

**UNITED NATIONS DEVELOPMENT ASSISTANCE FRAMEWORK
FOR THE FORMER YUGOSLAV
REPUBLIC OF MACEDONIA¹**

The United Nations Country Team

**Skopje
February 2004**

¹ The UN-recognized name for the country is the Former Yugoslav Republic of Macedonia. However, for the purpose of simplification and without any prejudice to the name related dispute with Greece the name 'Macedonia' will be used throughout the text

EXECUTIVE SUMMARY

The United Nations Development Assistance Framework (UNDAF) is the strategy of the UN Country Team in Macedonia for the period 2005-2009 to meet the major development challenges as identified by the UN System in the Common Country Assessment (CCA). It is based on a consensus within the UNCT, the Government, the civil society and development agencies on priority issues for development cooperation.

The major value added of the UNDAF vis-à-vis the Government and development partners is that it will make it easier for the UN to speak with one voice and for Government to deal and negotiate with the UN system as a whole, thus reducing parallel negotiations with individual UN agencies.

The CCA analysis performed by the UN Country Team in partnership with the Government and various development actors and stakeholders in 2003 identified four areas of cooperation for the UN system. These are: good governance, basic services, poverty reduction through economic growth, and natural resources protection and management.

The problems related to these areas are particularly acute and have a potential for long-term instability, conflict and overall human insecurity. They affect the poor in a disproportional way and increasingly. In these areas the poor suffer as a result of their limited and unequal participation in governance, access to decent means of livelihoods, quality basic services and clean and safe environment.

The UN System will work in these areas, because it is concerned that the human rights and values of the most vulnerable in these areas specifically are increasingly at risk. In partnership with the Government and civil society, the UNDAF intends to protect and advance vulnerable people's rights in line with the UN principles, the Constitution and the national priorities of the country.

The UNDAF is guided the internationally commitments agreed in conferences and conventions, the Millennium Declaration and the Millennium Development Goals (MDGs). The six human rights conventions, especially the Conventions on the Rights of the Child and the environmental conventions, are also important tools for sharpening the focus of UNDAF in the specific geo-economic and political context of Macedonia.²

The UNDAF is equally guided by a number of national political and development priorities as stated by the Macedonian government itself and outlined in the Framework Agreement, as well as in the Stabilization and Association Agreement with the EU (SAA), which reflects the strategic importance of Macedonia's accession to the EU.

The UNDAF intends to achieve 14 results (also called country programme outcomes) that will contribute to the attainment of four UNDAF outcomes i.e. a) transparent and accountable provision of decentralized public services; b) increased employment opportunities in economically depressed areas and among vulnerable groups; c) equal access to quality basic services and d) effective and equitable management of natural resource and environment protection.

The UNDAF will be implemented through Government approved country cooperation programmes of the UN agencies. The harmonized programme cycle of UNICEF and UNDP during 2005-2009 will make possible joint work planning, implementation and monitoring of outcomes.

UNHCR, OHCHR, WHO, FAO, and WB will provide specialized assistance and technical support (i.e. development of national MDGs targets and indicators and monitoring of indicators, support to aid coordination, management and monitoring) within the agency's country programme or projects and/or support in the mobilization of funds and in sharing of existing resources, including human resources.

The main vehicle to oversee the implementation and monitoring of the UNDAF is the UN CT that will produce a annual letter to the Government and a mid term report to review the progress made against UNDAF outcomes for review by the Government and UN Heads of agencies.

² For these conventions and international conferences please see "List of Agreements and Conventions concluded between Macedonia and the United Nations, CCA Annex C".

UNDAF PREAMBLE AND SIGNATURE PAGE

The United Nations Country Team in Macedonia in the respect each organization's mandate, competence and decision making process, commits itself to cooperation and coordination among the UN agencies so that the benefits of development assistance go to the poor and disadvantaged.

The Government of the
Former Yugoslav Republic of Macedonia

Frode Muring
UNDP Resident Representative
UN Resident Coordinator

Hongwei Gao
UNICEF Representative

Catherine Walker
UN Humanitarian Coordinator
UNHCR Representative

Ataul Karim
UNMIK Ambassador
Head of Liaison Office

Jukka Pukkila
WHO Head of Office

Bernhard Schelhas
FAO Emergency Coordinator

Jonathan Sutch
UN ICTY Head of Office

Sandra Bloemenkamp
World Bank Resident Representative

Vladanka Andreeva
UNAIDS Focal Point

Silva Pesic
OHCHR Programme Assistant

Goran Mutavdzic
UNODC National Programme Officer

Enrico Ponziani
IOM Chief of Mission

Kevin Ross
IMF Resident Representative

SECTION I. INTRODUCTION

The UNDAF of Macedonia is based on a number of national and international studies on human development and security at the country and local level. These studies focus on social exclusion, poverty, unequal access to quality basic services (health and education services) and environmental degradation. These studies were also used to develop and refine the UN agencies individual programme strategy and define baseline indicators.³

In addition, the CCA analysis and the data were used to identify four areas of cooperation for the UN system. These areas are: good governance, basic services, poverty reduction through economic growth, and natural resources protection and management.

The problems related to these areas are particularly acute and have a potential for long-term instability, conflict and overall human insecurity in the country. These problems affect the poor in a disproportional way and increasingly. In Macedonia the poor are: families whose head have primary education or are unemployed, low paid jobholders, unemployed youth, most of agricultural rural population, and women and children from ethnic rural and Roma communities. In these areas the poor suffer as a result of their limited and unequal participation in governance, access to decent means of livelihoods, quality basic services and clean and safe environment.

The UN System in Macedonia will focus its programme of operations in these four areas in order to protect and advance the rights of the poor and marginalized groups in line with the UN principles, the Constitution and the national priorities of the country. The UN System in Macedonia can effectively contribute to achieve these priorities, because it has the resources, the mandate and the presence required to assist the country effectively to overcome the problems related to the above areas.

The UN mandate focuses on fundamental human values – non-violence, non-discrimination, equality, and respect for human rights. This focus and the work done in Macedonia have made the UN System a trusted partner of the Government at central level.

Provision of emergency assistance services in response to the Kosovo crisis in 1999 and after the crisis, the improved access to basic services in selected municipalities are examples of how the presence of the UN system in the field has assisted communities, both in emergency situations and to foster long term development.

The UN System has the capacity to create partnerships and alliances, especially around the Millennium Development Goals (MDGs). Examples of these partnerships are the UN-private sector partnerships at municipal level and the establishment of Municipal Trust Funds, and support for NGO/Civil Society and youth development to meet emergency and development needs in the municipalities. Capacity 2015 and Agenda 21 are to be used in country and regional activities that aim to build capacity of local communities in the use of participatory and integrated approaches, which are key to MDG operationalization at the local level.

The UN system has the ability to mobilize resources quickly and effectively, as demonstrated in the CAP process in 2001 and 2002. It has also the flexibility to move swiftly from emergency to development as demonstrated in 2002- 2003 by the UN programmatic successes in foreign direct investments (FDIs), a field where the UN System has successfully mobilized additional resources.

In order to increase the likelihood of achieving the UNDAF outcomes, the UN system will use the following strategic tools:

- Capacity building for an improved policy formulation, technical and coordinating ability of government and civil society to bring about effective and transparent governance, improved aid coordination and equitable provision of decentralized quality services;
- Peace building conflict prevention and resolution to create a culture of peace and tolerance by mainstreaming these UN programmatic tools in all UN interventions mainly through the Resident Coordinator System;
- Sustainable development, decentralization and local economic development to alleviate poverty and improve environmental conditions, in compliance with international conventions and declarations of which the country is signatory.

