



Republic of North Macedonia

Ministry of Local Self Government



# METHODOLOGICAL GUIDELINES FOR PREPARATION OF INTEGRATED LOCAL DEVELOPMENT PLANS



# **Methodological Guidelines for preparation of Integrated Local Development Plans**

August 2023

This document has been prepared within the project “Building municipal capacities for project implementation” implemented by the United Nations Development Programme (UNDP) in North Macedonia in partnership with the Ministry of Local Self-Government and the Bureau for regional development.

The project is a component of the UNDP Framework Programme funded by Sweden. The Programme also includes the project “Scaling-up actions to tackle air pollution”.

The first version of the Methodological Guidelines for preparation of the municipal Integrated Local Development Plan was written in 2018 under “Go Local” Project financed by the Delegation of European Union in the Republic of North Macedonia. Based on that, 30 municipal integrated local development plans were prepared. This version of the Methodological Guidelines is based on the previous version with the upgrades reflecting the current situation and feedback of all key stakeholders involved in the local planning in North Macedonia.

The views expressed in this document are those of the author and do not necessarily reflect the views of the UNDP, Sweden as the donor, or the other project partners.

## Foreword

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The Ministry of Local Self-Government, as the competent authority for monitoring the functionality of the local self-government system and its improvement, as well as for implementing and monitoring the policy for balanced regional development, is constantly working on strengthening the capacities of the municipalities. Their capacity from all aspects is a requisite for the successful implementation of the competences and provision of services for the citizens in the best possible way.

The municipalities and the City of Skopje are the direct implementers of the strategic documents in the area of local self-government and balanced regional development, as well as of other sectoral documents and laws that have an impact on the realization of local competences. Good and coordinated planning on a vertical and horizontal level by the municipalities is important in order to ensure expedient, efficient and economic use of the budget funds, both at the central and local level.

For this purpose, the Ministry of Local Self-Government and the Bureau for Regional Development, in partnership with the United Nations Development Programme (UNDP) and the Swedish International Development Cooperation Agency (Sida), within the project "Building Municipal Capacity for Project Implementation – Phase 2", works on strengthening the capacities for better strategic planning at the local level, in order to ensure a system of consistency in the creation and implementation of strategic development plans and better vertical coordination in the implementation of policies at the central and local level.

The frequent segmentation of local strategic documents, related only to a certain competence, as well as the insufficient compliance with the National Strategic Development Documents, complicates their implementation as well as the rational and expedient planning and use of budget funds. In order to overcome these situations, joint and professional preparation of Methodological Guidelines for Integrated Development Planning was approached, the application of which should help in creating conditions for coherent economic, social, environmental and overall territorial development and cohesion.

This publication makes a specific contribution to improving the system of local development planning by integrating elements related to the EU 2030 Territorial Agenda, the European Green Deal and the Green Agenda for the Western Balkans, the UN Agenda 2030 by localizing the Sustainable Development Goals, the Paris Agreement and the related climate action, and the Sendai Framework for Disaster Risk Reduction. Simultaneously, with this modern approach towards development planning at the local level, the aspects of social inclusion are strengthened, as well as a more significant and measurable improvement of the services for citizens.

The new generation of Integrated Local Development Plans aims to establish a comprehensive strategic development framework for municipalities which is tightly linked to the budget process and which addresses challenges related to all areas of local competence, including local economic development. As such, it enables the municipalities to use these Integrated Development Plans to fulfill the criteria for mobilizing additional funds from donations from various sources, and especially the criterion that the municipalities have strategies or plans for local economic development. Therefore, it is important to prepare and implement Integrated Local Development Plans through cooperation and partnership with all stakeholders in the municipalities, and thus to address all the needs and challenges related to the lives of the citizens.

**Risto Penov**

**Minister of Local-Self Government**



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# LIST OF ABBREVIATIONS

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<b>CSO</b>	Civil Society Organization
<b>EU</b>	European Union
<b>EGD</b>	European Green Deal
<b>EUROSTAT</b>	Statistical Office of the European Union
<b>GAWB</b>	Green Agenda for Western Balkans
<b>ILD</b>	Integrated Local Development Plan
<b>LSGU</b>	Local Self-Government Units
<b>NDS</b>	National Development Strategy for North Macedonia
<b>MES</b>	Ministry of Education and Science
<b>SDG</b>	Sustainable Development Goals
<b>SME</b>	Small and Medium Enterprises
<b>SSO</b>	State Statistics Office
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Program
<b>ZELS</b>	Association of Local Self-Government Units of the Republic of North Macedonia
<b>UN Women</b>	United Nations Entity for Gender Equality and the Empowerment of Women



# 1. Introduction

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## 1.1 The Purpose of these Guidelines

The primary purpose of these Guidelines is to follow the National Development Strategy process and to integrate local development planning into the national development planning system in the country. Hence, the Methodology aims to enable inclusive and integrated planning at the local level. The Ministry of Local Self-Government offers the Methodology to the municipalities as guidance to prepare a 4-year integrated local development plan as a primary development document that, if deemed necessary and in accordance with specific legislation, can be further elaborated through separate - secondary plans for different areas of the municipal jurisdiction.

The Integrated Local Development Plans will serve as a municipal strategy to achieve its sustainable (economic, social, and environmental) goals. The municipalities can use these integrated development plans to fulfil the criteria for mobilizing additional funds from donations from various sources, especially the criterion that the municipalities have strategies or plans for local economic development.

Another important purpose of these Guidelines is to provide a simple yet systematic approach towards planning the future of the local community/municipality with the inclusion and active participation of their citizens and institutions responsible for managing key services/functions in the municipality. In this case, this planning result is called Integrated Local Development Plan and its approach is adjusted to the current context of the Republic of North Macedonia.

**Participatory planning process** depends on the ability of the local government and local stakeholders, their willingness for participation and capacities to integrate thematic areas, mobilize resources and people for a common cause (strategic objective), and to navigate through the process while dealing with uncertainties. In many cases, time pressure and already stretched human resources – especially in small regions and municipalities – make this a considerable challenge. First, it is not about implementing standard solutions. Second, local actors should have a high level of flexibility in designing and implementing strategies. This underlines the importance of building strategic capacity for local and national actors. When implementing the participatory processes, the local authorities shall take care of and foster the participation of women and vulnerable categories, and shall keep gender-related statistics of the participants in said processes.

**Planning** is a process of setting goals, developing strategies, outlining implementation arrangements, and allocating resources to achieve those goals. It is important to note that planning involves looking at several different processes:

- Identifying the vision, goals, or objectives to be achieved;
- Formulating the strategies needed to achieve the vision and goals;
- Developing mechanisms and infrastructure for inclusive planning and implementation process;
- Identifying and allocating the resources (financial and other) required to achieve the vision and goals;
- Outlining implementation arrangements, which include the arrangements for monitoring and evaluating progress towards achieving the vision and goals.

Planning as a process and the final product – an Integrated Local Development Plan- should be a learning process ending with the practical document helping local municipalities and their citizens to shape the local communities' future. Therefore, an integrated local development plan should be easy to use, understandable for municipal administration and citizens, and fundamental for mutual understanding of the community's future. It should also be an identity card of the municipality and its territory, representing aspirations and plans for the future of the citizens and administration.

These guidelines propose steps and methods to prepare such a document. However, they are not prescriptive and to be followed blindly. Instead, they intend to provide enough tools for planning and preparing operational ILDP so the local community may embrace and assist in its implementation.

In the process of updating these Methodological Guidelines, wide contribution from municipalities and other key stakeholders at the local and national level were provided, either through the consultative meetings, or workshops where representatives of municipalities and civil society organizations (CSOs), as well as the Ministry of Local Self-Government, Bureau for Regional Development, Association of the Units for Local Self-Government (ZELS), and Centres for Development of Planning Regions, were sharing their views and offered inputs for the improvement of methodology based on the real needs and situations that they face in their practices. In addition, live discussion at the workshops and sharing experience helped us to provide Guidelines ready for use in the context of local communities in North Macedonia.

## 1.2 Integrated local development planning

Integrated local development planning is a vital process that allows local governments - and the public they represent - to take control of and shape their futures. A local development plan provides information on a community's course of action and the roadmap for elected officials, local government staff, and the community to follow when shaping their desired futures. Local development planning is proactive. It is about integrated strategic thinking, planning, and anticipating what community needs to do to achieve its desired goals.

A Local development plan is only effective when it is consistently used to plan and design services and projects, allocate resources, identify fiscal gaps and needs, measure the results of local government work, and communicate these results to the community/public. It is a process and a document by which the community/public can hold leadership accountable for getting things done in a manner that is responsive to their needs and priorities. It ensures a wise and effective utilization of scarce resources to ensure the community is positioned to meet its goals. What should be followed are the logic and the sequences in the process that assures good quality operational document, which provides the basis for implementing the planned programs, projects and activities essential for the development of the municipality.

*“Localizing the SDGs means more than just “landing” internationally-agreed goals at the local level. It means making the aspirations of the SDGs become real to communities, households and individuals, particularly to those who are at risk of falling behind. Local governments are critical in turning Agenda 2030 from a global vision into a local reality. And local communities and stakeholders, who know individual and collective needs and capacities best, are critical partners in implementing and realizing our global accord”.*

Achim Steiner, UNDP Administrator

## 1.3 Decentralization and Local Governance

The main difference between decentralisation and local governance is the actors participating in the process. Decentralisation pertains to public sector institutional and organisational reforms and processes. It is devolution by central (i.e., national) government of specific functions, with all of the administrative, political, and economic attributes that this entails, to local (i.e., municipal) governments, which are independent of the centre and sovereign within a legally delimited geographic and functional domain.

On the other hand, local governance pertains more to creating an enabling environment for interaction between government, the private sector, and civil society and providing open space for multi-stakeholder processes to foster effective local development processes. Local governance comprises a set of institutions, mechanisms, and processes through which citizens and their groups can articulate their interests and needs, mediate their differences, and exercise their rights and obligations at the local level.

Local governance emphasises the need to look beyond the narrow perspective of legal frameworks and local government entities. It seeks to include the multiplicity of the formal and informal relationships between different actors in development (e.g., local government, private sector, associations and civil society organizations) that shape and influence the output and effectiveness of political and administrative systems at a sub-national level.

There is a large degree of synergy and coherence between supporting national and local governance processes as many aspects are the same. Therefore, it is necessary to work with governance principles at local level to strengthen local governance processes.

**Table no. 1: Decentralisation vs Local Governance**

<p><b>Decentralisation Reforms</b> Support to the formal public sector elements of decentralization reform</p>	<p><b>Local Governance</b> Support to the wider involvement of citizens, civil society, private sector in relation to working with and monitoring local governments</p>
<p><b>Examples include:</b></p> <ul style="list-style-type: none"> <li>● Assistance to central ministries responsible for reform to develop new policies and legislation;</li> <li>● Capacity building of local governments for improved strategic planning etc.;</li> <li>● Providing support to local governance regarding improving efficiency of local public management;</li> <li>● Providing support in development/ using new ways of funding for local governments;</li> <li>● Setting standards for quality of local public services;</li> <li>● Setting standards, structure and improving capacities of local public administration and institutions;</li> <li>● Providing legislation and support in intermunicipal cooperation;</li> <li>● Monitoring and control of LSGU procedures, practices and performance.</li> </ul>	<p><b>Examples include:</b></p> <ul style="list-style-type: none"> <li>● Assistance to local governments to understand and start to practice local governance (usually partnership projects with civil sector);</li> <li>● Support local governance in detecting the most valuable information and data for the civil society organizations, Business sector and public;</li> <li>● Providing support to local governance regarding changing the practices in decision making process with public participation;</li> <li>● Assistance to national and local civil society organizations for understanding and participation in the policy development;</li> <li>● Provision of funding for preparation and implementation of partnership projects for the benefit of local communities;</li> <li>● Support in accountable and consistent implementation of the integrated local development plans.</li> </ul>

## 1.4. Vertical and horizontal integration of ILDP

When preparing ILDPs, it is essential to remember that no strategy is a stand-alone document but should permanently be embedded in a web of existing policies and agendas of various sectors at higher levels of governance. Linking to the objectives put forward by national, EU or global policy agendas can be challenging. Nevertheless, global agendas can help local actors strategically reinterpret local and regional development opportunities. Given an increasing and urgent energy and environmental crisis, it is vital to explore how strategies can contribute to a global green transition and fully grasp its opportunities at local level.

