



**THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA  
DECENT WORK COUNTRY PROGRAMME  
2010-2013**

**Introduction**

The International Labour Organization (ILO) is devoted to advancing opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Its main aims are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen social dialogue.

ILO works in close partnership with Governments, trade unions and employers' organizations in order to promote decent work, as it links supporting the development of productive and competitive enterprises to the most important aspirations of people: a fair income, security at the workplace and social protection for themselves and their families, better prospects for development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

This Decent Work Country Programme (DWCP) and its priorities and outcomes are agreed upon after an extensive process of tripartite consultations with ILO's constituents in the country. The identified strategic priorities and outcomes will be realized during the period 2010-2013 through joint action of the Government and social partners on the one hand, and the ILO on the other.

The DWCP is closely linked with national policy priorities as set out in documents such as the National Development Plan, the National Employment strategy, the Operational programme for human resources development, the Multi-annual indicative planning document 2009-2011 (MIPD), the National Action Plan for Gender Equality (2007-2012), and with commitments from international and regional development agendas, including ratification of international labour standards, the UN Millennium Declaration and the second stage of the association process to the European Union. The DWCP is also linked with major priorities identified in the United Nations Development Assistance Framework (UNDAF).

## **I. The current situation from a Decent Work perspective**

The fundamental priority of the government is to stimulate economic growth through development of the private sector, improvement of the investment climate, job creation and improvement of the standard of living.

### **The Socio-Economic Context**

After strong growth and over-performance of planned budget revenues in 2007 and 2008, towards the end of 2008 the economy started to feel the effects of the global economic crisis. Though the financial sector was not directly hit by the global financial crisis, the real economy and production started to decline. Economic activity slowed down in the first three quarters of 2009, with a year-on-year output drop by 0.9%, 1.4% and 1.8%. In the last quarter of 2009 the economy started to climb out of recession with a GDP growth rate of 1.2%, ending 2009 with an estimated GDP growth of - 0.7%<sup>1</sup>. The projection of the Ministry of Finance for 2010 is a GDP growth rate of 2%.

The Government has so far launched four anti-crisis packages:

- The first package was oriented towards companies with liquidity problems through a tax amnesty. Successful firms were supported through reduced import tariffs and custom duties, reduced social contribution rates and a changed profit income tax system in which profit tax is now paid only on redistributed profit. The estimated cost of the package was €330 million.
- The second announced stimulus package was a large 8-year infrastructure investment plan worth €8 billion.
- The third package consisted of a revised budget with downwards adjusted revenues and expenditures (based on actual figures, as well as the reduced GDP projection), credit support to companies through an EIB credit line and other measures such as facilitation of external trade.
- The fourth package of anti-crises measures, announced in March 2010 consisted of 24 measures targeting areas such as tax policy, credit, land policy, property and legal affairs, agriculture, civil engineering, social policy, as well as measures in the field of regulatory guillotine.

The anti-crisis measures have not yet included employment measures, such as work sharing.

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<sup>1</sup> State Statistical office

## Employment

The national labour market is characterized by very high unemployment along with a relatively low employment rate. The economic activity of the working-age population has been increasing since 2005. In 2009, the labour force participation rate equalled 56.7%, which is 0.4 percentage points higher than in 2008, whereas, in absolute terms, the active population increased by 1% compared to 2008. The female participation rate in the country is lower than that of males, with a gender gap in the labour force participation of 25.9% in 2009, though the gender gap in participation declines with a higher education level and for those with tertiary level education it is reversed.

The labour force participation rate of young workers (15-24) was 35% in 2009. The low participation rate could be attributed to the increasing difficulty of school-to-work transition and because many young people decided to extend their studies in the course of increased returns to education. One of the main reforms of the Government was the introduction of compulsory secondary education and lifelong learning.

The employment rate in 2009 equalled 38.4% and the gender gap in employment equalled 18.1%, which is a 1.2% increase from the previous year. The employment rate of young persons was 15.7% in 2009, remaining at the same level as in 2008.