³ For more information on these studies and analyses refer to the CCA and surveys and studies (Attachment 4 "Monitoring & Evaluation Programme Cycle Calendar").

SECTION II. RESULTS

The UNDAF outcomes are presented in the table below along with the relevant strategic area.

Areas of cooperation	UNDAF Outcomes
Governance	Models and practices shared and adopted for transparent and accountable provision of decentralized public services
Poverty reduction	Sustainable employment opportunities increased, particularly in economically depressed areas and among vulnerable groups
Basic services	Equal access to quality basic services (Health, Education, Social Welfare, HIV/AIDS prevention) especially for socially excluded groups
Natural resources protection and management	Effective and equitable management of natural resource and environment protection based on the principles of sustainable development ensured.

The UNDAF employs a results-based management approach, which outlines results, and measurable, time bound indicators to make an impact in the four priority areas identified. There are 14 results (also called country programme outcomes) that contribute to the attainment of the four UNDAF outcomes, as shown in the UNDAF Result Matrix Table 1.

The UNDAF is guided by a number of national political and development priorities as stated by the Macedonian government itself and outlined in the Framework Agreement, as well as in the Stabilization and Association Agreement with the EU (SAA), which reflects the strategic importance of Macedonia's accession to the EU.

Based on this, coherent with the national development priorities and the UN principles, the results of the UNDAF are framed within: a) the Stabilization Association Agreement; b) the MDG platform; c) the overarching human rights approach.

The SAA enjoys the unconditioned political support of the political leadership and opposition as well as of the whole country and thus is a solid and politically legitimate basis for the UNDAF strategy as it was for the analysis of the main development challenges undertaken in the CCA.

The UN system can play an important role in assisting the country to achieve the national goal of accessing the European Community and simultaneously in achieving the MDGs. The MDGs provide the ideal yardstick against which to measure the progress of integration in accordance with the EU principles of coherence, complementarity and coordination. The MDG goal "*Ensure Global Partnership for Development*" is particularly relevant and poignant within the framework of the SAA and the EU's commitment to eliminate poverty, facilitate fair and equal trade and global links.

The MDG platform in Macedonia includes nationalization and localization of all MDG targets and indicators. As shown in the CCA, for any MDG strategy to succeed, the global MDG targets and indicators need to be translated into the local context, in other words nationalized and localized. This is crucial in the areas of poverty and environmental sustainability, gender equality (girls' education); maternal and child health, and prevention of HIV/AIDS. The nationalization of the MDG targets and indicators will possibly lead to their inclusion in the Poverty Strategy of the Government for a national development strategy with a "human face". This strategy will help the poor to cope with the collateral negative effects of the ongoing reforms in the field of public administration and economy by opening up possibilities for sustainable and decent livelihoods.

The human rights approach ensures legitimacy, relevance and coherence to the UNDAF. This approach rests on well established international and national reporting and monitoring mechanisms that are meant to ensure respect, promotion and protection of human rights (Convention on the Right of the Child, the Committee Against Torture, the Convention Against All Forms of Discrimination Against Women and the other human rights conventions). The human right-based approach is applied by the UN system in Macedonia by working out with the communities concrete chances, models and practices for their increased participation in governance and equitable access to means of livelihoods and basic services.

UN Interventions that fall outside the UNDAF

The UNDAF represents the UN CT's and development partners' joint vision for the first common operational framework of the UN system in Macedonia. The individual UN agencies, funds and programmes will anchor and articulate their work during 2005-2009 within the UNDAF. Thus, in line with the results-based management approach, most resources for UN development operations will be concentrated within the UNDAF.

However, a limited number of specific programme/project activities may be planned and implemented outside the UNDAF. This is the case, for example, of the technical assistance to be provided by the UN Office for Drugs Control to the Government to fight illicit drugs, psychotropic substances, precursor production and trafficking. UNODC will also provide support to the Government in control and crime prevention by training police and customs in drug law enforcement and providing basic and specialist investigative training and modern technical equipment.

Analysis of the UNDAF areas of cooperation and outcomes

Area One	UNDAF Outcome
Governance	Models and practices shared and adopted for transparent and accountable provision of decentralized public services.

Key challenges and situation analysis

The CCA analysis has identified that the main problem related to governance is the structural inability of political, economic and social institutions to respect, protect and fulfil human rights, democracy and good governance within the difficult period of transition. There are two main root causes of the governance problems as identified in the analysis, i.e. a) a structural unpreparedness of the new Macedonian state to assume full responsibility for solving the social, economic and environmental problems inherited from the former socialist system and b) the unfavourable economic trends occurring after the collapse.

During the past decade, Macedonia has consistently been pursuing the implementation of national policies for macroeconomic stability. Much less consistent and comprehensive analysis has been devoted to socioeconomic aspects of human development and the problems generated by the inequitable distribution of public resources. There is a very concrete danger for the ongoing efforts on decentralization to sink, especially now, after the signing of the Framework Agreement as the inevitable concerns and disappointments over the speed of institutional change are beginning to emerge.

Relevant national priorities

The national priorities and goals relevant to the above UNDAF outcome are: i) Strengthen national and local capacities for transparent and accountable provision of decentralized public services and ii) build peace and maintain stability in the respect of ethnic identity as outlined in the Ohrid Agreement and Stabilization and Association Agreement with the European Union, Millennium Development Goals and the Millennium Declaration.

The priority sectors of the Stabilization Agreement and the Framework Agreement, closely related to good governance are: democracy, rule of law and minority rights. The establishment of solid democratic institutions and the development of a climate favourable to increased political stability and security of person are paramount for enabling a progressive European integration.

Thus, the national policy is structured around the implementation of the agreements with a series of constitutional amendments and legislative changes envisaged in the education sector, the use of minority languages, and introduction of special parliamentary procedures for all constitutional amendments related to minority and self-government issues.

As a result of the CCA analysis, the state obligations to ensure democratic governance emerge clearly as spelt out under the Covenant on Economic, Social and Cultural Rights⁴. In addition, the MDG's and the Millennium Human Rights commitments provide an excellent framework, both quantitative and qualitative, for assessing the response to the key challenge by the State and society in Macedonia. There is a need for a more coherent and strategic vision to bring about democracy and citizens' participation through good governance and decentralization. Through the UNDAF, the UN Country Team intends to assist the country to meet this challenge.

The comparative advantage/focus of the UN within the national priorities and what the UN plans to do

In virtue of its experience in the field of provision of and monitoring of equitable access by the poor to decentralized public services and the work done during the Kosovo crisis, the UN system has a comparative advantage and a crucial role to play in assisting the country to move from emergency to long-term development and democracy.

⁴ Effective in the Macedonia since 1991, The Covenant states that states parties are obliged to take steps, utilizing their maximum available resources to progressively achieve the realization of the rights contained in the Covenant, adopting appropriate legislative and other measure to this end (Article 2.1).

The UN will provide strategic policy advice and technical assistance to local and central governments to develop and consolidate a strategic national vision for local human development and good governance, decentralization reform and the development of an efficient and transparent local government, consistent with the EU subsidiary principle.

Four country programme outcomes will contribute to the achievement of this UNDAF outcome, i.e. i) a strategic national vision for local human development and good governance at national and local level; ii) the principles of transparency, efficiency accountability and respect for human rights abided by public sector institutions and citizens; iii) a culture of peace, conflict prevention and resolution fostered; iv) coordinated and timely national cross sectoral response to natural man-made disasters and sudden crisis.