The process of integrated local development planning is characterised by numerous interactions and constant adjustments to provide:

- vertical compliance (with development documents higher in the hierarchy - relevant policies and strategic plans, at national and regional level);
- horizontal alignment (between the key municipal sectoral development plans and policies);
- compliance with spatial and urban plans.

Ensuring compliance is important for at least few following reasons:

- Integrated Local Development Plans serve as local development strategies and should be an integral part of the overall development planning system in the country, irrespective of how the current system is fragmented and incomplete, thus contributing to the consistency and sustainability of development progress throughout the country. In the case of the Republic of North Macedonia:
  - National Development Strategy (plan for 20 years)
  - Regional Development Strategy (plan for 10 years)
  - Regional Development Programs (plan for 5 years)
  - Gender Equality Strategy (plan for 6 years)
  - Municipal Integrated Local Development Plan (plan for minimum 4 years)
- Compliance provides a significant allocation of funds from higher levels, as well as from European funds, over to the local level if local plans are consistent with the national strategic platform and its parts represent their operationalisation;
- Compliance enables significantly more efficient spending of funds, both from higher levels, local and European funds, for it narrows the space for overlapping and unnecessary or mutually conflicting interventions.



Vertical harmonization should be acquired through the following steps in the process planning:

- In preparing a SWOT analysis, appropriate sections from higher development strategies and plans should be analysed, particularly the respective SWOT analyses and parts describing the strategic interventions and mechanisms planned for their achievement. Then, the most important findings should be classified into appropriate opportunities and threats of the respective ILDP;
- In defining development goals and objectives, local goals and objectives should align with the goals and priorities of higher-level strategic documents (national and regional);
- Financial instruments for implementing higher strategies and plans should be analysed in preparing indicative financial plans, followed by the necessary adjustments of local programmes to specific requirements of the corresponding financial resources;
- This creates conditions for local priority programmes to be consistent with higher development policies which enable allocation of funds from higher levels, EU funds, and any other funds to support local development.

Taking into account the scope of the local self-government in North Macedonia, it is recommended that the municipalities, when preparing ILDPs, harmonize the goals and localize the measures and activities foreseen in the following national sector strategies (with valid duration):

- Sustainable Local Development and Decentralisation Programme 2021 - 2026<sup>1</sup>;
- 2021 - 2023 Action Plan of the Sustainable Local Development and Decentralisation Programme 2021 - 2026<sup>2</sup>;
- Regional Development Strategy of the Republic of North Macedonia 2021 - 2031<sup>3</sup>;
- National Sustainable Development Strategy 2009 - 2030<sup>4</sup>;
- Plan for the Prevention of Waste Generation 2022 - 2028<sup>5</sup>;
- Waste Management Plan of the Republic of North Macedonia 2021-2031<sup>6</sup>;

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<sup>1</sup> [https://mls.gov.mk/images/files/POLRD\\_2021-2026\\_MK\\_so%20korekcii\\_Final.pdf](https://mls.gov.mk/images/files/POLRD_2021-2026_MK_so%20korekcii_Final.pdf)

<sup>2</sup> [https://mls.gov.mk/images/files/Akciski%20plan%20\\_mk%20\(1\).pdf](https://mls.gov.mk/images/files/Akciski%20plan%20_mk%20(1).pdf)

<sup>3</sup> <https://mls.gov.mk/files/Strategija-Za-RRR.pdf>

<sup>4</sup> <https://www.moep.gov.mk/wp-content/uploads/2014/12/Nacionalna-Strategija-za-Odrzliv-Razvoj-vo-RM-NSSD-Del-1.pdf>

<sup>5</sup> <https://www.moep.gov.mk/wp-content/uploads/2014/12/%D0%9F%D0%A1%D0%97%D0%9E-2022-2028.pdf>

<sup>6</sup> <https://www.moep.gov.mk/wp-content/uploads/2021/10/.pdf>

- National Nature Protection Strategy<sup>7</sup>;
- National Biodiversity Strategy with an Action Plan 2018 – 2023<sup>8</sup>;
- National Energy and Climate Plan<sup>9</sup>;
- Energy Development Strategy of the Republic of North Macedonia until 2040<sup>10</sup>;
- Renewable Energy Sources Action Plan until 2025 with a vision until 2030<sup>11</sup>;
- Industrial Development Strategy 2018-2027, with an Action Plan<sup>12</sup>;
- Strategy for the Development of Women’s Entrepreneurship 2019 - 2023<sup>13</sup>;
- National Agriculture and Rural Development Strategy 2021 - 2027<sup>14</sup>;
- National SMEs Strategy 2018 - 2023<sup>15</sup>;
- National Youth Strategy 2016-2025<sup>16</sup>;
- Gender Equality Strategy 2022 - 2027<sup>17</sup>;
- National Strategy for Equality and Non-discrimination 2022 - 2026<sup>18</sup>;
- Education Strategy 2018 - 2025<sup>19</sup>;
- Fiscal Strategy of the Republic of North Macedonia 2022 -2024 (with prospects until 2026)<sup>20</sup>;
- Public Finance Management Reform Programme 2022 - 2025<sup>21</sup> and
- Other multi-year national strategies and plans that are related to the scope of competencies of the municipalities and are in the preparation stage or are planned for updating.

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<sup>7</sup> <https://www.moep.gov.mk/wp-content/uploads/2014/12.pdf>

<sup>8</sup> [https://www.moep.gov.mk/wp-content/uploads/2014/12/NATIONAL-BIODIVERSITY\\_MKD.pdf](https://www.moep.gov.mk/wp-content/uploads/2014/12/NATIONAL-BIODIVERSITY_MKD.pdf)

<sup>9</sup> [https://economy.gov.mk/content/Official%20NECP%20-%20MK%20version\\_11465878.pdf](https://economy.gov.mk/content/Official%20NECP%20-%20MK%20version_11465878.pdf)

<sup>10</sup> <https://economy.gov.mk/mk-MK/news/strategiji-2759.nspix>

<sup>11</sup> <https://economy.gov.mk/Upload/Documents/94b041280dbe4ae6870f6450e30de0a2.pdf>

<sup>12</sup> <https://economy.gov.mk/Upload/Documents/Finalna%20Industriska%20Strategija.pdf>

<sup>13</sup> <https://economy.gov.mk/Upload/Documents/2023.pdf>

<sup>14</sup> [https://www.mzsv.gov.mk/CMS/Upload/strateski%20dokumenti/ns\\_16\\_2021.pdf](https://www.mzsv.gov.mk/CMS/Upload/strateski%20dokumenti/ns_16_2021.pdf)

<sup>15</sup> <https://economy.gov.mk/Upload/Documents/Strategija.pdf>

<sup>16</sup> <https://ams.gov.mk/mk/page/youth-strategies>

<sup>17</sup> [https://www.mtsp.gov.mk/content/pdf/2022/strategija\\_/2022\\_2027.pdf](https://www.mtsp.gov.mk/content/pdf/2022/strategija_/2022_2027.pdf)

<sup>18</sup> [https://www.mtsp.gov.mk/content/pdf/2022/strategija\\_/2022-2026.pdf](https://www.mtsp.gov.mk/content/pdf/2022/strategija_/2022-2026.pdf)

<sup>19</sup> <https://mon.gov.mk/page/?id=2048>

<sup>20</sup> <https://finance.gov.mk/>

<sup>21</sup> <https://finance.gov.mk/wp-content/uploads/2022/10-2022-2025-MK-Strukturirana-za-Vlada-1.pdf>

The UNPD facilitates the participatory preparation process of the National Development Strategy (NDS) 2024 – 2044. The NDS will establish a clear strategy for developing the country over the next 20 years. To ensure a buy-in from a range of stakeholders, a comprehensive consultation process was launched to build an inter-generational, inter-ethnic, inter-party, and gender consensus among key social stakeholders. As a result, the Strategy will map current and existing societal challenges and build appropriate capacities to ensure the country is prepared to face these challenges successfully. The process is supported by a broad organizational structure to enable the quality development of the NDS and to monitor the long-term implementation. The Parliament is expected to adopt the NDS at the end of 2023. After its adoption, the main synergy and coherence of the thematic strategies and plans listed above must be built with the National Development Strategy.

The integrated planning process should also provide horizontal integration of all relevant stakeholders in this process.

- The intersectoral approach in shaping the strategic platform and intensive use of this platform in shaping sectoral development plans.
- Secondly, in the process of setting up sectoral development objectives, where the format of workshops has a built-in alignment of objectives across sectors.
- Thirdly, in selecting priority programmes/projects, a positive horizontal/intersectoral impact is preferred.
- Fourthly, in the preparation of an approximate implementation plan and an indicative financial plan, with priority planning and implementation of projects that will generate impacts in several areas of importance for the municipality.

As secondary - sectorial development planning documents, the local economic development plans, the general urban plans for the cities, the ambient air quality plans, the management plans of the protected areas, the energy efficiency programmes, the municipal social plans, , the disaster risk reduction plans, the work plans of the municipal institutions and utilities, and other relevant development plans which are specific for particular municipalities, will need to be harmonized with the ILDP as a primary planning document that serves as an overall development strategy of the municipality. The ILDP could be a replacement document for some of the above-mentioned sectorial development documents for which the preparation is not stipulated as an obligation in the legislation.

The new generation of integrated local development plans aims to establish a comprehensive strategic development framework for municipalities tightly linked to the budget process. It addresses challenges related to all areas of local jurisdiction, including local economic development<sup>22</sup>.

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<sup>22</sup> In this way, the municipalities can use these integrated development plans to fulfill the criteria for mobilizing additional funds from donations from various sources, especially the criterion that the municipalities have strategies or plans for local economic development.

## 1.5 Key EU policies related to sustainable development and achievement of cohesion policy goals

The objectives of the EU's regional policies are to achieve balanced development and social, economic and territorial cohesion, while implementing measures relating to growth and employment, countermeasures for climate change and energy issues, and reduction of poverty and social exclusion, which are the objectives of Europe 2020.

In the Treaty of Lisbon that went into effect in December 2009, territorial cohesion, besides economic and social cohesion, was incorporated into the provisions.

The Green Paper on Territorial Cohesion (2008<sup>23</sup>)<sup>24</sup> states that territorial cohesion signifies enabling the population to take full advantage of the territorial characteristics by guaranteeing the harmonious development of the EU's diverse territories and is a means of converting this diversity into an asset that contributes to the sustainable development of the EU overall. However, the definition of the term "territorial cohesion," the role to be played by the EU, the forms of territorial cooperation, manners of coordinating territorial policies with sectoral and national policies, manners of participation in the design and implementation of policies, and the development of indices are specified subjects for future discussions and are still being debated. As defined in the Territorial Agenda of the EU (2007), territorial cohesion is "*a set of principles for harmonious, balanced, efficient, sustainable territorial development. It enables equal opportunities for citizens and enterprises, wherever they are located*". Territorial cohesion reinforces the principle of solidarity which has traditionally characterized the European project, giving it an additional spatial perspective.