One of the main weaknesses of the economy and the biggest social and economic problem is the continuously high level of unemployment, reaching an unemployment rate of 37.3% in 2005. Since 2005 a decreasing unemployment rate has been registered, reaching the level of 33.8% in 2008, and continuing to decline in 2009 to 32.2%<sup>2</sup>, despite the turmoil of the global financial and economic crisis. A high proportion of the unemployed are young and low skilled workers. There is also skills mismatch which is caused at least partly by the lack of training and re-training. About 80% of total unemployment in 2010 is characterised as long-term.

One of the issues that negatively influence the economy is the informal economy. A large informal economy causes losses in revenues from tax evasion, distortions of the labour market, hides the true unemployment figures and encourages unfair competition. Common features of work in the informal economy are the lack of an employment contract, and the lack of paid annual and sick leave and other social security benefits. The informal economy has serious costs for individuals, enterprises and society as a whole. According to the State Statistical Office, the “grey” economy in the country was around 20% in 2007 (based on the definition of the OECD)<sup>3</sup>

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<sup>2</sup> Source: Labour Force Survey State Statistical office

<sup>3</sup> “Measuring grey economy in Macedonia and drafting policy proposals for integration in the formal sector” – report, 2008;

## **Social Protection**

In 2002, the pension system in the country went through a major structural reform, introducing a new mandatory privately-managed pension savings system. However, the implementation of the new pension system is facing a number of challenges, regarding for instance the decreasing replacement level of the pension, the increase in the retirement age without flexible arrangements, increased fiscal deficit due to the diversion of contributions to the private pension funds, as well as weak compliance and under-reporting of wages by workers in the informal economy and also by enterprises in the formal economy. In the face of an ageing population, continuous efforts by tripartite stakeholders are needed to sustain the existing pension system in the long-term while ensuring adequate level of benefits consonant with the ratified ILO Social Security Minimum Standard Convention No. 102.

In 2007 a new Occupational safety and health law was passed. The law was elaborated in line with the principles of Framework Directive 89/391 EU, introducing the obligation of risk assessment in the workplaces, but much of the *acquis communautaire* still needs to be transposed. However, challenges have been noted related to the limited capacity to translate these policies into action. ILO's tripartite constituents have recognized the importance of the creation of a safety and health culture through awareness raising and capacity building and are supportive of the ratification of Convention No. 187 on a Promotional framework on Occupational safety and health.

Labour inspection plays an important role in reducing the informal economy, promoting decent work and ensuring labour standards at the workplace. The processes of transition lead to a worsening of the working environment and conditions of work. ILO has been supporting the State Labour Inspectorate and will continue to do so in its transformation into a modern and effective labour inspectorate.

## **Working Conditions**

Although ILO Convention No. 131 (Minimum Wage Fixing Convention) has been ratified there is no statutory nationwide minimum wage in the country. General collective agreements provide that the minimum wage is determined at branch level. Minimum wages exist for all branches in the public sector and in some branches of the private sector. Furthermore, there is a statutory minimum floor for the payment of social contributions, which ensures only minimum contributions to social funds and provides a safety net for workers in the form of a pension. In addition, the law on the payment of wages requires that wages cannot be lower than 50 per cent of the average gross wage in the branch.

The anti-crisis stimulus packages do not include provisions on job sharing or working time which could be an important tool to mitigate the effects of the crisis.