UNICEF will support government counterparts in their effort to collect and analyze data, and to monitor progress against the Millennium Development Goals, with the *DevInfo* system to be introduced as a strategic monitoring tool. DevInfo/ChildInfo information system for monitoring the well being of children and women will be established at national and sub national levels.

Increased advocacy will be framed within the context of a strengthened commitment to the Convention on the Rights of the Child, the Millennium Development Goals and the goals of *A World Fit for Children*. Quality data analysis and increased knowledge of children's issues will provide a solid basis for advocacy and effective communication. Partnerships with mass media will be strengthened to enhance awareness of child rights among the general public. Children and young people will participate in national media to become credible conveyers of information and influential opinions shapers on issues affecting their lives.

Public commitment to the realization of child rights and the participation of children in decision-making processes will be enhanced through partnerships with local communities, mayors, civil society, private sector and national celebrities.

A strategic national vision for local human development and good governance at national and local level

UNDP-UNICEF-WHO-OHCHR-UNHCR will pursue this programme outcome jointly. Their combined effort will promote and increase the use and the understanding by decision makers of the sustainable human development and MDG concepts in policy formulation, implementation and monitoring. The UN system aims at establishing MDG and SHD based analytical instruments for monitoring socio-economic trends, poverty and equality at disaggregated level, including data on vulnerable groups and regions. The MDGs and the sustainable development concept will also serve as the main advocacy tools for providing independent analysis and policy advice⁵.

Specifically, the UN System will assist the government in the formulation, implementation and monitoring of cross-sectoral economic and social policies, regulatory, financial and institutional frameworks. The UN system will also support the government in aligning the national aid and policy coordination system and donors' support behind the common country Vision 2015 and the MDG platform. The UN system will be instrumental in forging partnerships with a wide range of stakeholders, including civil society, on key national policies and strategies, development priorities, national policies and strategic planning.

A number of key decision making staff in public sectors, notably the Aid Coordination Unit, the Ministry for Foreign Affairs Coordination Office, and the Ministries of Economy and Finance Ministry of Economy, will participate in training in sustainable development with an emphasis on cross sectoral policy formulation and monitoring, aid coordination, budgetary management and planning.

The UN system will not only promote acquisition of skills, but also their further dissemination and concrete applications for transparent and accountable provision of decentralized public services at local level. The UN system plans to support this process by developing a network of national information and communication (ICT) based training centres in the municipalities and establishing a resource centre for matters related to provision of and access to decentralized public services. It will also provide technical support for local governments and citizen's groups for the promotion of public sector transparency, accountability (e-governance) through the use of ICT.

Indicators to measure the successes of the UN System in these efforts will include the number of key staff in public sectors trained in SHD, cross sectoral, policy formulation and monitoring, aid coordination, budgetary management and planning, as well as the number of strategic documents produced that promote and integrate the principles of democracy, good governance and decentralization.

⁵ See, for example the success of the National Human Development Reports and the Early Warning Reports on human security and local development in complementing and localizing the policy debate around MDGs and sustainable human development.

The principles of transparency, efficiency accountability and respect for human rights abided by public sector institutions and citizens

UNDP, UNICEF, OHCHR, WB will pursue this programme outcome jointly. They will provide assistance in bringing together the principles of transparency, efficiency, accountability and respect for human rights so that the public sector institutions and citizens alike can abide them.

In concrete terms, they will support institutional strengthening for the enforcement of national law in accordance with international conventions. They will seek and promote interagency coordination and develop information activities for the reduction of human rights violations of ethnic minority and marginalized groups and support national multisectoral Committee on the Rights of the Child (CRC) and the Convention on Elimination of all Forms of Discrimination Against Women (CEDAW) monitoring mechanisms to inform policy design and programme implementation.

Indicators to measure this outcome are by nature more qualitative than quantitative. They include the number and quality of partnerships that the UN will facilitate between Government and Civil Society and the number and frequency of joint public-private initiatives as well as the level of citizens' level of satisfaction and trust in the work of the municipalities. This satisfaction will be to be gauged through surveys and polls already successfully piloted within the UNDP National Human Development Reports and the Early Warning Reports.

UNDP-UNICEF-WHO-OHCHR-UNHCR will work in partnership with the Ministry of Economy, Ministry of Finance, Justice, and Office for European Integration, Local Self Government, LGUs, and the State Commission on Corruption Prevention, the Ministry of Education and Science and the Association of Units of Local Self Government.

A culture of peace, conflict prevention and resolution

The successful post conflict advances made in Macedonia and in the region during the past year are most auspicious for a continued peaceful transition and a future integration in the EU. After a number of years of working together, particularly during the Kosovo conflict and the transition from emergency to development, there is an increased appreciation by the government on the role of the UN system and other development partners in the country.

This appreciation is based on: i) the emergency support provided by the UN to municipalities; ii) the UN unbiased and neutral support to national initiatives for safer communities with a continued focus on vulnerable groups; iii) careful targeting of resources (for example, the Consolidated Interagency Appeal funding in 2001).

The government particularly appreciates that, throughout the emergency, the UN system has always maintained a focus on long-term development. In addition, the UN visibility and the friendly interactions with key authorities and with international cooperation agencies are viewed today by the Government as a very important factor for cooperation and effective division of responsibilities.

Through their joint programme outcomes UNDP-UNICEF-IMF will assist the country to foster a culture of peace, conflict prevention and resolution. They will organize advocacy events and training of local authorities and non government organizations in peace building, human rights, conflict prevention, resolution, disaster alertness and preparedness. In order to achieve synergy, conflict prevention and peace building will be mainstreamed into all UN programming tools. UNDP-UNICEF-IMF will also support national initiatives for improved security at local level, continued monitoring of early warning and vulnerability related indicators.

Indicators for the success of programme interventions are the number and the quality of vulnerability and opportunity analysis made by the development partners, their use as a policy tools by central decision makers, the participation in conflict prevention and resolution activities of and the perception among communities of improved security⁶.

Coordinated and timely national cross sectoral response to natural man-made disasters and sudden crisis

⁶ An example of how people's participation can be sought and encouraged for the improvement of security is the UNDP Small Arm Control project that seeks the active involvement of communities at the local level in mobilizing support within families to surrender small arms. In this, UNDP will work in close partnership with the Ministry of Self Local Government, the Ministry of Interiors Municipalities, Local Government Units and the Association of Units of Local self Government.

To counteract the disruption that man-made and nature-made disasters and the lack of timely coordination and management can unleash in a vulnerable human security situation, the UN System will set up a Disaster Management Team within the Resident Coordinator System.

This mechanism will support technical and coordination capacity of national authorities so that they can provide civic education to citizens and local organizations in disaster management, response and contingency planning. UNDP, UNICEF and WHO programmes will pursue this programme outcome. The ultimate aim is to assist national authorities and local communities to set up and manage a coordinated, multisectoral and timely national cross-sectoral response to natural, man-made disasters and sudden crisis. The UN Resident Coordinator System will work with Ministry of Interior, Ministry of Self Local Government, Ministry of Defence, Red Cross, Bureau for Educational Development, the crisis management centres, Municipalities, Municipal Gender Committees and NGOs.

The overarching human rights approach

The overarching human right approach adopted by the UN will suffuse all development approaches to achieve results in the areas of democratic governance. The UN has built its analysis of the development challenges on the human rights approach. Consequently its strategy to overcome them is also structured on the human rights based approach to be made operational at country level through the Secretary General Programme for Reform of which the CCA and the UNDAF are the main tools.