The integrated territorial approach is a relatively new way of policy making in the EU, in which the needs and potential of a given place are the starting point. Elements of this approach have been included in the 2014-2020 period of cohesion policy. It should be supported by an adequate place-based policy with effective use of each territory's potential. This guarantees long-term socio-economic benefits both for the local population and others living within a certain radius of the territory in question. The approach involves close dialogue and cooperation between institutions and actors operating at different management levels. It also combines external know-how and resources with local assets in a way that eliminates or decreases the threat of domination by any of the partners. Tailoring public policies to the needs on the ground should bring long-lasting effects to the local population. It should also help to achieve both European and national goals thanks to the proper

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<sup>23</sup> Green paper on territorialcohesion - [Green paper on Territorial Cohesion \(europa.eu\)](#)

<sup>24</sup> Territorial Agenda 2007 - [Territorial Agenda of the EU \(Agreed on 25 May 2007\)](#)

use of locally rooted development factors like infrastructure, governance culture or climate.

The territorial agenda of the EU (Territorial Agenda of the European Union 2020 - Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions)<sup>25</sup> agreed upon at the Informal Meeting of Ministers responsible for Spatial Planning and Territorial Development, 19<sup>th</sup> May 2011 Gödöllő, Hungary) identifies major opportunities and challenges relating to territorial development:

- more exposure to globalization and structural changes caused by the global economic crisis;
- new challenges for European integration and the growing interdependence of regions;
- diverse demographic and social challenges, and spatial segregation of vulnerable groups;
- climate change and environmental risks;
- energy challenges;
- loss of biodiversity, and vulnerability of natural, landscape and cultural heritage.

These issues require integrated solutions that a place-based approach to policy-making can deliver.

**Post 2020, a New Cohesion Policy<sup>26</sup> of the EU ensures that all corners of Europe participate in the green, digital transition.** EU Cohesion Policy contributes to strengthening economic, social, and territorial cohesion in the European Union. It aims to correct imbalances between countries and regions. It delivers on the Union's political priorities, especially the green and digital transition. Cohesion Policy is the EU's main investment policy and one of its most concrete expressions of solidarity.

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<sup>25</sup> Territorial Agenda 2020 - [Final TA2020 \(territorialagenda.eu\)](https://territorialagenda.eu)

<sup>26</sup> Territorial Cohesion Policy - [Economic, social and territorial cohesion | Fact Sheets on the European Union | European Parliament \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/interim-cohesion-policy-fact-sheet)

The five **main policy objectives** are:

- 1) a **Smarter Europe**, through innovation, digitization, economic transformation, and support to small and medium-sized businesses;
- 2) a **Greener, carbon - free Europe**, implementing the Paris Agreement and investing in energy transition, renewables, and the fight against climate change;
- 3) a more **Connected Europe**, with strategic transport and digital networks;
- 4) a more **Social Europe**, delivering on the European Pillar of Social Rights and supporting quality employment, education, skills, social inclusion, and equal access to healthcare;
- 5) a **Europe closer to citizens**, by supporting locally-led development strategies and sustainable urban development across the EU.

**Funds priorities** are:

- 1) The **European Regional Development Fund** will support investments in all five policy objectives, but **1** and **2** are the main priorities;
- 2) The **European Social Fund+** main priority is **4**;
- 3) The **Cohesion Fund** supports policy objectives **2** and **3**;
- 4) The **Just Transition Fund** provides support under **dedicated specific objectives** (for more information see the Annex 3);
- 5) The **Interreg** programmes have two additional policy objectives at their disposal: "**A better cooperation governance**" and "**A safer and more secure Europe**".

All these funds are managed by the EU countries themselves; by means of **partnership agreements**. Each country prepares an agreement, in collaboration with the European Commission, setting out how the funds will be used during the current funding period 2021-2027.

The **principles and priorities of cohesion policy** are distilled through a process of consultation between the Commission and the EU countries. Each Member State produces a draft **Partnership Agreement**, which outlines the country's strategy and proposes a list of programmes. In addition to this, Member States also present draft programmes which cover entire Member States and or regions. There are also cooperation programmes involving more than one country.

The Commission negotiates with the national authorities on the final content of the Partnership Agreement and each **programme**. The programmes present the priorities of the country and/or regions or the cooperation area concerned. Workers, employers and civil society bodies can all participate in the programming and management of the Programmes.

The **programmes are implemented by the Member States and their regions**. This means selecting, monitoring and evaluating **hundreds of thousands of projects**. This work is organised by 'managing authorities' in each country and/or region.

The Commission:

- **commits the funds** (to allow the countries to start spending on their programmes);
- **pays the certified expenditure** to each country;
- **monitors each programme**, alongside the country concerned.

**Both the Commission and the Member States are responsible for reporting and evaluating** throughout the programming period.

**Climate change and environmental degradation are existential threats to Europe and the world.** To overcome these challenges, the European Green Deal (EGD) will transform the EU into a modern, resource-efficient, and competitive economy that plans to be first climate neutral continent, ensuring:

- no net emissions of greenhouse gases by 2050;
- economic growth decoupled from resource use;
- no person and no place left behind.

The European Green Deal is also a lifeline out of the COVID-19 pandemic. **One-third of the €1.8 trillion** investments from the Next Generation EU Recovery Plan, and the EU's seven-year budget will finance the European Green Deal. A summary of the EGD structure is attached as Annex 2 to these Guidelines.

The goals and objectives of the EGD are translated into a Green Agenda for the Western Balkans (GAWB), which relies on regulatory reforms in the region to align them with the ambitions of the European Green Deal, as well as relevant investments.

The European Commission prepared guidelines for implementing the GAWB<sup>27</sup> in October 2020. This document serves as a roadmap and outlines in more detail the actions related to the GAWB included in the Communication on an Economic and

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<sup>27</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020SC0223>

Investment Plan for the Western Balkans<sup>28</sup> adopted by the European Commission. It further details the five pillars of the Green Agenda:

- (1) climate action, including decarbonisation, energy and mobility;
- (2) circular economy, addressing in particular waste, recycling, sustainable production and efficient use of resources;
- (3) biodiversity, aiming to protect and restore the natural wealth of the region;
- (4) fighting pollution of air, water and soil and
- (5) sustainable food systems and rural areas.

Digitalisation is identified as a key enabler for the above five pillars in line with the dual green and digital transition concept. The document calls for pursuing the objectives of these pillars through concrete actions supported by dedicated mechanisms and financial instruments including in the first place the Economic and Investment Plan for the Western Balkans.

The 2002 Law on Local Self-Government determines the scope of competencies of the municipalities in North Macedonia. Related to GAWB, municipalities have competencies in the area of protection and rescue of citizens and goods; are integrated into the vertical crisis management system; can address the challenges related to climate change and adaptation as well as the prevention of harmful consequences through land management policies and spatial development and primarily through the preparation and implementation of urban plans in and outside the settlements, then, the policies related to the protection of the environment and nature, including the management of municipal waste, water (through the implementation of measures from the river basin management plans), quality assurance of ambient air, increasing energy efficiency, and managing lower categories of protected areas. The municipalities are also responsible for organizing the public transportation of passengers on their territory. Municipalities can establish public institutions and public enterprises for the implementation of transferred competences.

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<sup>28</sup> [https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/communication\\_on\\_wb\\_economic\\_and\\_investment\\_plan\\_october\\_2020\\_en.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf)



## 1.6 Contribution of the ILDP to the achievement of the global SDGs and the Agenda for Sustainable Development 2030

Municipalities have an essential role in the SDGs' localization. Localizing global SDGs means recognizing and strengthening the position of key local actors, especially local self-government bodies, the population/citizens, the private sector, small and medium-sized enterprises, and citizen organizations, in developing and implementing measures relating to or arising from global SDGs.

SDGs are global goals, but their achievement largely depends on adapting them to the community, villages, and towns. Although there may be some limitations regarding municipal competencies, capacities, and financial resources, which may vary, local authorities still influence specific areas of public policy, such as transport, utilities, education, social and child protection, gender equality, environmental and biodiversity protection, disaster risk reduction, all of them closely related to particular SDGs. Moreover, the localization of the global SDGs (also through the ILDPs) enables a more efficient delivery on the obligations undertaken by North Macedonia under international agreements such as the Paris Agreement on Climate Change, Agenda 2030, Sendai Framework on Disaster Risk Reduction, and other relevant global or regional agreements.

The implementation of ILDPs and the harmonization of the sectoral programmes as part of an ILDP, with the global goals of sustainable development through their gradual and innovative localization, will contribute to significantly more intensive and better balanced and, at the same time, sustainable development of the municipalities in North Macedonia, and to raising the quality of life of all citizens. During the preparation of their ILDPs, the municipalities will reference the connection of the programs and projects with the global goals of sustainable development.

More detailed guidelines and examples for the localization of SDGs are contained in the UNDP and FAO publication "SDG Localization in Europe and Central Asia - Guidelines to support subnational development planning and budgeting".

## 1.7 Contribution of the ILDP to the EU accession process of the country

The provisions of the Charter on Local Self-Government of the Council of Europe are consistently reflected in the Law on Local Self-Government and other relevant laws that shape the system of local self-government in the Republic of North Macedonia. The single-level local self-government in the country has thus become a significant political subsystem with a physiognomy characteristic of EU member states.

In the context of the EU accession process, it can be expected that per the new EU Enlargement Methodology, the results of implementing the decentralization process will continue to be evaluated as a political membership criterion. From there, the preparation of ILDPs following a Methodology that relies on the goals and methods of realization of the Territorial Agenda and the EU Green Deal will enable a more efficient integration of the municipalities of North Macedonia in the administrative space of the EU.

Although there is no chapter to be negotiated that is explicitly related to the system of local self-government, there are still many chapters covering local self-government competencies, such as primary and secondary education, environmental protection, public finance management, etc., and which are part of the clusters of chapters covered by the new Methodology for EU enlargement negotiations.

The application of this Methodology in development planning will assist the municipalities in adapting the normative, institutional, political, and administrative criteria and standards of the EU, including the establishment of an appropriate strategic framework for integrated local development planning, good local governance and public finance management and control.

## 2. Integrated Local Development Plan – Strategic planning at local level

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Strategic planning is about narrowing and sharpening perspective to “capture” the most distinctive strengths and critical weaknesses, which will be a strategic focus of resources in the coming period. A vision and strategic goals of development are created from this focus. In defining strategic goals, their compliance is checked against the relevant goals from higher strategic documents. In addition to this so-called vertical alignment, their mutual horizontal alignment is also checked.

Drafting an integrated local development plan is more than just an administrative exercise. It should be a concrete and useful tool to provide an answer to the challenges addressed. In addition, the process is an excellent opportunity to create a productive local partnership(s) and boost local energy to make the plan happen.

There is no ‘one size fits all’ approach to preparing an ILDP. The content and format will vary depending on the local situation and how the process has been addressed, the territorial coverage, and the local context in which it is proposed they be implemented. However, an ILDP should contain all the main components of a sound operational plan to provide good information sources and a clear strategic orientation for the municipality’s development.

To prepare an integrated development plan means that it should be prepared outside of department/sectoral silos. It should address the different dimensions of the problem, i.e., social, economic, physical, and environmental dimensions, and consider the various territorial levels relevant to the solutions to be implemented. It should also be **inclusive and action-oriented**, meaning it should be helpful and address the local community’s problems. Furthermore, it should be concrete and implemented in partnership with local stakeholders. Finally, the local development plan should be **a structured document** including implementation timing, the budget, and precise distribution of tasks (who does what, by when?).