## **Social Dialogue**

The foundations for social dialogue in were laid by the Law on Labour Relations of 2005. This law defined a legal framework for the development and functioning of workers' and employers' organisations and the regulation of the employment relationship; it also provided a legal basis for the functioning of the Economic and Social Council (ESC). The ESC did not meet during 2009, as it was considered not representative of the present context of industrial relations, and its role and position were weak. In an effort to advance social dialogue the Government organised a series of consultations with all the social partners in order to define new objective criteria for representativity. Although the process was criticized by some of the social partner organizations, the National Assembly passed amendments to the Labour relations law. This cleared the way for the establishment of a new ESC, although its role and position remained the same. A Commission for asserting the representativity of the social partners was established in February 2010 and the procedure for determining representativity begun with the registration of the trade unions and employers' organization. The main actors of industrial relations in the country are the Organization of Employers of Macedonia, the Business Confederation of Macedonia, the Federation of Trade Unions of Macedonia, the Confederation of Free Trade Unions of Macedonia and the Union of Independent and Autonomous Trade Unions of Macedonia. They are operating in a difficult economic and social environment, characterised by high unemployment, poverty and an expanding informal economy. The practice of consulting social partners on drafting or amending laws in the economic or social sphere has lapsed and recent changes to labour legislation were made without consultation. This could damage efforts to develop substantive social dialogue in the country. There is also a lack of knowledge in society about the real role of the trade unions and employers' organizations in developing social and economic policies at a national level which contributes to the lack of urgency in establishing an effective forum for social dialogue.

Besides advancing tripartite social dialogue at the national level, the country is taking the first steps in establishing bodies of tripartite social dialogue at local level. An additional issue to be addressed is social dialogue at the enterprise level. At the national and branch level, bipartite social dialogue is functioning and some collective agreements have been entered into – although more work needs to be done in this area. However, at the enterprise level dialogue remains undeveloped, with a lack of trade union organizations in many enterprises and a lack of understanding of the role of collective bargaining by many employers.

## **International Labour Standards**

As envisaged by the ILO Declaration on Social justice, international labour standards cut across and are an integral part of each of the ILO's four strategic objectives. They are instrumental in realizing the objectives of employment, social protection and social dialogue and thus in achieving the goals of the ILO's Decent Work Agenda.

The country has ratified 69 conventions including the fundamental ones. Within the ILO's regular supervisory mechanism, the Committee of Experts on Application of Conventions and Recommendations has requested the Government to take necessary steps to ensure full compliance of national labour law with ratified conventions regarding, *inter alia*, the full exercise of freedom of association and the right to organize and to collective bargaining at all levels, in both the private and public sector.

While Government's efforts to overcome the significant reporting backlog have been noticed, a serious shortcoming in discharging the obligation of submission to the competent authorities still persists.

### **Gender Equality**

Research has shown that about 83% of the gender gap in remuneration in the country is unexplained pointing to discrimination against female workers. The gender wage gap is higher in rural areas, and among workers with primary or less education.<sup>4</sup>

While the current legislation provides for the principle of equal remuneration for equal or same work, the principle of equal remuneration for work of equal value as enshrined in ILO Convention No. 100 on Equal Remuneration is not fully implemented in national labour law. Equal remuneration for work of equal value would include workers performing work of a different nature which is, nevertheless, of equal value. The fact that the country has not properly implemented ILO Convention No. 100 on Equal Remuneration was reported by the ILO supervisory system.

Gender pay discrimination can be further reduced by the proper implementation of the national Law on Equal Opportunities of Women and Men which should, among other, remove gender stereotypes and prejudices, promote more balanced choice of educational careers, including enrolment of girls in technical schools, foster female participation in decision-making, etc.

### **II. Lessons learned from previous cooperation**

Early ILO activities focused on strengthening the capacities of social partners, reporting procedures on international labour standards and working with the constituents in the country to develop employment policies. In the framework of the "Bucharest process" the national employment policy was reviewed, and later used to promote employment and labour market policies in the overall policy framework.

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<sup>4</sup> **Angel-Urdinola, D.F.** (2008) *Can the Introduction of a Minimum Wage in FYR Macedonia Decrease the Gender Wage Gap?*, SP Discussion Paper No. 0837, December 2008, Washington, D.C: World Bank.

It was recognised that the best way to implement an effective intervention in the country was through a consolidated approach and thus this Decent Work Country Programme is the first joint programming exercise between the ILO and the constituents. It represents an important step forward in the cooperation between the ILO and its constituents in the country.