The UN CT is confident that, by bringing together the Government's agenda, the basic principles of the UN and the requirements of European Union for the future accession of Macedonia, the UN strategy will substantively contribute to the achievement of transparent and accountable provision of decentralized and equitable access to public services.

Area Two	UNDAF Outcome
Poverty reduction	Sustainable employment opportunities increased, particularly in economically depressed areas and among vulnerable groups.

Key challenges and situation analysis

In general, and irrespective of ethnicity and residential status (urban and rural), for many of the citizens of Macedonia the transition is synonymous with a collapse in living standards, job loss and the general rise in economic insecurity and poverty.⁷ This perception in turns influences and shapes people's degree of participation in the public and political life of the country.

The transition has increased poverty rates for all households irrespective of their location, occupation, demographic composition or major source of income. According to available figures, 22.6 % of the population is in a status of poverty. According to the definition of poverty, individuals with an income (consumption) below 60% of median monthly 1996 consumption or 33,061 Denars per year and 2,755 Denars per month, are defined as poor. Poverty has strong regional dimensions despite the country small size. It greatly varies across socio-economic groups. It is the source of income, however rather than the location of the household (i.e. rural vs. urban) which is responsible for the increase in poverty during the transition. Unemployment remains the highest predictor of poverty in the country.

For the population living in rural areas, the negative impact of the transition is exacerbated by an historic exclusion from the state and state sponsored development (mainly urban) of the former socialist system. For the population living in urban areas, the negative impact is epitomized by the rise in unemployment fuelled by the plans to restructure, divest and privatize loss-making public sector industries. The impact of a perceived "failed transition" and the subsequent legacy of exclusion have brought about an acute crisis of confidence among citizens in their leading institutions and thus in the legitimacy and effectiveness of the political process.

This crisis is affecting citizen confidence (more and more often irrespective of ethnicity) in the institutions and in the capacity of these institutions to address people's main concerns⁸. The 1999 Kosovo conflict and the 2001 internal conflict have multiplied the effects of these negative trends. They have also brought to the fore simmering ethnic tensions. This has had a particularly nefarious impact on youth, now without

⁷The official relative poverty line adopted by the Government of Macedonia is approximately US\$ 50.00 per month. According to the definition of poverty individuals with an income (consumption below 60% of median monthly 1996 consumption or 33,061 Denars per year and 2755 Denars per month are defined poor. "Focusing on the Poor" Main Report, the World Bank, 1999. This official poverty line approximates US\$ 50.00 per month or US\$ 1.7 per day.

⁸ Early Warning Report, FYR Macedonia, March 2003 UNDP - United Nations Development Programme Kapital Centre for Development Research, UNDP.

an economically sound future and with easy access to weapons, and increasingly vulnerable to ethnic polarization, as sometimes perpetuated by the media and radical politicians.

Relevant national priorities

The national priorities and goals in the area of poverty are to reduce poverty through economic growth, job creation, improved domestic investment climate and more close integration with the institutions of the EU, as outlined in the Stabilization and Association Agreement, the Millennium Development Goals and Millennium Declaration ratified by the country. The Government has attempted to address the major poverty issues, but results have not been forthcoming, which was also recognised by the Prime Minister in a speech to Parliament in November 2003.

There is a need for a broad, multisectoral poverty reduction strategy that aims at supporting economic growth whilst protecting the vulnerable especially children, women and youth. The Poverty Reduction Strategy of the Government requires the active and informed participation of the poor if it is to succeed. This UNDAF outcome intends to assist the country, the decision makers and development actors to place the poor right at the centre of development, both at policy and field level.

The comparative advantages and the focus of the UN within the national priorities and what the UN plans to do

In virtue of its mandate and experience in development cooperation in Macedonia, that includes support for the achievement and promotion of the MDGs, the UN System is well poised to assist the country in: i) the formulation of strategic poverty reduction policies in line with the concepts of sustainable development, the national MDG targets and the human right based approach; ii) the creation of institutional, legislative and regulatory environment conducive to investments, trade and private sector.

In the field of poverty, the UN has experience both in policy advice and advocacy for change through the continuous production of assessments, policy papers and situation analyses, i.e. two NHDRs (2002 and 2003) on human security and local human development. The UN has also promoted integrated programme for stimulating investments and attracting FDIs; the establishment of ICT centres for vocational training and improvement of local entrepreneurial skills, access to short-term employment in public works in municipalities and the creation of the Municipal Development Fund.

Two country programme outcomes will contribute to bring about increased sustainable employment opportunities, particularly in economically depressed areas and among vulnerable groups, i.e. i) sustained growth equitably shared among regions and vulnerable groups ii) employment opportunities for all with specific focus on marginalized communities created.

Sustained growth equitably shared among regions and vulnerable groups

UNDP-UNICEF-WHO-WB will assist the government with the formulation; implementation and monitoring of strategic poverty reduction policies to be prepared in line with nationalized MDG targets.

Planning and budgeting processes will increasingly make use of segregated poverty database to be integrated into pro-poor policies. UNDP-UNICEF-WHO-WB programmes will foster a legislative and regulatory environment conducive to investments, trade and private sector activities, including SMEs and business registration and electronic licenses, thus harnessing the potentials of the informal economy. A National IC Strategy and Action Plan will also be prepared in line with the EU requirements.

The indicators for measuring the success of this outcome include policies which incorporate nationalized/localized MDG targets, the level of budget allocations/revenues in support to pro-poor policies; laws reviewed and improved business environment conducive to increased investments; the number of institutions supportive to private sector initiatives that are set up and operational; level of transaction of costs for private sector increased number and frequency of business registration and licenses streamlined and electronically linked.

UNDP-UNICEF-WHO-WB will work with the line ministries especially with the Ministries of Economy, Finance and Labour and Social Policy, ILO, UNIFEM as well as with the municipalities and local communities.

Employment opportunities for all with specific focus on marginalized communities

UNDP, FAO and WB programmes will strive to create an enabling environment for economic regeneration and development at local level and support improved education systems with focus on lifelong learning and capacities for innovative thinking through the use of information and communication technologies, also linked to information on HIV/AIDS. They will continue support and integrate the use of ICT, especially among unemployed women for an improvement of their marketable skills and enhanced employment opportunities. They will help communities and individuals meet the challenges created by the shifting demands of the labour market and improve competitiveness.

UND, FAO, and the WB will work with NGOs, municipalities, Municipal Gender Committees, the Foundation Open Society Institute (FOSIM), the Chamber of Commerce, and the World Bank. They will support public-private partnerships for SME development, micro credit schemes for local entrepreneurs, provision of basic services to municipalities (water and electricity) programmes in agro forest-based livelihoods, promotion of livestock and fisheries for market oriented livestock production for poverty alleviation within marginalized communities, especially in the municipalities and in the rural area.

The indicators to measure the success are mainly based on disaggregated unemployment rates, the ratio to GDP of private investment and the number of public-private partnerships.

The overarching human rights approach

Firmly anchored on the United Nation's Secretary General's 1997 Programme for Reform with its call for the integration of human rights into all United Nations activities and programmes, the UNDAF promotes a human right approach to poverty reduction that contributes the conceptual and normative framework for the process of sustainable human development in the country.

Within this framework derived from internationally accepted human rights standards, the UNDAF positions itself as the UN strategy for the promotion and protection of the human rights of people living in poverty.