Planning goes in planning cycles. It means that each planning process builds and improves on the previous one. It also implies a reality check and change of priorities as a certain number of problems are resolved in each cycle.

An Integrated Local Development Plan is a multiannual planning tool of a municipality and it should cover a period of minimum 4 years.

## 2.1 Gender mainstreaming in local planning

When it comes to gender equality, a dual approach needs to be taken into consideration, meaning inclusion of gender mainstreaming approach across all interventions as well as identifying specific interventions aimed at empowering women and girls. This dual approach will ensure that an ILDP is gender-responsive, i.e., it considers the different needs of women and men and includes measures tailored to those specific groups.

Women face numerous challenges regarding their full participation as citizens, particularly in fast-growing urbanization contexts: personal safety; employment, access to public space; mobility; housing; public services, and local facilities, such as shops, community facilities for children and the elderly, etc. From institutional to cultural barriers, the obstacles to participation may prevent girls and women from participating in local decision-making processes or from accessing information that could influence their equal right to opportunities and resources. Moreover, low-income women may need more legal support regarding property tenure or challenges in access to basic urban services, like water and sanitation.

On the other hand, there needs to be more gender - disaggregated data in planning, impacting on how development strategies, plans, and programmes address women's and men's specific needs. This applies to how physical space is perceived, including streets, parks, and public transport, as well as to how women can access governance structures, basic services, and a city's cultural and economic life. Gender perspectives provide valuable insight to advance into the needs and views of all members of a community on the way they want to be governed, how they interact with their built-up and environment, and ultimately how they want their communities to develop. In addition, using a gendered approach in planning will improve the level of commitment from the stakeholders, thus improving the overall success of the planning process.

Gender mainstreaming in local planning is crucial for promoting equity, inclusive decision-making, effective policies, sustainable development, economic benefits, and fulfilling national and international commitments. It also ensures that all genders' diverse needs and perspectives are considered, leading to more equitable and thriving communities.

In this context it is important to emphasize the engagement of the UN Women Programme Office in the Republic of North Macedonia, which works with local self-government units on gender mainstreaming in policies and budgets, as per the Law on Equal Opportunities for Women and Man. The main focus of the work of UN Women is to improve the lives of women and men by using gender-sensitive budgeting, as a tool that would enable local authorities to recognize the value and potential of the inclusive local development. In that context, UN Women is strengthening the capacities of the employees in the public administration and other structures at local level about applying gender-sensitive budgeting during planning, budget-

ing, and implementing local programmes and measures. Additionally, UN Women is providing technical and mentoring support to municipalities on integrating the gender-sensitive budgeting approach when creating the local actions plans and gender equality strategies in 31 municipalities.<sup>29</sup>

Pursuant to the Law on Equal Opportunities for Women and Men, local self-government units have a legal obligation to place the issue of gender equality as a legitimate area under their responsibility and to formulate and impose basic and special measures for the introduction of equal opportunities for women and men. In line with Article 16 of the Law, "Local self-government units within the scope of their competencies are obligated to identify and promote equal opportunities. They must adhere to the principle of equal opportunities in the adoption of measures and activities necessary for their introduction". Local self-government units are obligated to form a Commission of Equal Opportunities within the local self-government unit by decision of the Council, as a permanent body, and its composition, responsibilities, tasks and obligations are determined by the statute of the respective local self-government unit. The institutional instrument at local level for improving gender equality comprises the coordinator for equal opportunities and the Commission for EO. The first is part of the municipal administration, while the Commission is an independent body.

The Law on Equal Opportunities also introduces an obligation for central (Article 11) and local (Article 14) authorities to incorporate the principles of equal opportunities for women and men into strategic plans and budgets and monitor the effects and impact of their programs on women and men. Also, the new Budget Law strengthened the obligation of gender-responsive budgeting. The new budget law represents a vital starting point for the systematic implementation of a gender-responsive budget. It includes gender equality as an official principle, while gender-responsive budgeting contains articles related to the financial plans of budget beneficiaries. The reform of public financial management foresees the introduction of program budgeting and an integrated information system of financial management, which are important ways for the systematic application of gender-responsive budgeting. Furthermore, under the new Budget Law, municipalities will be obligated to submit gender budget reports, which is not the case now.

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<sup>29</sup> <https://eca.unwomen.org/en/digital-library/publications/2023/09/country-gender-equality-profile-of-north-macedonia>

## 2.2 Inclusion of vulnerable groups in local planning

Since the Copenhagen Declaration<sup>30</sup> (1995), and the First UN Decade for Eradication of Poverty<sup>31</sup> (1997) and the Millennium Declaration<sup>32</sup> (2000), global and national calls for creating a just and inclusive world that addresses the concerns of the weak and vulnerable have grown louder and planning for the goal has become pronounced through national multi-year plans and other developed instruments around the world.

However, as we now know, progress on the poverty front has been limited and uneven. Hence, the necessity of proclamation of the Second United Nations Decade for the Eradication of Poverty (2008-2017) and being midway to the Sustainable development goals (the 2030 Agenda for Sustainable Development) increasing and more comprehensive efforts are to be mounted if the world wishes to see the global community's goals achieved. Various assessments show that although there has been increasing attention paid to hearing the voices of people and various stakeholders in programming at the national and sub-national level, the most excluded groups, such as older people, disabled, indigenous people, and other groups like the youth are still not fully represented in the process, and therefore, the inclusive planning process remains elusive. This is particularly important because these vulnerable social groups constitute a large segment of the population as demographic transition results in ever – increasing number of older people and youth in most countries. National and local development plans need to find a way to include such excluded groups if they are to be inclusive to achieve the goals of creating a 'society for all' that aims not only the higher purpose of social integration and equalization of opportunities for societies to accept all. Notwithstanding the justification of such an approach, the path to fulfilling the promise cannot rest on wishes alone but needs deliberate and meaningful actions to make it possible.

Therefore, it is important to seek ways to include local vulnerable groups in the planning process depending on the situation in the municipalities, local administration's human capacities, and the availability and accessibility of vulnerable groups to be informed and engaged in the planning process. To that end, additional effort should be made, but only then can the planning process be considered participatory and prove that it is made equally for all municipality citizens.

In North Macedonia, social protection and care for the most vulnerable categories of the population and ensuring a higher degree of inclusion is a shared competence of the state and the municipalities. A system has been established that points to the need for efficient coordination between the municipalities and the Centres for Social Protection, which represents a local network of institutions subordinated to

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<sup>30</sup> [A/CONF.166/9: Copenhagen Declaration on Social Development \(un.org\)](#)

<sup>31</sup> [First United Nations Decade for the Eradication of Poverty \(1997-2006\) | Poverty Eradication](#)

<sup>32</sup> [A/RES/55/2: United Nations Millennium Declaration](#)

the Ministry of Labour and Social Policy. The same applies to the need for closer coordination to implement the current policy for deinstitutionalising social services. Some progress in the decentralization process has been achieved by introducing the obligation to establish municipal and regional Councils for social protection as participative bodies of all relevant local stakeholders who are in charge of preparing a Social Plan for the territory of each municipality. The Social Plan should contain:

- a map of social problems and vulnerable groups in the municipality;
- an analysis of the capacities and available social services;
- the specific needs for the development of social services in the municipality.

Based on the Social Plan, each municipality should prepare an annual program for social protection with projects that can apply for financing by the Ministry of Labour and Social Policy.

UNDP, together with the MLSP developed Guidance, Rulebook, and Proceedings for the establishment and functioning of the Municipal Councils for Social Protection, which are mandatory as per the Law on Social Protection, supported several municipalities in the development of their Social Plans and organized and trained members of Municipal Councils for Social Protection. As a follow-up, in 2022, documents<sup>33</sup> were developed and adopted by the MLSP stipulating the role and responsibility of Regional Councils for Social Protection for what training for all regional structures was organized. Last but not least, in the area of social services, National Strategy for Deinstitutionalization envisages the role of local communities as support in the prevention of institutionalization and delivery of social support services in partnership with CSOs and OPDs.

The municipalities also have a role in creating and implementing the educational policy. UNDP and the MES have produced a Development Concept on Regional Vocational and Training Centres, where the role of these centres and their activities are presented, focusing on students, adults, and the employability of vulnerable groups. Concept Note on Primary Adult Education, Integrated Curricula for Primary Adult Education, and Concept Note on Secondary Adult Education provide strategic guidance for completing formal compulsory education by adults, as well as procedures and requirements concerning the national and local authorities.

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<sup>33</sup> [socijalna zashtita 2.indd \(mtsp.gov.mk\)](#), [priracnik za zajaknuvanje 2.indd \(mtsp.gov.mk\)](#), [Vodic.pdf \(mtsp.gov.mk\)](#), [Upatstvo.pdf \(mtsp.gov.mk\)](#), [Priracnik.pdf \(mtsp.gov.mk\)](#)

## 3. Process of inclusive preparation of ILDP - Key stages in the local development planning

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### 3.1 ILDP Document – the structure of the document

Before starting the planning process, it is important to bear in mind what elements ILDP document should contain in order to be ready for the challenges that planning process brings.

The main components/the structure of the Local Development Plan are set out below. This is not an exhaustive list, but an indication of what should be included:

- I. **Introductory letter to the Mayor** – brief rationale on the ILDP priorities, commitment of the municipal administration for its implementation
- II. **Introduction to ILDP**
  - a. Profile of the Municipality and description of the institutional framework (organisational setup of the Municipality, including the municipal institutions and public enterprises);
  - b. Purpose of ILDP – explanation of the reasons behind the decision of the municipal authorities to conduct this planning process;
- III. **Methodology for ILDP preparation**
- IV. **Vertical and horizontal integration of the ILDP with other development-related policies**
- V. **Key findings of the socio-economic and environmental analysis and SWOT analysis**
- VI. **Vision Statement of the Municipality**
- VII. **Strategic Development Goals of the Municipality**
- VIII. **Statement on the Development Priorities**
- IX. **Development programmes, programme objectives, measures, activities and project portfolio**



X. ILDP budget including a financing schedule and source of funding

XI. ILDP Implementation Plan

XII. ILDP Monitoring and Evaluation Plan

**Annex 1: Socio-Economic and Environmental Analysis**

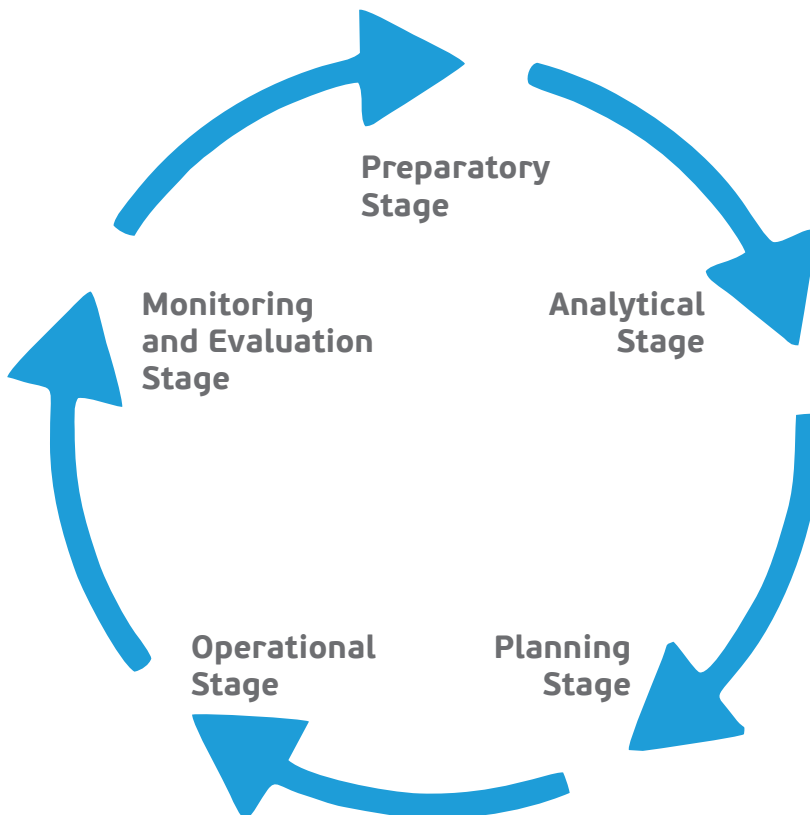
**Annex 2: Topical SWOT analyses**

**Annex 3: Report on the Community Fora**

## 3.2 Planning process

The Integrated Local Development Plan is conducted in five distinct stages.