It was also recognised from the work that was undertaken on strengthening the capacity of the social partners and improving social dialogue that the lack of relevant representativity criteria was hindering the effectiveness of tripartite forums. Accordingly, it was realised that updated criteria had to be formulated and applied as a prerequisite for social dialogue.

### **III. Country programme priorities**

The ILO will aim at reinforcing the constituents' capacities and enlarging influence of Decent Work policies in line with national priorities. It will aim to support integration in international agendas (e.g. the MDGs) and in international structures (e.g. the European Union). Many of its outcomes are in line with the UNDAF 2010-2015 and the European Stabilisation and Association Agreement (EU-SAA). The DWCP aims to help the country meet its obligations in the process of accession to the EU, especially related to social dialogue and peaceful settlement of labour disputes, fundamental rights at work, decent working conditions, equal opportunities and free movement of workers.

Based on the Global Jobs Pact, the ILO will propose a range of measures addressing the social and employment impact of the financial and economic crisis, focusing on retaining persons in employment, sustaining enterprises and accelerating employment creation and jobs recovery combined with social protection systems, in particular for the most vulnerable, integrating gender concerns on all measures.

Within the overarching theme of Decent Work the ILO will concentrate on three country programme priorities in the period 2010-2013:

- A.** Capacity of government institutions and the social partners is strengthened to improve the governance of the labour market
- B.** Measures to reduce the informal economy are designed in consultation with social partners
- C.** Improved working conditions are in place, with the active involvement of the social partners.

**Priority A:** Capacity of government institutions and the social partners is strengthened to improve the governance of the labour market

The governance system needs to be strengthened because the lack of functional social dialogue is negatively impacting the quality and sustainability of economic reforms. The ILO will support improving

the quality of social dialogue and thus contribute to moving closer to the European social model, especially in view of forthcoming negotiations for accession to the EU. The need for stronger institutions is a priority in the process of accession to the EU and ILO will intervene by capacity building of the Economic and Social Council, Ministry of Labour and Social Policy and social partners.

**Outcome A.1: Improved capacity and services of the Economic and Social Council with more appropriate representativity criteria in place**

The new ESC will be formed after the process of determining representative organizations of the social partners. ILO will support negotiation of a new Agreement for establishment of the ESC. The process will include reviewing the regulations and composition including from the gender viewpoint. Furthermore ILO will work on strengthening the ESC secretariat and training ESC and secretariat members on social dialogue procedures and strategies

**Outcome indicators:**

- The assessment of the representativity of the social partners is finalized
- Steps towards the signing of an agreement for the establishment of the ESC are taken
- ESC addresses a broader range of issues and its opinions are taken into consideration by the government
- Unit for social partnership in the MLSP provides better support to the members of the ESC and ESC bodies.

**Outcome A.2: Increased value of employers' and workers' organizations to existing and potential membership through the provision of new or better services**

Technical assistance will be provided to employers' and workers' organisations to enable them to participate actively and effectively in bipartite and tripartite social dialogue at all levels. The work with the social partners will further intensify compared to the previous years. A programme of training will be designed to promote innovative practices of bipartite social dialogue at branch, territorial and enterprise levels through the enhancement of negotiation skills of social partners and the strengthening of the dispute prevention and resolution mechanisms.

**Outcome indicators:**

- Workers' and employers' organisations develop and submit policy proposals for discussion at the ESC and other forums
- Local bodies of tripartite social dialogue established
- Number of collective agreements signed at branch, territorial and enterprise levels

### **Outcome A.3: Establishment of an effective labour dispute settlement system**

Increased flexibility of the labour market requires effective and efficient labour administration institutions, including labour disputes mechanisms. The law on peaceful settlement of labour disputes was adopted in 2007, but the Republic Council for peaceful settlement of labour disputes is still not formed. The government plans to appoint a Director of the Council in 2010 thus allowing for the process of selection of mediators and arbiters to commence. The ILO will provide support in training of new mediators and arbiters and provide technical advice for the management of the Republic Council. Good practices from EU member states will be shared in an effort to promote the ratification of ILO convention No. 150 on Labour Administration.