By basing its strategy on the human rights approach, the UN will bring and work together with the Government and civil society to ensure that the Poverty Reduction Strategy is reviewed to reflect an active and informed participation of the poor so that they can make their voices heard.

The ongoing MDG process (including the nationalization of poverty targets and indicators, the localization of MDGs through community benchmarking and the MDG campaign to be conducted closely with civil society), provide opportunities for poor people's meaningful participation in the preparation and review of the PRS and in fighting their own poverty.

Ultimately, it is the human rights approach that the strategy is required to embrace that will make the difference and will tilt the balance towards eliminating poverty.

Area three	UNDAF Outcome
Basic services	Equal access to quality basic services (Health, Education, Social Welfare, HIV/AIDS prevention), especially for socially excluded groups

Key challenges and situation analysis

From the CCA analysis it emerges that basic services do not work well and fail to adequately meet the needs of all users, especially of the women, children and youth from poor, rural and other socially excluded groups. While the government does seem to care about the most disadvantaged and the provision of basic services to the poor, there is a lack of well designed government public policies to effectively target poor and vulnerable segments of the population. Social policies are an essential ingredient of a successful transition process. Growth oriented policies that support a favourable investment climate and people's participation are still lacking and hamper the process of transition, making it harder for the poor and the vulnerable. There is a lack of well articulated knowledge of the characteristics and geographical location of vulnerable groups, affecting the ability of the services to target them with appropriate interventions. Access to social services is hampered by the lack of data on socially excluded groups and understanding of vulnerability causes. In this context, the risk of low-income groups dropping out of the education system and falling irreversibly into poverty becomes higher.

Trends are emerging that see the poor marginalized on two fronts: that of access to quality education and health services. One of the most apparent weakness of today's education and health services in Macedonia lies in the decreasing quality and relevance of these basic services and the ability of the social services to ensure adequate protection.

Perinatal and maternal mortality still remain high, especially among certain ethnic and rural groups. Current gender disparities in education reflected in higher proportions of drop outs from primary education and disproportionate low enrolment rates in secondary education among certain ethnic groups may lead to lower education level of women and girls in the future.

Since the low level of education of the mother is linked with high infant mortality, the consequences that this present may have on future generations are serious. Both ethnic rural and Roma women and girls

⁹ "Renewing the United Nations: A programme for Reforms" Report of the Secretary General, 1997 (A/51/950) and "Implementation of the United Nations Millennium Declaration Report of the Secretary General", September 2003

have comparatively lower levels of education than Macedonian women and girls and less ability to access services and information outside their immediate families. Rural women are also excluded from education and services. In secondary education, 50.6% of all ethnic Macedonian students are girls, as compared to 37.3% among the ethnic Albanians, 33.5% among ethnic Turks and 32.5% among Roma girls.¹⁰ Every third rural woman over the age of 15 (31.22%) has not finished elementary education. Statistics indicate that the highest proportion of dropouts from primary education occur amongst ethnic Albanian and Roma girls. The illiteracy rate of young Roma women is 20%¹¹.

Significant improvements in the quality and teaching style have been made through externally supported projects. However, the content and objectives of the curriculum still leave much to be desired if the Macedonian student is to possess a standardized set of competencies, knowledge and skills and practicing a responsible and healthy lifestyle, so much required in the EU accession process. This is also relevant for other basic services, which lack comprehensive policies education, health and social welfare systems in Europe and apply outdated standards which are not in line with the principles of education and health systems in Europe, thus jeopardizing the accession of Macedonia into the European Community.

Increased rates of drug use with increasing levels of injecting drug use, although still relatively low, are of concern when plotted against regional HIV/AIDS trends. The low-recorded incidence of HIV/AIDS, due to the inadequacy of the surveillance system and testing policy, are more likely to reflect the inability of the official figures to give an accurate picture of the situation than the real situation.

Relevant national priorities

The Government carries the ultimate responsibility for ensuring that all citizens, but especially the socially excluded have an equal access to basic services. While the government cares about the most disadvantaged and the provision of basic services to the poor, there is a lack of well-designed government public policies to effectively target poor and vulnerable segments of the population.

The Government is aware that social and pro-poor policies are an essential ingredient of a successful transition process. However, the capacity of the government to pursue these policies is a pre-requisite for increased accessibility by the poor to improved and relevant services and needs be developed. Equitable growth oriented policies that support a favourable investment climate and people's participation are still lacking. This lack hampers the process of transition, making it disproportionately harder for the poor and the vulnerable.

Much needed reforms are difficult to formulate and implement, and also require strong political support and tradeoffs in the financial and political context. A focus on people's development is a long-term investment that can pay high dividends in the long run. Poverty reduction is not merely and automatic by-product of economic growth and macroeconomic stability, but the effect of a dynamic interaction among improved forces such as governance, economic growth, improved access to basic services and clean and safe environment.

Still, there is a perception among policy makers that education and health are expenditures and not investments in the human capital of the country and an integral part of the overall strategy for poverty reduction. This undermines long-term incentives to invest in health and education. In addition, the basic service sector operates without a strategic vision in their respective sectors. There are no consensual strategic national interest, reform strategies and action plans and priorities for international assistance.

Through this UNDAF outcome the Government, the UN system and the civil society will work together to promote and strengthen a protective environment for better health and education for development that does not by-pass the poor.

The comparative advantage and the focus of the UN within the national priorities and what the UN plans to do

The UN system has been in the country since 1993. It has made considerable contributions in policy advocacy and advice for vulnerable groups for example, legislation favouring education of children with disabilities in mainstream schools, promotion of fostering and deinstitutionalisation, incorporation of international code for marketing of breast milk substitutes, regulations on salt iodisation, the national strategy on HIV/AIDS.

¹⁰ From: Republic of Macedonia Ministry of Education: Education for All Report 2000.

¹¹ Status of Women in Macedonia, UNDP, 2001 quoted in Situation Analysis of HIV/AIDS in Macedonia.

The development of the policies and their enactment were achieved through substantial capacity building and technical assistance. In addition, successful pilot interventions have been brought to scale and have influenced practices.

Within this scenario, the United Nations System is well positioned and has a number of strengths to provide policy advice and advocacy as well as piloting interventions in the field for improved access to health and education by the poor.¹²

Within the long-term development framework, the UN system has been effective in advocating awareness rising and community mobilisation for acquisition of knowledge, attitudes and skills for life, especially for youth development and participation and protection from HIV/AIDS, as exemplified in a number of joint projects between UNICEF and the civil society.¹³

Five programme outcomes, to be achieved mostly by UNICEF and WHO and UNDP (in the specific field of HIV/AIDS) will contribute to the achievement of this UNDAF outcome. They are: i) social policy development and implementation are oriented to the socially excluded and the vulnerable; ii) children and families participate in and benefit from integrated community-based early childhood interventions; iii) drop-out rates for socially excluded children are reduced and gender disparities in the transition to secondary education are eliminated; iv) access to information and services for protection from HIV is available to all people; v) children and women, especially those from vulnerable groups exposed to abuse, neglect and exploitation are reached with effective services for prevention, protection, recovery and reintegration in all regions.

These five programme outcomes can be clustered in four main groups as outlined in the section below. The choices of indicators to measure the success to these programme outcomes are closely related to the operationalization and nationalization of the MDG targets and indicators on child mortality, maternal health, basic education and HIV/AIDS prevention.

