary items) = 85.900,00                   Construction of interior walls</p>	<p><b>4.500</b></p>	<p><b>212.985,00</b></p>	<p><b>2.500</b></p>	<p><b>118.325,00</b></p>

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	274.500,00				
	Replacement of the existing 6 windows with EE PVC windows = 70.140,00				
	Setting up of laminate 114m2 = 93.480,00				
	Setting up of granite floor tiles 25m2= 47.300,00				
	setting wall tiles 35m2=58.800,00				
	refining of the surface and painting of the interior walls 258m2= 58.050,00				
<b>IV.</b>	<b>OTHER COSTS</b>				
	Overhead for the CVPR	<b>1.200</b>	<b>56.796,00</b>		
	<b>TOTAL ELIGIBLE COST</b>	<b>40.000</b>	<b>1.893.200</b>	<b>20.000</b>	<b>946.600</b>

UN Exchange Rate as of October 2012 is 1\$ = 47.33 MKD

**10a. Please provide the bank details of the lead applicant**

The bank must be located in the country where the lead applicant is registered.

<b>Account name</b>	Centre for Development of Vardar Planning Region
<b>Account number</b>	
<b>Swift code</b>	
<b>IBAN code (optional)</b>	MK07 0100 0123 069
<b>Bank name</b>	National Bank of Republic of Macedonia
<b>Address of bank</b>	Bul. KuzmanJosifovskiPitu No.1, Skopje, MK1000
<b>Name of signatory/ies</b>	Aleksandar Buzalkov
<b>Position of signatory/ies</b>	Manager