#### **Outcome indicators:**

- Number of mediators and arbiters trained
- Communication strategy of Republic Council is developed
- Steps towards the ratification and effective implementation of Convention No. 150 are taken

### **Outcome A.4: Strengthened capacity of tripartite constituents to ratify and apply international labour standards and to fulfil reporting obligations**

Enhanced governance of the labour market requires, as a necessary condition, cross and intra-sectoral voluntary and free collective bargaining mechanisms, in accordance with the ILO Conventions Nos. 98, 151 and 154. Such mechanisms are essential tools of governance enabling labour market actors, including public employees to reach negotiated solutions to their problems.

The ILO will promote the ratification of Labour Relations (Public Service) Convention No. 151 and Collective Bargaining Convention No.154 through tripartite awareness raising seminars.

In order to update national labour judges and lawyers on international labour standards , the ILO will organize in cooperation with the ILO International Training Centre in Turin a national seminar on Freedom of Association and Protection of the Right to Organize Convention, 1948 ( No. 87) and Right to Organize and Collective Bargaining Convention, 1949 (No. 98). The ILO will also promote the ratification of C. 94 (Labour Clauses (Public Contracts)).

With a view to assist Government's efforts in discharging constitutional obligations, ILO will continue to provide ILS related advisory services to the Ministry of Labour and Social Policy.

#### **Outcome indicators:**

- Government initiates consultations with the social partners regarding ratification of ILO Conventions Nos. 94, 151 and 154
- Number of pending ILO instruments submitted to the competent authorities
- Number of outstanding reports to ILO is reduced

## **Priority B: Measures to reduce the informal economy are designed in consultation with social partners**

High unemployment and low employment rates remain one of the main challenges in the country. The Government has made significant progress in the design of employment policies. National Employment Strategies and Action Plans have been developed in accordance with the EU Employment Guidelines. The MLSP and the social partners have received a considerable amount of capacity building and assistance in the formulation and implementation of employment policies. Yet, there are still certain areas which require further assistance from the ILO, namely: design and implementation of employment policies at local level, monitoring and evaluation of ALMMs, especially targeting vulnerable groups and effectively addressing the issue of undeclared work.

### **Outcome B.1: Improved knowledge of the tripartite constituents to design recovery packages during economic crises taking into account the impact on women and men**

The Global Jobs Pact establishes an internationally agreed approach to guide national and international policies aimed at stimulating economic recovery, generating jobs and providing protection to working people and their families. The ILO aims to assist the country to better understand the country-specific challenges brought about by the crisis, to examine anti-crisis measures and develop country-specific anti-crisis policy options, taking into account their feasibility and efficiency vis-à-vis needed coverage rates and financial constraints of public finance.

#### **Outcome indicators:**

- Anti-crisis measures and policies assessed and validated together with the ILO constituents
- New feasible country-specific anti-crisis policy options identified and validated through tripartite discussions.
- Improved knowledge of the tripartite constituents by making available to constituents best practices and policy options for dealing with the crisis from selected new EU member states

### **Outcome B.2: Connecting enterprises, workforce and community development: Improving the local employment policy development**

Local economic development (LED) is a participatory approach, which focuses on the promotion of social dialogue and public-private partnerships to capitalise upon local resources. LED enables local stakeholders to jointly design and implement development strategies, including measures and initiatives targeting employment issues. The ILO experience indicates that the LED approach has been particularly successful in post-crisis situations. Local action plans for employment have already been developed in eleven municipalities and assistance is needed to develop such plans in the rest of the country. The existence of such planning could facilitate the process of employment policy implementation at local level, allow for proper reflection of local needs and easier access to funds as well as create incentives for formalization of enterprises in a context of high levels of informality (the size of the informal economy

has been estimated at 20 to 30 per cent of GDP). Many policy initiatives have already been taken in an attempt to address the issue of informality; however, implementation remains a challenge.