This process of operationalization and nationalization of MDGs has already begun in the CCA indicator framework, which lists the indicators chosen by the UN system to measure progress towards the achievements of the MDGs and the international conventions.

The localization of the MDGs will bring about an added dimension of community involvement and participation for an increased provision of quality basic health services to meet their needs. The MDG localization process, through community benchmarking, will seek the active participation of communities. Thus, they will be in a position to identify local development priorities through dialogue and agree on realistic short and long term targets (benchmarks) based on communities' perceptions, beliefs, knowledge and traditions.

UNICEF and WHO system will work closely with the Ministry of Health and Education and Science, Labour and Social Policy, Interior and Justice, expert institutions, civil society and non-government organizations, especially women and youth NGOs, for project design, execution and implementation. They will continue their partnerships with the Ministry of Local Self Governance, municipalities; various sectoral and intersectoral committees and media. Universities will be partners in research and design of indicators. The Ombudsperson for Children will be a partner for monitoring and lobbying.

Social policy, monitoring and evaluation

Decentralization and the pursuit of EU integration present both a challenge and an opportunity to develop and implement social policies to reduce disparities. UNICEF will sharpen its support to policy dialogue and development so that social policies are more oriented towards the socially excluded and the vulnerable. Support will be provided to the development of National Plan of Action for Children, National Sectoral Plans and Standards and Social Policy development and reform.

UNICEF will support basic surveys and research to fill data gaps and to further understanding of selected issues, such as vitamin A and iron deficiencies, child abuse and violence. The knowledge gained through surveys and research will inform policy and programme development.

UNICEF will support government's effort to collect and analyze data, and to monitor progress against the Millennium Development Goals, with the *DevInfo* system to be introduced as a strategic monitoring tool. A multiple indicator cluster survey will be conducted in 2005 for the first five-year review of progress towards the goals of *A World Fit for Children*.

¹² Examples of advocacy are the National Human Development Reports with their focus on human security, decentralization and local development.

¹³ Refers to Right to Know and BABYLON projects.

HIV/AIDS prevention and young people's health

The UN system will continue its collaboration with Government and other partners within the framework of the national strategic plan for HIV/AIDS.

UNICEF will contribute to improved access to information and services for young people to protect themselves from HIV through, for example, SOS help lines and peer education and communication, especially targeting the most vulnerable. Youth communication initiatives, developed to enable young people to produce and disseminate information on healthy lifestyles and HIV prevention to their peers, will be expanded.

UNICEF will support the introduction of the "Youth-friendly" concepts into existing social and health services. Social and health professionals will be able to offer standardised voluntary counselling and confidential testing services. Social awareness will be raised on issues related to parent-child transmission of HIV. UNICEF will advocate for integration of parent-to-child transmission interventions into maternal and child health care services. Data collection and research on young people identified as vulnerable to HIV infection will enhance understanding and knowledge about young people's health, and will be used to inform policy, programmes and advocacy.

Child protection

UNICEF will support legislative and judicial systems to ensure that national laws are in compliance with the Convention on the Rights of the Child and EU standards, and their enforcement strengthened. In coordination with the Social Policy programme, UNICEF will support the collection and analysis of data to enhance understanding of child protection issues in areas of juvenile justice, trafficking of children and woman, institutionalisation, domestic and other forms of violence, children on the street and social exclusion of Roma children.

UNICEF will support strengthening the recovery and reintegration of children who have been victims of exploitation, abuse and discrimination. These activities will include family- and community-based care to support de-institutionalization; expanded foster family networks, the establishment of referral mechanisms between police, centres for social work and NGOs for children and woman who are victims of domestic violence; and programmes for physical and psychological recovery and reintegration

UNICEF will support the strengthening of government capacities to provide public services to protect vulnerable children and children with special needs.

Early childhood development and education

UNICEF will support community-based early childhood activities that provide families with child-care knowledge and parenting skills and influence the design and development of national Early Child Development policies and programmes. Already existing community nursing and nutrition outreach mechanisms will be expanded and strengthened to reach vulnerable groups and serve as a referral system to higher levels of health care, social protection institutes and schools.

UNICEF will support the government in its efforts to improve access to and quality of basic education. It will do this through projects aimed at increasing enrolment and decreasing drop out rates for Roma and girls in primary education and improving the quality and relevance of primary and secondary education in a protective, supportive and encouraging environment. Parents, communities, and schools will jointly undertake outreach activities to ensure that all children go to and stay school and learn.

Technical support will be instrumental in the development, adoption and effective use of a life skills curriculum that will provide children and young people with the knowledge and skills necessary to make healthy life choices and protect themselves from violence, substance abuse and HIV/AIDS, and at the same time promote peace and tolerance.

The Human rights based approach

The human rights approach ensures particular legitimacy, relevance and coherence to this UNDAF outcome. It will encourage, promote and provide a common framework for the national efforts in monitoring and reporting on the CRC, the CAT, the CEDAW and the other human rights conventions.

By bringing together and collaborating with the Government and other strategic partners, including NGOs, the UN system addresses the fulfilment of the right to basic quality services in depressed areas and among socially excluded groups. The lack of respect for human rights, (especially non-majority

community groups' rights) and diminished access to justice by the poor is increasingly perceived as threatening the quality of citizens' life and their right to access quality basic services.

In the field of basic services, it emerges clearly that access to good quality health and education services, equality, (related to gender, ethnicity, race, sexuality and social status) protection, and fulfilment of human rights and sustainable development are cross cutting requirements to be achieved through the promotion of a coordinated multisectoral approach. The National Strategy for HIV/AIDS (2003-2006) prepared by National Multisectoral Commission on HIV/AIDS is a step in the right direction.

Macedonia has been commended for the implementation of the provisions of the Convention on the Rights of the Child. Priority should be given to the implementation of the National Plan of Action for children as a comprehensive tool for monitoring compliance and progress for the realization of children rights.

Area Four	UNDAF Outcome
Natural resources protection and management	Effective and equitable management of natural resources and environment protection based on the principles of sustainable development ensured.

Key challenges and situation analysis

Environmental problems (poor quality of air and water, poor waste management, unsustainable agricultural practices) impact directly on the health and the livelihoods of the population as well as on the environment. Population health is particularly at risk in the so called environmental "hot spots" with links between poor health and pollution being recognized.

A shortage of water and land for agriculture in the eastern part of the country has the potential to cause social tension and instability among marginalized poor rural communities. Insufficient institutional, legal and administrative capacity to ensure enforcement of environmental rules and regulations represent major challenges, and these are compounded by limited finances and budgets inadequate to the scale of the needs.

Fragmented data collection programmes, outdated monitoring equipment and techniques, untrained personnel, and overlapping of responsibilities among ministries require to be addressed urgently at the multisectoral level. There is a limited awareness of the principle of sustainable development and of environmental issues and their economic, health and social impact. The participation by the general public, decision makers and natural resource users in environmental issues is weak.

Relevant national priorities

The national priority goals that apply to this UNDAF outcome are: to ensure sustainable development through protection and conservation of the environment natural and man-made disaster preparedness and emergency response.

The Ministry of Environment and Physical Planning is considering the preparation of a national sustainable development strategy. This will ensure implementation of the principles of sustainable development, which were ratified within the Declaration on Sustainable Development, into programmes at the local level, in line with the MDGs and EU integration requirements.

This UNDAF outcome and its achievement are to be seen in the context of the process of decentralization, which will bring an increased level of environmental responsibilities to the local level, and the process of integration in the EU and the approximation to the EU legislation. Thus, the achievement of this UNDAF outcome relates directly to the country's increased ability to move towards integration with the EU and the timeliness of the accession.