Picture no. 1 – Planning cycle/process



The stages are described below:

- A) Preparatory stage** - includes the launch of the planning process and mobilization of local stakeholders.
- B) Analytical stage** - What do we have? What challenges do we face? How to go into the future? – this part includes data collection, desk research, and group work on SWOT and the VISION.
- C) Planning stage** - decision on strategic direction that should be taken, which means a decision on strategic goals, priorities, programmes, specific programme goals and objectives, measures, activities and projects to be conducted during the period of implementation of the ILDPs.
- D) Operational stage** - includes the development of a framework for implementation (implementation plan, financial plan, plan for development of organizational capacities and human resources).
- E) Monitoring and evaluation stage** - how the programs, measures, activities, and projects are implemented (monitoring), and how effectively the Plan was implemented, and whether there are gaps between the planned and achieved results (evaluation).

Gender perspective must be incorporated in all stages of planning to ensure equal opportunities for women and men are mainstreamed in the ILDP.

Motivating and mobilizing local stakeholders for their inclusion in the planning process is of great importance for the successful implementation of the ILDP. The level of trust between the voluntary and public sectors arises from previous experiences and understanding of each other's sector's roles/functions. Where there is a poor level of trust, this planning process could be used to develop mutual relationships and improve the perception of the local authority in public. Soft initial (recreational/cultural/environmental) engagement aims to build a relationship. This allows deeper engagement, such as surveying/consultation, to determine residents' (women and men) needs and to develop a plan for their small area. The delivery of small actions helps build confidence that residents can achieve by working together.

External facilitation is welcome to support the socio-economic planning process at the community level. However, there is a need for the community to buy into the process. The community needs to be motivated to see the merit and want to participate in the planning. All groups and sectors should be involved at an early stage, including women and vulnerable groups. Most of the facilitation can be delivered by existing municipal staff with possible support from local consultancy companies and trained volunteers. Engagement with relevant public and voluntary service providers is crucial in the participatory planning process. Two outcomes

arise: appropriate actions to be delivered at the local level and learning from the engagement of woman and man. In this regard, the municipalities are encouraged to apply the community forums process to the maximum extent possible.

## A) Preparatory stage

The preparatory part is the first stage of integrated local development planning aimed to initiate the planning process and mobilize local stakeholders.

→ A.1 initiating the planning process

→ A.2 establishing and equipping the team

→ detailed mapping and assessing stakeholders

→ creating an initial partnership and launching the process

### A.1 Initiating the planning process

The municipal mayor is the host of the process. The host secures the necessary resources to carry out the process and defines the key requirements regarding results and time to achieve these. Initiation of the planning process starts with the official municipal decision to begin the local development planning process, followed by the establishment of the **Local Development Team**, comprised of municipality staff with the required knowledge and skills, and job positions. They will have a crucial role in the preparatory stage and all along the preparation and completion of ILDP. Therefore, besides knowledge and skills, team members will have important roles in communicating with the stakeholders and looking for ways to include them in preparation of ILDP. When appointing the team members, gender representation will be taken into account. One team member will be also the equal opportunities coordinator.

The key tasks of the LD Team are as follows:

- Preparation of the stakeholder analysis and engagement plan;
- Collecting documents and the data (quantitative and qualitative) necessary for the preparation of the socio-economic and environmental analysis;
- Checking existing strategic documents (municipal and national) to harmonize ILDP with them;

- Having a key role in preparation of SWOT analysis and the VISION of the Municipality (through joint meetings with a wider, interested group of stakeholders, especially policy related);
- Defining strategic goals, prioritisation criteria, priorities, programmes and specific programme goals, measures, activities, and projects;
- Preparing the project portfolio and the budget of the ILDP in a participatory manner by including wider stakeholder groups and checking their project ideas and proposals that can contribute to the implementation of the plan;
- Defining monitoring and evaluation activities.

## **A.2. Establishing and equipping the team**

In addition to the role of the Local Development Team, where needed, there is a possibility for the inclusion of local external expert(s). Their engagements are dependent on two things: the availability of funds to engage professionals (or professional organizations), on the one hand, and the availability of appropriate experts, on the other.

The role of the Team Leader is crucial. The Team Leader should enjoy authority and respect to integrate various sectors and interested stakeholders to support the development team. Effective leadership is required to give the team legitimacy, trust, and commitment. The Team Leader should be a person who ideally has hierarchical and personal authority, qualities of a good leader, energy and enthusiasm transferred to and stirred with other team members, but also a systematic thinker and detail and result oriented person. Possession of strong organizational skills is also welcomed.

The established team should undertake preparatory activities that focus on three things:

- achieving a common understanding of approaches, processes, and expected results of development planning;
- understanding the role of the team and other key stakeholders in the planning process, and
- involving a “critical mass” of other local participants in the planning process.

It is recommended that these preparations be carried out in a well-prepared one-day workshop, according to the predefined format. A timing diagram of the development planning process should be one of the tangible results of the workshop.

Another result of the workshop may be the initial map of local stakeholders and planning process engagement plan. Planning team members should brainstorm and “put on paper” a list of organizations (companies, institutions, services/departments, civil society organizations, etc.) and individuals that they can think of about the upcoming work on the strategy.

### **A. 3. Detailed mapping and assessing stakeholders**

Although motivating and mobilizing local stakeholders takes place virtually throughout the entire planning cycle, the critical link is the first step, the preparatory stage. Therefore, committing enough time for the whole exercise is essential, which can take even a week in bigger municipalities. Although this is substantial work in the first stage of the planning process, it is important to emphasize that less time will be needed in the following planning cycles since databases/gathered information about stakeholders with assessment will already be created and ready for use.

Local stakeholders are all natural and legal persons from the private, public, and civil society sectors, in some way related to the ILDP and with a particular interest in its preparation and implementation. On the one hand, they can impact the Plan, and on the other, its implementation has a particular influence on them. Moreover, each of them has different interests and capacities. Therefore, at the onset of the preparation of the ILDP, one should assess the potential for their participation in planning and implementation.

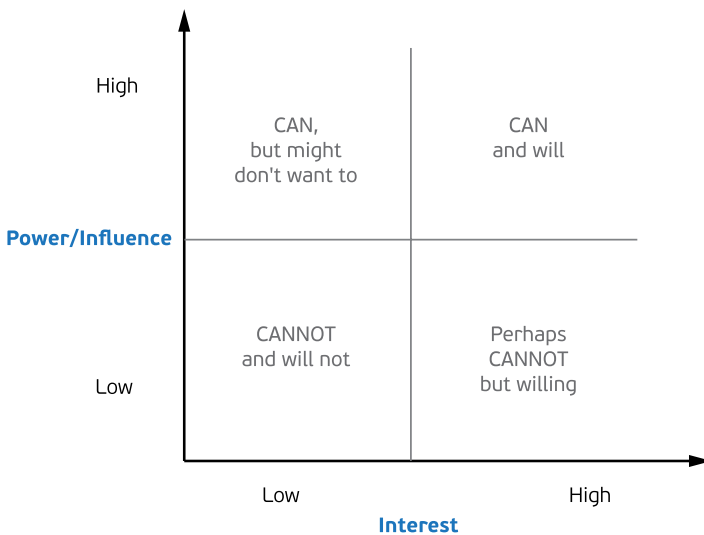
Stakeholders mapping and analyses include:

- identification of key stakeholders;
- identification of the stakeholder’s legal mandates (What type of organisations are in question? What are their legally established competencies related to local development?);
- identification of their capacities and interests (the extent of their ability and willingness);
- determination of their possible role in the preparation and implementation of the strategy;
- ways and means of communication with the stakeholders.

It is important to assess the extent to which the identified stakeholders are willing and capable of contributing to the preparation and implementation of the ILDP based on which it is possible to undertake activities (mainly communicational) to

ensure their involvement in the process. The Local Development Team may conduct a mapping of local stakeholders, and then, by using the evaluation table from Picture 2 (below), perform the first step, assessing the influence and interest of listed stakeholders. The attention is now turned to the issue of capacities (Who has what kind of power, knowledge, and other resources?) and the point of interest (the level of interest of stakeholders to participate in a collective process of development of the strategy and a given location).

Picture no. 2 – stakeholder analysis – second step



For those stakeholders that are assessed as those with interest and power and important to be a part of the planning process, further detailed assessment using questionnaires and interviews could be conducted as the last step in the stakeholder's analysis. The team will take into account the gender representation of the stakeholders.

#### A. 4 Creating an initial partnership and launching the process

This step targets those stakeholders who are assessed to be able to contribute to the preparation and implementation of the ILDP. So practically, a small inventory of capacities should be made (knowledge/information at their disposal, particular areas of expertise, other resources – material, financial, or connections/reputation at one's disposal). This activity requires more time and may be started at an initial workshop, and continued later in the week following the workshop, if team members who are to complete the task are assigned at the workshop. One must remember that a quality mapping of local stakeholders makes up for at least two-thirds of local capacities mapping.

**Table no. 2: Stakeholder analysis – third step**

Name of the stakeholder	What is the possible role in the plan preparation?	What is the possible role in the plan implementation?	How will you approach each stakeholder?	What possible problems (if any) this stakeholder can cause?

The participatory planning process requires the involvement of socially vulnerable groups from the very beginning. These groups are usually disregarded but can give a valuable contribution to the attainment of the principle of equality in local development. Therefore, in addition to a formal address in writing, it is recommended that a member of the Local Development Team is tasked to hold a separate meeting with representatives of these groups and provide them with additional information to ensure their active participation in the process.

In addition, it is necessary to bear in mind gender-balanced participation throughout the planning process and ensure at least the participation of the Coordinator for Equal Opportunities and perhaps the representatives of the municipal Commission for Equal Opportunities in the working bodies during the key stages of the process. Gender-balanced participation (minimum 40% participation of the less represented gender) is an important aspect that needs to be considered in the mapping of local stakeholders, considering that socio-economic issues in a given local community can have a different impact on men and women. Therefore, responses provided under local development strategy should be tailored to specific situations and needs of both sexes.

At the same time, it is recommended that the Local Development Team informs all mapped stakeholders about the initiation of the ILDP preparation process in the municipality, by sharing with them basic information on the plan's purpose, the method of preparation, and the ways and means for their involvement.

## **B) Analytic Stage**

The first part of creating an ILDP - from analysis to vision - can be treated as a single process. What is specific for the analytic stage is that actual and potential advantages of a specific location (municipality, city) are noted and then further sharpened through a SWOT analysis. Then, in the strategic focusing stage, unique competitive advantages of the municipality are singled out, with a focus on their correlation with external conditions, while in the stage of creating a vision, a unique competitive position that the municipality intends to achieve in the future in a relevant surrounding by utilizing the developed unique competitive advantages is defined. This is the proactive aspect of strategy creation, presented as follows.