**Outcome indicators:**

- Capacity of existing local ESCs enhanced through training in the local economic development approach (LED), with a focus on job creation and business growth
- Guidelines and tools provided for preparation of local action plans for employment to improve governance through better coordination of economic and social policies with the stronger involvement of the social partners
- Local ESCs' capacity enhanced for fund-raising initiatives to support employment creation and economic development through locally based initiatives, especially in view of EU pre-accession funding
- Local ESCs' capacity enhanced for the establishment of public-private partnerships for increasing the employability of young people and other vulnerable groups
- Staff of MLSP, existing ESCs and the social partners trained on the ILO mechanisms, lessons, policy approaches and good practice in promoting the formalization of enterprises.

**Outcome B.3:** Active labour market measures (ALMM) improved through the introduction of a monitoring and evaluation (M&E) system

The Government implements Annual Operational Plan for Active Labour Market Measures, focusing on improving the employability of the labour force. Given the high level of unemployment, in 2010, 8.6 million euro will be invested in active measures. Further, active measures for an inclusive labour market are one of the main priorities in the Multi – annual indicative planning document 2009-2011 (MIPD) for pre-accession to the EU and in the IPA component 4 Operational programme for Human resources development.

The MLSP and the Employment Service Agency (ESA) have invested a lot of effort in the design and implementation of ALMMs. One area, which requires further improvement is the putting in place of a monitoring and evaluation system for active measures to improve the effectiveness, efficiency and targeting of the measures applied. Such a system will also provide valuable indications for employment policy design in general and in-depth information for the needs of the most vulnerable groups in particular. In addition, the capacity for active involvement of the social partners in the design and evaluation of the measures will be enhanced and strengthened.

**Outcome indicators:**

- Methodology for monitoring and impact evaluation of ALMMs developed and validated with MLSP, ESA and the social partners

- Staff of the MLSP (Labour department), ESA and the social partners trained on monitoring and impact evaluation of active measures

**Priority C: Improved working conditions are in place, with the active involvement of social partners**

The improvement of the quality of work constitutes a core component in the pursuit of Decent Work for all citizens. In order to support this national effort, the ILO provides its technical expertise to strengthen the capacities of tripartite constituents in achieving better and more gender-equitable working conditions, adequate social protection and effective enforcement of labour laws and OSH legislation.

**Outcome C.1: Improved capacity of tripartite partners to implement the new pension system effectively and to improve the administration and governance of the system**

The pension system is facing an imminent challenge of transition costs and a long-term concern with sustainability in the context of a rapidly ageing population. ILO expertise will be offered to strengthen the key tripartite stakeholders to deal with the challenges in the implementation of the new pension system. The roles and capacities of social partners in the management of pension schemes will be strengthened through the tripartite governing board.

**Outcome indicators:**

- Improvement of the key performance indicators of the pension system
- Social partners are well-informed of the new pension system and are closely involved in the management of the pension system
- ILO technical assistance and capacity building are used to support the implementation of the new pension system.

**Outcome C.2: The State Labour Inspection more effectively enforces labour and OSH legislation, with a better coordinated inspection system and greater involvement of social partners and other institutions.**

Labour inspection is an indispensable instrument for ensuring labour standards at the workplace. However, there is inadequate recognition of the increasing complexity of labour inspection. The ILO's technical assistance to strengthen the capacity of the State Labour Inspection Service will entail not only better protection, but also better prevention and productivity based on the creation of a safety culture at work.