This UNDAF outcome is complementary to the first UNDAF outcome related to governance that pursues sharing and adoption of models and practices for transparent and accountable provision of decentralized public services. This complementarity is particularly evident in the area of governance, decentralization, economic development and crisis prevention, including preparedness for emergency responses to nature and man-made disasters

The comparative advantage and the focus of the UN within the national priorities and what the UN plans to do

The UN has consolidated experience in improving national capacities for sustainable development, environmental protection and the management of natural resources. UNDP has assisted in building the management capacities of the Government and Ministry of Environment to follow up and report on global conventions, particularly the Convention on Climate Change. It has also supported the Ministry of Environment and Physical Planning in the implementation of the Agenda 21 Process.

Furthermore, by assisting the government in the preparation of a National Assessment Report on Sustainable Development for the World Summit on Sustainable Development and the creation of a national web site for sustainable development, the UN has contributed to an increased use and understanding of the concept of sustainable development by decision makers.

WB and FAO have assisted the government in pro-environment economic development and addressing environmental degradation through sustainable agricultural and farming practices in the trans-boundary areas. WHO assistance has mostly focussed on the links between environment and health.

Three country programme outcomes will contribute to the achievement of above UNDAF outcome, i.e. i) good environmental governance at national and local level; ii) integrated watershed management and trans-boundary cooperation; iii) country obligations related to the ratified environmental conventions.

Good environmental governance at national and local level

UNDP-FAO-WHO-WB country programmes will build on the national decentralization programme which brings together decentralization issues, local economic development and related environment aspects. This is intended to enhance accountability, transparency, promotion of public participation in environmental decision-making, alleviate poverty and improve environmental conditions.

To achieve this, UNDP-FAO-WHO-WB country programme will support environmental protection and sustainable development and pursue new cross- sectoral integrated initiatives within the framework of the Poverty Reduction Strategy of the Government, Local Agenda 21 and Vision 2015 as the main tools for local development.

UNDP will ensure that the principles of sustainable development are incorporated in strategic documents on the national and local levels. UNDP will strengthen the capacities of national and local authorities to enforce new environmental legislation, enhance their accountability and transparency, and promote public participation in environmental decision-making. The major indicator to measure the achievement of the UNDP country programme outcome relate to the passing of new laws and /regulations that re approximated to the EU legislation

Specific interventions will include: support to Ministry of Environment and Physical Planning on debt for nature swaps (which will include assessment of the possibilities, recommendations for the appropriate approach and capacity building); advocacy and capacity building for Clean Development Mechanisms; capacity building for sustainable land management; capacity building on national and local level for new environmental laws and regulations; piloting of renewable energy and energy efficiency projects on local level; preparedness for emergency response to natural and man-made environmental disasters.

The main idea is to change the general perception of environmental issues as only problems, and make environmental management a vehicle for development. Therefore, the links with other areas of the UN system such as governance, decentralization, economic development, and crisis prevention are highlighted and the environment outcome of the UNDAF forms a fully integrated component of the overall document with significant links with all UNDAF outcomes.

The main partners of the UN System will be the Ministry of Environment and Physical Planning, Ministry of Agriculture, the Ministry of Forestry and Water Economy, the Ministry of Health, the Ministry of Economy for coordinated and integrated environmental policies, planning and management.

Integrated watershed management and trans-boundary cooperation

UNDP-FAO-WB country programmes will support environmental protection and sustainable development through the pursuit of new cross-sectoral integrated initiatives. This will promote cross-border co-operation and help build local government capacities to incorporate environmental concerns into integrated watershed management and trans-boundary cooperation.

In collaboration with the Global Environment Fund (GEF), municipalities and local communities, the three agencies will work to maintain biodiversity in the trans-boundary areas; promote integrated community outreach programmes for poverty reduction; support and pilot energy efficiency as a means of promoting public-private partnerships as well as contributing to greenhouse gas reductions.

More specifically, UNDP will continue to support local initiatives for promoting environmental protection as a pillar of integrated sustainable development. In this context, UNDP will provide support to the government in exploring new opportunities for funding environmental programmes, and introduce innovative approaches which will position environment issues as a vehicle for development, job creation and crisis prevention.

The major indicator 9to be included in the annual country reporting on environmental data and MDGs) to measure progress of UNDP programme outcome relates to the improvement of the capacities of relevant stakeholders in watershed management and transboundary cooperation.

Partners of the UN system will include: the Ministry of Environment and Physical Planning for overall coordination, the Ministry for Local Self Governance, the Ministry of Agriculture, Forestry and Water Economy, the Ministry of Transport, the municipalities and communities around the Prespa Lake for awareness, local partnerships and implementation of projects. The EU, WB, FAO, KfW will be instrumental in advocacy, coordination and funding.

Country obligations related to the ratified environmental conventions

UNDP will continue to assist the country to meet its obligations and reporting requirements under the United Nations Framework Convention on Climate Change, the UN Convention on Biodiversity, the UN Convention to Combat Desertification and other environmental conventions.

It will do so by strengthening national capacities for improved data collection and technology assessment and implementation of the ratified Multilateral Environmental Agreements/Protocols. In addition, UNDP will provide assistance in the preparation of a national strategy for sustainable development.

The adoption of the National Convention on Climate Change, the National Action Plan on Desertification and the implementation of their recommendations will represent the major indicators to monitor progress and measure achievements of projects addressing climate change and sustainable land management.

For the achievement of the above, the UN system (mainly UNDP) will work with the Ministry of Environment and Physical Planning who will exercise overall coordination. The Ministry of Forestry and Water Resources Management, the Ministry of Economy, the Ministry of Transport and Communications, the Ministry of Foreign Affairs, municipalities and civil society organizations will be involved in project piloting, implementation and monitoring. Partners will include WB, EU, FAO, and USAID for advocacy coordination and funding.

The Human rights based approach

The protection of the environment represents a pre-requisite for the full exercise and enjoyment of human rights and self preservation. Environmental issues have significant governance implications and the potential to affect the human rights of environmentally vulnerable communities, ethnic groups, and minorities. Thus, the human rights dimensions of environmental problems and their impact on people's dignity and the effective exercise of their human rights have played an essential role in the formulation of this UNDAF outcome.

Furthermore, the government recognizes the right of the citizen to a healthy environment. One of the basic human rights determined by the Constitution is the right to live and work in a healthy environment. This recognition has been adopted by the UNDAF as a basis to strengthen the concept of sustainable development as an integral approach to pursuing the objective of human development. Thus, the protection of human rights is treated within the UNDAF as an integral part of the overall national strategy for economic and social development during the transition to a democratic society.

UNDAF Cooperation strategies

The UN Country Team remains the main overarching coordinating mechanism for the UNDAF implementation and monitoring. The UN Country Team has effectively coordinated their efforts through a number of mechanisms such as the UN Resident Coordinator Annual Report and workplan, mainstreaming conflict prevention and peace building strategies into UN programming tools such as the CCA, and country programmes. Based on the success achieved so far, it will continue to use this cooperating mechanism further.

In addition to the UN CT, there are five UNDAF cooperation strategies/bodies as listed below.

The Resident Coordinator System is the first cooperation strategy of the UNDAF. It will ensure that human rights concerns are mainstreamed in UN programming and interventions at all level. Moreover, the Resident Coordinator System will take over residual humanitarian and coordination functions of OCHA, who is presently withdrawing from the country as a positive result of an increased stability and of the transition to long-term development from emergency and relief.