This process usually has the “other side of the coin”: noting negative trends and actual problems/challenges that the municipality is faced with (through analysis), singling out the most important shortcomings, obstacles, and constraints (through SWOT analysis), and identifying critical weaknesses that may endanger, hamper or prevent development in the coming period (through strategic focusing). This is a reactive aspect of the strategy creation process.

### **B.1 Socio-economic and environmental analysis of the municipality and SWOT analysis**

The socio-economic and environmental analysis includes all important aspects of life and local community development. It is the main base which is later used to create strategic sections of the ILDP and development of the secondary sectoral – economic, social, environmental development plans, which will integrate the specific needs and challenges for women and men, girls and boys.

It is recommended that the municipal development planners shift toward Systems Thinking, which requires a practical local, multi-perspective, participatory, and iterative approach. A systemic approach provides a suitable environment for good policy/decision-making. Good visual, dynamic, and responsive tools are also necessary to strengthen effective policy decisions. Systems thinking can therefore enhance policy-making of long-term sustainable development.

The analysis starts with an organised collection of data. Data are usually found in various sources and in different forms.

The analysis desegregates the current from the past situation in all aspects of life in a local community deemed important for preparing the strategy and usually covers the following elements:

- overview of the key historical facts important for the identity of the area; geographical-communicational features;
- natural characteristics and resources of the area;
- demographic characteristics and trends;



- overview of the situation and trends in the labour market;
- overview of the situation and trends in the local economy;
- overview of the situation and trends in social infrastructure (education, culture and sport, healthcare and social welfare, local communities, civil society, municipal human resources, etc.);
- the situation with spatial-urban planning documentation, infrastructure, and public services;
- situation in the field of the environment;
- situation and trends in revenues and expenditures in the municipal budget.

**The demographic aspect** of the analysis commonly includes the following data, disaggregated by sex:

- the total population figure with a population breakdown (by age, education, sex);
- population by settlements/local communities in urban and rural parts;
- birth and death rate (relation between the annual number of births and deaths);
- migrations inside and outside the municipality (if disaggregated data per municipality is available);
- human mobility (if disaggregated data per municipality is available).

**Labour market** aspect of the analysis usually includes the following sets of data, disaggregated by sex (if disaggregated data per municipality is available):

- employment (disaggregated by number, sex, ethnicity, education, and age breakdown, share in the public and private sector, by industries, size of companies);
- unemployment (disaggregated by number, sex, ethnicity, education, and age breakdown, length of unemployment).

**Social infrastructure** analysis commonly includes data (disaggregated by sex) on:

- education (including pre-school level as well as adult education);
- culture and sport;
- healthcare and social welfare;
- housing;
- civil society;
- sensitive/vulnerable groups.

**The economic aspect** of the analysis is usually the most complex and challenging. It frequently includes the following sets of data (if disaggregated data per municipality is available and disaggregated by sex):

- number and structure of companies (by industry, by size) and businesses;
- major economic investments;
- tourist potentials and tourist infrastructure;
- agricultural resources and products;
- timber if relevant for the territory of the municipality;
- minerals, mining, etc. if relevant for the territory of the municipality.

Local economy analysis should depict trends and observe and announce industries and economic stakeholder groups showing sustainability potential. On the other hand, it should diagnose local administrative and other barriers that hamper economic growth and development.

**Communal infrastructure and planning** analysis commonly include:

- the situation with spatial-urban planning documentation (in terms of coverage and updated plans);
- the situation with utilities infrastructure and services (in terms of availability and quality);
- the situation with transport infrastructure and analysis of users disaggregated by sex;
- the situation with technical infrastructure if disaggregated data per municipality is available (in terms of coverage and quality of electricity network, telecommunications, Internet, radio and TV coverage);
- the situation with related administrative services of local administration and the services of the public utility companies.

**Safety and security in the community** analysis commonly include:

- assessment of the potential risks for the community and existence of related plans including key information related to the risks from floods, draughts, fires, landslides, storms and earthquakes;
- assessment of the capacities of the civil protection services in the municipality related to the response to the identified threats.

**Environmental protection, energy efficiency, and renewable sources of energy** analysis commonly include:

- air (quality and management);
- water resources (use, protection, and management);
- soil (use, protection, and management);
- forestry ecosystems (use, protection, and management);
- waste management;
- protection of natural, and cultural and historical heritage;
- energy efficient sources for energy production, energy - efficient buildings;
- impact of the local economy on the environment (number of the "B" environmental permits).

To achieve gender mainstreamed analyses, if/where possible, data need to be gender disaggregated, and the analysis should be done through gender lenses, and to determine the individual impact of the gender-related and equal opportunity activities. If the analysis includes data disaggregated by sex, it will be easy to detect if certain gender inequalities exist in some topical areas/sectors. In that way, the municipality can detect these inequalities and address them with adequate measures and activities as part of the ILDP. If the municipality does not have an employee with proper gender analysis knowledge and skills, hiring an external expert is recommended.

For the implementation of the socio-economic analysis, available data from the databases and publications of the State Statistics Office (SSO) as well as reports of relevant bodies of the state administration, and other national institutions that contain disaggregated data for municipalities, should be used in addition to the data sets owned by the municipality and municipal institutions and public enterprises.

Regarding the data available to the municipalities, it is recommended to establish standardised, sustainable, and integrated (municipal administration, local institutions, and utilities) mechanisms for collecting relevant data related to their development and their storage and updating in functional and user friendly databases. In addition, these municipal databases will enable a more efficient calculation of the Municipal Development Index.

At the time of preparation of this Guidelines, the SSO produces a limited number of statistical surveys that relate to municipal competencies. Associated with Demographic and Social Statistics, data sets are generated for education (including primary and secondary), health and social care (public health, social protection schemes, benefit recipients, and child protection, culture, households income and consumption, poverty, and living conditions, and quality of life). Related to Economic Statistics relevant to local self-government are transport (especially road),

tourism, and hospitality surveys. Environment and multi-domain statistics cover the following: environment (waste, water, hazardous substances, related costs, and taxes), and planning regions statistics.

Even though several SSO publications are related to the scope of competence of the local self-government, those in which disaggregated data can be found at the level of individual units of the local self-government are rarer. These are the publications related to the Environment (municipal landfills, parameters related to ambient air quality and noise intensity only in some of the municipalities where there are monitoring stations); Culture (cinemas and theatres); Primary and secondary schools; North Macedonia in numbers (climate data in some municipalities); Inventory of catering facilities; Institutions for care and upbringing of children, kindergartens, and centres for early childhood development; Social protection of children, youth, and adults (part of the data is disaggregated to inter-municipal centres for social affairs); and Transport and services (review of local roads, road motor vehicles and other registered means of transport in the municipalities). These publications are published under different schedules, but some of the data are updated more regularly and available in the SSO's MAKSTAT database.

Although a comprehensive socio-economic analysis should be prepared for the strategic planning process's needs, it should not necessarily be an integral part of the strategic document. For example, an extract from the socio-economic analysis with key findings and trends could be included instead, and a complete analysis would be attached to the document.

## **B.2 SWOT analysis – reality check of the analysis explained above**

SWOT analysis is commonly used participative method to identify the most important internal factors and external circumstances important for municipal/territorial development. **SWOT is an abbreviation for English: "Strengths, Weaknesses, Opportunities, and Threats"**. Strengths and weaknesses are internal factors in a municipality or matters primarily controllable by local stakeholders. At the same time, opportunities and threats are external factors, circumstances on which local stakeholders have little impact but must be aware and have adequate mechanisms to respond.

SWOT analysis is conducted based on the previously prepared socio-economic analysis and is a reality check. The key issues to arise in a SWOT analysis are the following:

- **Strengths:** What is it that we have, and others don't? What do we do, or can do, better than others?
- **Weaknesses:** What do we do worse than others? What is critical about us that hinders our development?

- **Opportunities:** What are the opportunities we see for our community in the region? What are the specific opportunities for women and men, and for the vulnerable groups?
- **Threats:** What ongoing activities in the region may affect our progress?

In principle, SWOT analysis requires teamwork. While working groups prepare sectoral SWOTs, integrated SWOT analysis, because of its complexity, is usually done by internal or external experts with the help of the local development team.

## **C) Planning Stage - From analyses to defining strategic (development) goals and operational planning on how to achieve them**

### **C. 1. Defining the Vision**

Based on the conducted analysis and identification of key development issues of each sector and SWOT analysis, a definition of the future direction for the municipality's development should be prepared.

—> **Vision**

—> **Strategic Goals and Objectives**

**Vision** is the first component of strategic planning and means the projection of the future, better to say, the description of the ideal development of the municipality in the long run. Therefore, vision is used as an inspirational starting point in the planning part of work on ILDP.

In strategic planning, creating a vision is the key point – turning point/focus/collection point. A good vision has internal and external dimensions that are mutually in line. The external dimension is expressed in the competitive position that a specific community attempt to take in the environment it finds relevant for the next strategic period. The internal dimension is expressed in terms of the unified, common view of local stakeholders on the type of community they plan to build in the coming strategic period.

The intended competitive position is based on unique competitive strengths that particular municipality had already developed or may develop, in line with realistic and favourable external opportunities. A compiled, joint perspective emerges from a correlation of deeply rooted norms and values that the community is based on with the new norms and values that it wishes to introduce to overcome development problems and challenges that it faces.

In practical terms, shaping a vision comes down to formulating an answer to two questions:

- Which/what kind of (competitive) position do we plan to take in which/what kind of environment?
- What kind of social community do we intend to build?

In the first question, the leading aspect is economical, with an evident environmental dimension in the background. The second question focuses on the social aspect, with environmental and economic dimensions in the background.

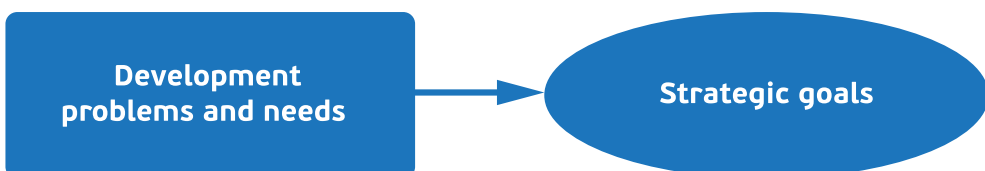
The time horizon in which to set these questions is a long-term one, exceeding ten years.

## C. 2 Defining Strategic Goals and Objectives

Deciding on the strategic focus of ILDP is the most demanding part of the process. It means determining the key emphasis of the strategy by selecting promising competitive advantages on one side and the most critical problems on the other. Strategic goals and objectives arise from the development vision and express the municipality's developmental ambitions.

The strategic goal **is the change** planned to be achieved at the time of the implementation of ILDP.

Deciding on the **strategic goals** should be done based on the conducted desk research and sectoral analysis, structured SWOT analysis (identified development problems and needs) and the completed/prepared VISION of the municipality. Strategic goals should be measurable and achievable, clearly defined, integrated, socially and ecologically acceptable, and contribute to broad aspects of life in the municipality.



Goals and objectives should be **SMART, which means** they should be:

1. **Specific** -Goals clearly define and indicate the focus of the ILDP; they should be well-defined, clear, and unambiguous;
2. **Measurable** -With specific criteria that show/measure progress toward the accomplishment of the set goal;
3. **Attainable** - Realistic, not impossible to achieve with available resources, time available for implementation, size of the target group, etc.;
4. **Relevant** - How the planned goal is relevant to the community, its life, and its prosperity?
5. **Time Bound**- means that the planned goal(s) should be achieved in the time frame of 4 years.