**Outcome indicators:**

- Guidelines, good practices and tools for a better coordinated inspection system developed and in place

- Number of inspectors trained in ILS on labour inspection, labour and OSH legislation and new methodologies and tools for a more effective inspection visit.
- Number of undeclared workers become declared workers as a result of inspection visits
- Reduction in the number of work-related deaths, injuries and diseases, as a result of effective implementation of the OSH legislation
- Steps are taken for the ratification of the OSH Promotional Framework Convention No. 187
- Safety culture is promoted through education and advocacy

### **Outcome C.3: Improved Gender Equality in the World of Work**

Gender equality is an integral part of Decent Work. The ILO will assist the constituents to find ways to view the current crisis as an opportunity to shape new gender equality policy responses. In particular the ILO will provide international good practice examples to constituents about how gender equality can be strengthened through the ESC. Technical assistance will also be provided to improve the understanding of the principle of equal remuneration for work of equal value.

#### **Outcome indicators:**

- Tripartite constituents validate the ILO study on Social Dialogue and Gender Equality
- Tripartite constituents agree on measures on how to strengthen gender equality through the Economic and Social Council in the future
- Tripartite constituents are trained on C. 100 and C. 111 specifically with regard to the effective implementation of the principle of equal remuneration for work of equal value.

### **Outcome C.4: Improved capacity of social partners regarding minimum wage setting and arrangements for working time**

The ILO will support constituents to improve their capacity in minimum wage fixing so that the minimum wage is determined taking into account the needs of workers and their families, the general level of wages in the country, the cost of living, social security benefits and the relative living standards of other social groups. At the same time, economic factors, including the requirement of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment should be taken into consideration. The minimum wage should be aimed at reducing poverty and inequality, increasing demand and contributing to economic stability, as proposed in the Global Jobs Pact.

Some of the major challenges regarding working time include the need to limit excessive hours of work and provide for adequate periods of rest and recuperation, including weekly rest and paid annual leave, in order to protect workers' health and safety. In particular, the problem of long working hours and the need for adequate rest remain of vital importance. The ILO will support constituents to increase capacity in this regard.

#### **Outcome indicators:**

- Capacity of social partners is increased with regard to minimum wage setting

- Capacity of the constituents is increased with regard to working time and adequate periods of rest

#### **IV. Management and implementation**

The country programme will be managed through a network consisting of the ILO National Coordinator in Skopje, DWT/CO- Budapest, the Regional Office for Europe and Central Asia as well as technical units at ILO headquarters in Geneva. The National Coordinator will play a coordination role together with DWT/CO-Budapest. The ILO will continue its cooperation with major stakeholders in the country such as other UN agencies within the framework of the UNDAF programme as well as with the EU Delegation.

The objectives of the programme will be jointly implemented (including support, funding and monitoring) by the constituents and the ILO. From the ILO side, this will be pursued through technical cooperation projects, advisory missions, seminars and training workshops for information dissemination and capacity building. ILO regular budget resources and extra-budgetary funding, including through UN joint programmes will be used to finance the implementation of this Country Programme. The constituents and the ILO will carefully assess the resources required for the different outcomes and identify national resources, ILO resources and donor support required. The ILO network mentioned will continue to mobilize additional resources for follow-up, bearing in mind the priority concerns of the constituents. The government and the social partners will facilitate their respective expert staff and premises and provide logistical support, as appropriate. They are committed to implementing the follow-up steps necessary to achieve the expected results. These will be further defined in the DWCP workplan (see Annex).

#### **V. Performance monitoring and evaluation arrangements**

The implementation of the Decent Work Country Programme will be reviewed on a regular basis by the constituents through the establishment of a DWCP Overview Board. The selection of the Board members will be formalized after the signing of the DWCP. The task of the DWCP Overview Board is to promote the DWCP goals and monitor the implementation of the DWCP, ensure the active participation of all parties involved and the fulfilment of their commitments to achieve the jointly agreed outcomes. The Board will meet twice a year to assess progress made. This occasion will also be used to review the DWCP workplan and M&E plan with the National Coordinator. Adjustments will be made to adapt to changing circumstances, if necessary, with a view to guaranteeing the achievement of the expected results, including redefinition of some of the country programme activities. The DWT/CO-Budapest Director will assess the programme achievements with the constituents in the country at the end of each biennium.