The second cooperation strategy revolve around the country responsibility to follow up and report on the achievement of the MDGs, the elaboration of MDG national targets and indicators and report on the status of implementation international declaration. Specifically, the process of nationalization and localization of MDGs will hinge on the participation of communities, the municipalities and civil society with whom the UN System will collaborate.

The choice of the third cooperation strategy in the UNDAF is the partnership and synergy with the World bank and IMF. The choice of this strategy was dictated to respond to the enormity of the challenges posed by the transition from a post-conflict to a development-oriented agenda and the comparative advantage that UN has in the country as a development broker and trusted, impartial adviser. Thus, the magnitude of the problems related to macroeconomic stabilization, the restructuring of the public sector and improved public services were factors taken into account by the UN CT when seeking partnership arrangements with the Bretton Woods institutions.

The availability of programme funding, the ability to mobilize funds and experience in the specific area, represent a decisive factor in the choice of the fourth cooperating strategy. For example, the programmatic successes of UNDP in the areas of decentralization and the strategy for FDIs, place UNDP in a strong position to mobilize additional funding in the area of poverty reduction and assume a coordinating role in this area.

Likewise, the substantive experience of UNICEF in the provision of decentralized community based services and work with youth and communities in improved access to information for HIV/AIDS prevention, place UNICEF in a good position to coordinate and mobilize funds in the area of basic services

The UN alignment behind the theme group on HIV/AIDS which comprises UNDP, UNICEF, WHO, IOM, UNHCR and WB, represents the fifth cooperation strategy. The group will continue its work with the National Multisectoral Commission on HIV/AIDS that includes members from various ministries and non-government organizations. This mechanism will ensure inclusive representations of key players as well as integrated monitoring and evaluation mechanisms for a coordinated response to HIV/AIDS.

Finally, the UN system will advocate for the establishment of a United Nations Girls' Education initiative, to ensure that quality and relevant basic education for all is high on the national political and development agenda.

The key partners, as mentioned earlier for each UNDAF outcome, are also indicated in Table 1. "*UNDAF Result Matrix*" where their role is further elaborated and contextualized.

SECTION III. ESTIMATED RESOURCE REQUIREMENTS

The estimated financial resources required for the areas of cooperation and each outcome are presented in Table 3 "*UNDAF Programme Resource Framework*". The contributions will include regular and extra budgetary resources of the UN agencies, funds and programs that will be available during the period 2005-2009.

The programme and project documents will serve as the officially recognized operational mechanisms for the commitments made in accordance to the rules and procedures of the UN agencies. The current situation is that the large majority of agency resources are from non-core funds, i.e. from partners.

The UN country team, through joint advocacy and the UN Resident Coordinator System's mechanism, will mobilize additional resources from multi-bilateral donors to achieve programme outcomes.

Partnerships will be pursued to support the outcomes of basic services through a number of bilateral and bilateral channels utilizing the experience and the links developed by the UN family in Macedonia. As the support from donors will be dependent to their interest in the specific key outputs (programmes and projects results) leading to the country programme and UNDAF strategic outcomes, the United Nations

Country Team (UNCT) will undertake concrete and targeted efforts in advocacy within the local and international community.

The UNCT will also seek other sources and co-funding for example from USAID, DFID to add value to existing interventions and from bilateral donors, for example the Government of Norway and Italy in areas such as poverty reduction and social consequences of the transition, development of entrepreneurial skills, conditions for self employment, creation of SMEs and increased access to vocational training.

The UN system will also consolidate its partnership with GEF and the EU in specific interventions as those outlined in the UNDAF outcome related to sustainable development through protection and conservation of the environment and integrated watershed management.

Finally, the benefits of government cost sharing that have been pioneered will be developed further as shown in the first UNDAF outcome, especially in the field of aid coordination and monitoring.

SECTION IV. IMPLEMENTATION

The UNDAF will be implemented through Government approved country cooperation programmes of the UN agencies. Individual UN country programmes will have a clear and explicit reference to the UNDAF objectives and will clarify how they achieve the overall objectives of the UNDAF. The World Bank and EU may refer to the UNDAF when elaborating tailoring and monitoring their assistance programmes.

The harmonized programme cycle of UNICEF and UNDP during 2005-2009 will make possible joint work planning, implementation and monitoring of outcomes. Other agencies such as UNHCR, OHCHR, WHO, FAO, and WB will provide specialized assistance and technical support (i.e. development of national MDGs targets and indicators and monitoring of indicators, support to aid coordination, management and monitoring) within the agency's country programme or projects and/or support in the mobilization of funds and in sharing of existing resources, including human resources.

The major value added of the UNDAF vis-à-vis the Government and development partners is that it will make it easier for the Government to deal and negotiate with the UN system as a whole thus reducing parallel negotiations with individual UN agencies and presenting a compact and closely knit UN front. The Government will make use of the implementation plan to be developed by the UNCT to have a comprehensive picture of the status of implementation of the UNDAF and, consequently, of the specific country programmes.

As the business plan of the UN CT, the UNDAF focuses on concrete results. In order to keep track of the outcomes, the UNDAF indicators will be aligned with the MDG indicators. These indicators will be localized during the preparation of the National Human Development Report and the MDGR.

Specifically, through the UNDAF the UN will advocate for the integration of the MDGs as monitoring and evaluation tools within the Poverty Reduction Strategy of the Government, the process of integration with the European Community, and improved result-oriented aid coordination.

The UN RC Annual Report and workplan will record the progress made by the UN CT and any accrued value added. Joint monitoring of outcomes, their changes and implementation will be reflected in the MDGR and the Resident Coordinator's Annual Report and workplan. Lessons learned and best practices resulting from joint programme outcomes will also be outlined in the report.

SECTION V. MONITORING AND EVALUATION

The UN CT will use the result based management approach as the primary tool for monitoring and evaluating the UNDAF. Monitoring of the UNDAF outcomes will be continuous with biannual monitoring progress reports. Table 2 "*UNDAF Monitoring and Evaluation Plan*" illustrates how focus on outcomes, baselines, source of verifications and indicators will enable monitoring, assessment and spur a continuous analysis of the development situation.

Since most of the country programme outcomes are shared, often by more than three UN agencies, monitoring and evaluation will be facilitated by a number of shared mechanisms such as MDG country reporting, nationalization of MDGs and their localization. Joint field visits to project and sites, joint reviews and common analysis, stakeholder meetings, desk reviews, assessment reports and standard donors' project reports and other mechanisms such as country programme action plans and harmonized annual work plans will be shared to the further extent possible. Linkages will be established with the reporting requirements of the EU, regarding environmental management.

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Evaluation will be primarily linked to measuring progress towards the achievement of MDGs and tracking human development indicators and trends in this direction. It will include recommendations, highlight of lessons learned and encourage the use of best practice to improve performance in accordance with an evaluation plan prepared jointly with all strategic partners.

The evaluation plan will indicate the objectives, indicators, timing and data collection and reporting mechanisms. It will encourage cluster evaluations that reflect synergy and complementarity of outcomes. It will capture cost savings, value added, technical cooperation and in contribution in kind equivalent monetary value. The RC annual report format will reflect the UNDAF monitoring and evaluation mechanisms and the outcomes.

The main vehicle to oversee the implementation and monitoring of the UNDAF is the UN CT that will produce a annual letter to the Government and a mid term report to review the progress made against UNDAF outcomes for review by the Government and UN Heads of agencies.