When setting strategic goals and objectives, the following questions can be of help:

- Do strategic goals correspond with the municipality's development needs assessed in the SWOT Analysis? What are the strategic objectives under each strategic goal?
- Do they focus on the development priorities based on the resources and potentials of the municipality?
- Are they aligned with the strategic goals of relevant higher-level strategic documents?
- Is their achievement resolving several developmental needs of the municipality (multiplicative and integrated approach)?
- Are their results attainable and sustainable?
- Are there enough implementation capacities (resources) in the municipality for their achievement?
- Is there a need for multi-sector partnerships for their realization?

### **C. 3 Formulation of the needed programmes, specific programme goals, measures, activities, and projects for the realization of strategic goals and objectives**

Programming is a part of the planning process, guided by the framework defined strategic and operational objectives.

- **Priorities**
  - **Development programmes and specific programme goals**
    - **Developmental measures, activities and projects**

Not all developmental challenges can be solved in one cycle of four years. Therefore, in the planning process priorities should be decided. It is recommended that focusing, e.g., deciding on priorities is done in a well-prepared workshop that would focus participants' attention on two significant issues: What is most promising? What is our competitive advantage (especially regarding the local economy, education, and culture, etc.)? What is it that is most critical in our community? What is it that we must resolve in the upcoming period? Are there any specific priorities pertaining to women and men to be taken into account? Prioritizing is also important because of limiting resources and makes it possible to exclude activities if there are not enough financial means. Moreover, it is possible to allocate more financial means to priority activities and put them at the beginning of the schedule for strategy implementation.

Once strategic directions have been decided, programmes consistent with what is prescribed in the Budget Law structure of the municipal Plan of Development Programmes are defined.

Basically, programmes are operational groups of measures followed by planned activities under each measure, and ultimately, projects. Programmes should be also SMART, meaning specific, measurable, attainable, relevant, and time-bound.

In the new Budget Law<sup>34</sup> of North Macedonia, "Programme" is defined as a narrower area within the institution's policy that follows common specific mid-term goals. A program can have one or more sub-programmes. "Sub-programme" is defined by this Law as a more detailed part of the programme with short-term to medium-term goals and consists of projects and or activities.

The titles of the programmes should comply with the Programme Classification and the Municipal Budget Circular prescribed by the Minister of Finance.

Usually, when grouping the programmes, the titles of the groups of decentralised competencies with the Law on Local Self-Government are considered. For example, related to the competencies for urban planning, the municipality can develop two programmes, one for urban planning and the second one for arranging construction land. On the other hand, creating a dozen or more programmes related to the competencies for performing communal activities is common. In culture, individual programmes for librarianship, museum and cinema activities, cultural manifestations, and creativity are most often applied, and in education, in addition to the two key programmes for primary and secondary education, a programme for capital expenditures in education can be prepared.

Programmes are described narratively. Each Programme describes how it will contribute to realising the strategic goal and particular programme related goals of

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<sup>34</sup> <https://finance.gov.mk/wp-content/uploads/2022/11/%D0%97%D0%B0%D0%BA%D0%BE%D0%BD-%D0%B7%D0%BO-%D0%91%D1%83%D1%9F%D0%B5%D1%82%D0%B8.pdf>



the ILDP, and then the key measures, activities, and projects are listed. Also, a brief description of the target groups - beneficiaries from implementing the measures, activities, and projects within each Programme is given.

#### **C.4 Involvement of stakeholders in analytical, planning and operational part of preparation of ILDP**

As already explained, a **Local Development Team should** be established at the beginning of the preparatory stage. It comprises competent members of local administration who can include all sectors in the municipality in the planning process and can become a platform for obtaining various opinions and information. The Local Development Team can be beneficial in the horizontal integration of the Plan since different sectors are represented there. This Team can also be helpful during the implementation period of ILDP by assisting in monitoring and evaluation of achieved results.

In addition to the Local Development Team, existing Community and Budget Forums can be used as a platform to communicate with the local community, for receiving feedback and comments while preparing ILDP.

In over two-thirds of the municipalities in North Macedonia, Community Forums are incorporated into their statutes as a certified practice. The Community Forums enable citizens to obtain appropriate tools and a space for their ideas and visions for new initiatives to be heard and reviewed by local decision-makers. **Hence, the recommendation for preparing the ILDP is that each municipality organises at least one Community Forum with ensured equal participation of women and men.**

These Community Forums can assist in the following:

- Collecting relevant information and mobilising representatives of all public institutions and other resourceful partners and stakeholders;
- Discussing key findings and proposals;
- Proposing measures, activities, and projects.

Having in mind the time considerations and limitations, a brief and adapted version of the Community Forums methodology would be most appropriate.

When organizing Community Forums, municipalities have a roster of certified ZELS moderators<sup>35</sup> at their disposal. Also, ZELS has prepared a separate Manual for

<sup>35</sup> <https://zels.org.mk/page/forumski-moderatori>

implementing Community Forums, which clearly describes the process of their preparation and implementation in 11 steps. The Manual contains examples and recommendations that have proven effective during the performance of the forums in 59 municipalities in North Macedonia<sup>36</sup>.

It is recommended that a minimum of 40% of Community Forum participants be women.

In addition to all mentioned above, developing different **sectoral working groups** is quite helpful. Working groups comprised of professionals and stakeholders primarily interested in specific sector-related issues can bring lots of specific knowledge and expertise and increase the relevance of ILDP.

All mentioned partnerships should also be involved in all steps of this stage of planning, e.g., when discussing strategic directions of municipal development, priorities, measures, and project activities through which an integrated local development plan will be implemented.

## C.5 Creating project ideas and ILDP Project portfolio

### Projects

In addition to the new Methodology for Strategic Planning that the Government has already adopted under the new Budget Law, a “project” is defined as a set of interrelated tasks with clearly defined objectives that should be carried out in a certain period and within the framework of planned expenditures and other outflows; a public investment project is defined as a group of tasks for planning, describing the specific goals and objectives, budgeting, concluding contracts, monitoring, and completion of investments in public economic and social infrastructure.

In preparing local development strategies and plans, two types of projects should be included: quick-win projects and those with leverage and multiplication effects. The choice between the two types of projects depends on the community’s existing trust (social capital) on the one hand and the availability of resources for implementing interventions on the other. For example, in a local community without previous experience in strategic planning, it is advisable to start implementing a local development strategy with more straightforward projects for locally available resources to build necessary confidence in the community. On the other hand, more specific interventions represent a sound basis for implementing complex and expensive catalytic projects that allow for more significant steps toward achieving strategic goals.

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<sup>36</sup> [https://zels.org.mk/Upload/Documents/Priracnik%20Forum%20vo%20zaednicata%20vo%2011%20cekori\\_MK.pdf](https://zels.org.mk/Upload/Documents/Priracnik%20Forum%20vo%20zaednicata%20vo%2011%20cekori_MK.pdf)

Assessing and prioritizing projects which should be part of an ILDP is a vital component of ILDP formulation. Many types of projects can be considered, but some will be more practical (and feasible) than others. Therefore, when initially identifying projects, one should consider several pertinent questions relating to the project's impact on achieving strategic goals and measures, the preliminary aspects of feasibility, and who the implementing partner might be.

A more detailed assessment that will contribute to the prioritization and final selection of projects should be based on the following criteria:

- ✓ What conditions/preconditions will be required to implement the project in the available time frame successfully?
- ✓ How feasible is the project? What obstacles exist to the realization of the project?
- ✓ Is the project sustainable? And at what cost? Are financial resources allocated in the municipality's budget for its total or partial realisation?
- ✓ Does the project have a significant and positive direct and indirect economic impact on the community? Does this impact take into consideration social, environmental, and physical concerns? Does this take into account the gender-related gaps or inequalities?
- ✓ How will this project impact or relate to other projects within the strategy? Are the projects complementary, and can they achieve multiplier effects? Do they have scaling up and replication potential?
- ✓ Does the project have the municipal government, business, and local community support?
- ✓ Which institution/organizational unit will be primarily responsible for project implementation? What are the institutional capacities – financial, time, human resources, etc.?

It is necessary to consider the potential project implementation details to conduct an appropriate analysis and design a sustainable project portfolio.

In practice, the municipalities in North Macedonia, in the Development part of the Budget, incorporate a completed form that states: the name of the development program (taken from the Plan of Development Programs of the municipality); the name of the development sub-programme; contact person and its function, objectives of the development sub-programme; planned activities; expected results/effects; risk and assumptions; project start date; the name of the study/documentation; author and company; date of preparation of the project; type and development level of the study, and a financial indicator for the allocated Budget of the project for a period of three years. With this normative solution, sub-programmes are practically equated with projects.

In addition, to prepare the ILDP in a complementary manner with the prescribed forms and to enable better external resource mobilization prospects, a form is presented in which the municipalities can prepare the development sub-programs, i.e., municipality projects.

**Table no. 3: Sub-Programme/Project elaboration form- example**

<b>Sub-Programme/Project Title/ILDP Measure</b>	<b>Strategic Goal(s) of ILDP to which the sub-programme/project contributes</b> <b>Specific programme objectives (s) of ILDP to which the sub-programme/project contributes</b>
<b>Sub-Programme/Project holder (select from the proposed list)</b>	<ul style="list-style-type: none"> <li>• Municipality</li> <li>• Municipal public institution</li> <li>• Municipal public utility</li> <li>• Civil society organization</li> <li>• Other (add)</li> <li>• .....</li> </ul>
<b>Implementation partners</b>	<ul style="list-style-type: none"> <li>• Municipality</li> <li>• Municipal public institution</li> <li>• Municipal public utility</li> <li>• Civil society organization</li> <li>• Other (add)</li> <li>• .....</li> </ul>
<b>Sub-Programme/Project background with description of the challenge (s) to be addressed (max. 2 pages)</b>	
<b>Short Description – How the challenge will be addressed (max. 2 pages)</b>	
<b>Work packages - groups of actions/ activities (max. 4 pages)</b>	
<b>Detailed time-frame with description of expected results and indicators of success at outcome and output level (max. 2 pages)</b>	
<b>Risks and assumptions - Risk mitigation actions (max. 1 page)</b>	
<b>Gender equality responsiveness (short description)</b>	
<b>Preparatory activities/steps already conducted</b>	<ul style="list-style-type: none"> <li>• Physical Plan completed and adopted</li> <li>• Building permits obtained</li> <li>• Etc.</li> </ul>

<b>Sub-Programme/Project status</b>	a) at the level of project idea, without further elaboration of activities and/or project implementation documents b) partially developed, but needs further documentation c) highly mature and ready for implementation		
<b>Sub-Programme/Project implementation period</b>			
<b>Expected total costs</b>		<b>So far invested: Amount and the Source</b>	
<b>Expected Sources of Funding</b>			
<b>Municipal Budget</b>	Amount		
<b>Other source (list individual funding sources)</b>	Amount		

The basis for defining performance indicators at the level of individual projects is information provided in project form, in particular information related to the expected outputs of the project and the expected results (outcomes) that the project will achieve through its implementation.

At the end of this chapter, preparing a summary analysis of the proposed projects with the ratio between those with and without ready technical documentation is helpful to track results.

When preparing the projects, the possibilities for establishing forms of inter-municipal cooperation, which are based on the Law on Inter-Municipal Cooperation, should be considered, as well as the possibilities for international cooperation of the municipalities. Joint projects of two or more municipalities almost regularly result in economies of scale; that is, they contribute to the reduction of the costs of providing services (for example, the merger of utility companies enables reduction of the expenses for administration salaries, fees for administrative and supervisory bodies, etc.). It is also important to note that there are often calls where donors require joint preparation and implementation of projects of two or more municipalities or partnerships with other stakeholders. For its part, the participation of municipalities in cross-border and international projects also enables development benefits. In addition to concrete results in terms of improving services or the

municipal infrastructure, international projects allow the more efficient building of human resources capacity in municipalities through an organized transfer of knowledge and skills.

When preparing projects, it should also be considered that the municipalities cooperate at the Planning Region level through the Council for the Development of the Planning Region and through cooperation with the Centres for the Development of the Planning Regions. Planning regions prepare separate 5-year development programmes. Hence the recommendation is to avoid listing projects in the ILDP that are foreseen or planned to be foreseen for financing through the 5-year development programmes of the planning regions. In principle, these projects should have a regional dimension and are not subject to programming with the municipal development strategy or plan. It is enough to briefly explain in the ILDP that projects of a regional nature are programmed through 5-year development programs for the planning region. Duplication of content will thus be avoided.

## **C.6 ILDP Budget**

It is recommended that the budget for the implementation of the ILDP be composed of two primary components: 1) an indication of financial resources allocated in the annual municipal Budget and in the annual budgets of municipal institutions and utilities, and 2) an indication of financial resources from other funding sources such as donations/grants, issuing bonds and long-term loans not planned in the annual municipal Budget, etc.

The system of financing the municipalities in North Macedonia is diversified, combining the municipalities' - own sources of income, subsidies from the Budget of the Republic of North Macedonia for the transferred competencies, revenues determined in special laws, tax revenues that are collected at the central level and transferred under special conditions to the municipalities, dedicated and capital transfers from the state budget and other institutions, donations and other incomes.

Under the Law on Financing of Local Self-Government Units in North Macedonia, the Municipal Budget is still an annual plan for financing the municipality's responsibilities, consisting of an annual assessment of revenues by sources and expenditures by purpose. The municipality's financing sources are its own sources of income, subsidies from the Budget of the Republic of North Macedonia, and from the budgets of funds and borrowing. The tax powers of the local self-government are regulated in this Law, the Law on Property Taxes, the Law on Communal Fees, the Law on Budgets, and other sectoral laws.

The municipality's budget is prepared, adopted, and executed per the Budget Law. Therefore, expenditures follow the regulations for their execution and are within

the limits of the purposes established in the budget.

The municipality's budget consists of a general, a special, and a development part. The general part contains:

- 1) Consolidated balance of revenues and expenditure;
- 2) Functional classification of expenditure;
- 3) Balance of current operating revenues and expenditure, and
- 4) Balance of capital revenues and expenditure.

In a special part of the budget, expenditures are shown according to the Classification of Expenditures prescribed by the Minister of Finance, grouped according to beneficiaries and programmes. The special part of the budget also contains supplements related to: financial plans (income and expenditure balances) of public services established by the municipality, which are financed in whole or in part from the municipality's budget, and the justification of the budget. The development part contains the **annual Plan of the Development Programmes of the Municipality**. In this context, the annual Plan must emerge from the ILDP as a multi-year development strategy of the municipality. On the other hand, due to the execution of the municipal Budget and realization of these programs, it is necessary to update the ILDP, at least once a year after adopting the Annual Account of the municipality's Budget by the municipal Council. At the same time, **a quality-prepared ILDP could also serve as a multi-year fiscal/financial strategy of the municipality**. As a matter of fact, with the normative solution in the Law on Financing of Local Self-Government Units, it is foreseen that the Plan of the Development Programmes should contain the medium-term projections of approved funds for separate budget programs and sub-programs, the years in which they will be realised and sources of financing. Therefore, revising the Plan of the Development Programmes every year is prescribed.

The new Budget Law was adopted in September 2022. However, it will be applied **from January 1, 2025**, so the provisions of this Law will be applied accordingly in the operations of the municipalities. The Law regulates the content and the preparation of the budget and financial plans, the budget documentation and the adoption of the budget, and the execution of the budget. It is prescribed that the Budget will contain a general and a special part, a project part, and a multi-year part. This requires that in the period until the start of the application of the law (beginning of 2025), all preparations and necessary training for harmonizing the Law on the financing of local self-government units with the Law on budgets should be carried out.

During the preparation and annual update of the ILDP, the Budget process regulated by the Law on Financing of Local Self-Government Units should be considered.

The Minister of Finance prepares a **Municipal Budget Circular** for the following year **by September 30** of the current year. With the Municipal Budget Circular, the municipalities are informed about the basic macroeconomic indicators, the main guidelines for the preparation of the municipal budget, maximum amounts of own revenues of the primary budget, subsidies for the municipality that will be transferred from the Budget of the Republic of North Macedonia, from the budgets of the funds, as well as from the revenues from other sources. The form and content of the municipality's budget are determined in the Municipal Budget Circular. The municipal budget planning deadlines are regulated by the **Budget Calendar** adopted by the municipality Council. The budget calendar determines the deadlines when:

- The mayor gives the main guidelines for creating financial plans to the users of the municipal budget.
- Municipal budget users submit their financial plans to the mayor.
- The Mayor submits a budget proposal to the Municipal Council.

Some municipalities approach this process of preparing the budget in two stages, Draft-budget and Proposed budget; some hold public hearings after the Proposed-budget (the so-called Budget Forums are also in use as a sub-form of Community Forums) and summarize the suggestions obtained in this way. Citizens, representatives of civil associations, and representatives of local communities are invited to the sessions of the Council during the debate on the Proposed-Budget. The new Budget Law keeps the existing deadlines for submitting the Budget Circular for the next year by the Minister of Finance. Therefore, the deadline for submitting the Draft Budget to the Municipal Council is November 15, and the Council shall adopt the Budget by December 25.

Suppose during the fiscal year, the revenues and expenditures are not realized as planned in the municipality's budget. In that case, the mayor proposes to the council amendments and additions to the budget (rebalance) in the year. Rebalancing the municipality's budget is adopted in a procedure according to which the municipality's budget is adopted.

For the precise planning of the budget of the municipalities, the following data are necessary, namely: the main guidelines for the preparation of the municipal budget, the maximum amounts of own income of the primary budget, the subsidies for the municipality that will be transferred from the Budget of the Republic of North Macedonia, from the budgets of the funds, as and from revenues from other sources, to be submitted by the Ministry of Finance no later than September 30 of the current year.

In the new Law on Budgets, "Gender Responsive Budgeting" is defined as an assessment of budgets from a gender point of view, including the gender perspective



at all levels of the budget processes, planning, and restructuring of revenues and expenditures to achieve gender equality. The law regulates the obligation to carry a “Gender Responsive Budget Statement” as a document for the inclusion of gender equality in the area covered by the selected programme that is the subject of analysis. It also establishes an obligation to formulate “Gender Indicators” to monitor gender differences and gender-related changes characterized according to different periods and measure progress for achieving gender-responsive goals.

When preparing the municipality’s budget, the principles of economy, efficiency, and effectiveness should be applied, which implies that the municipality’s budget should be planned and executed to ensure the effective and efficient use of public funds to achieve the set goals.

The allocation of resources to implement the ILDP (realize the programmes and sub-programmes/projects, objectives, and ultimately vision of a municipality) occurs through the budgeting process. Almost all resources have a financial dimension. This is one of the reasons why financial sustainability is important if any policy is to succeed. Thus, the budget should be planned in collaboration and not in isolation. The budget must align with the ILDP (and not vice versa). However, the ILDP, on the other hand, should be limited by the availability of resources during the planning period. Hence, it is good practice for the municipality to review its ILDP annually, which should allow the municipality to make changes to plans and strategies, include additional issues, and ensure that they align with institutional and financial planning.

An analysis of the fiscal capacity of the local self-government units (LSGU) is a critical issue that should provide data and information on the potential financial limits/possibilities of the budget, and could serve as a solid base on which to plan achievable and sustainable projects. In this context, it is essential to determine the most immediate revenues for the municipality (from taxes, fees, transfers, etc.), and then further clearly determine the capacities and potential of the municipality to achieve them. To assess the fiscal capacity, it is also vital to determine the obstacles and risks associated with increasing municipal revenues within the fiscal capacity of the municipality and the concrete ways to eliminate them. Funding for ILDP programmes and sub-programmes/projects often comes from a variety of sources.

While municipal government should expect to pay for some projects directly, such as services that are a traditional and statutory responsibility, other sources of funds are available and can often be accessed. The municipal government can co-finance projects in collaboration with private and other public sector partners, increasing the value and impact of a financial contribution. Local agencies and stakeholders may be eligible to apply for and receive funds from donors, charities, or different government institutions. Most, if not all, of these donor agencies will require some form of partnership working between the municipality and the stakeholder. In all the instances where municipal government is a financing partner, such funds must

be allocated from the annual budget and multi-year capital budgets. Therefore, a project's financial needs and choices must be closely tied to the municipal budget process and municipal revenues. Other public funding is often available from regional and central government and international organizations through grants and loans; however, the loan requirements leave the municipality with depleted resources for other projects.

Public funds may go directly to other public implementing bodies such as utility companies, schools, etc. Funds from sources other than local government may also be targeted to non-public agencies such as non-governmental organizations, research organizations, or associations. Thus, the lead institution for a project may depend on the potential of an institution to access funding. Investigating all potential sources of project finance available locally, nationally, and internationally is vital. Stakeholders involved in the ILDP planning and implementation should be a good source of finance information.

Timely and efficient implementation of programmes, and sub-programmes/projects is directly related to the accuracy of the budgeting process. Multi-annual budgeting is not a one-stop procedure and is related to the accuracy of the projections of individual budget items. Considering the nature of the programmes, and sub-programmes/projects that are part of the ILDP, it is of utmost importance to accurately determine the potential revenues/expenditures. Thus, the process of multi-annual budgeting of specific programmes, and sub-programmes/ projects that are part of the ILDP (see the table below) is a good practice that municipalities can apply to other budget items.

The multiannual budget framework should clearly include/anticipate the programmes, and sub-programmes/projects that are part of the ILDP with their time and cost dimensions - bearing in mind that the pace of their financing and realization directly impacts the overall budget of the municipality. Along these lines, a more advanced phase of the budgeting process is the so-called performance-based budgeting, where for each budget item (programme, and sub-programmes/project), the municipality can determine a performance indicator, which will measure the efficiency in implementing the budget programmes, and sub-programmes/projects. However, this reasonably advanced practice can only be used as a presentation tool to provide general information on the progress of implementation of programmes, and sub-programmes/ projects.

## C.7 ILDP Budget form and financing dynamics

**Table no. 4: ILDP Budget and financing dynamics**

Program- meNo.	Sub-Pro- gramme/ Project	Sub-Pro- gramme/ Project start	Time for imple- mentation of the Sub-Pro- gramme/ project	Estimated value of the Sub-Pro- gramme/ project	Dynamics of financing				
					Year I	Year II	Year III	Year IV	TOTAL
PRG1	PP/P1.1								
	PP/P 1. 2								
PRG2	PP/P 2.1								
	PP/P 2. 2								

**Table no. 5: Sources of Funding**

Sub-Pro- gramme/ Projects	Esti- mated Sub-Pro- gramme/ Project value	Sources of funding (values)							
		Primary Municipal Budget (own sources of revenue)	Municipal Budget of subsidies - Central Govern- ment transfers	Loan	Dona- tion	IPA/ IPARD	Pri- vate sector dona- tion	PPP	Citizens Self-contribu- tion
PP/P 1.1									
PP/P2.1									

**ILDP Budget is an Indicative financial plan.** As such, it is one of the key elements for the operational management of the overall implementation strategy of the ILDP. Based on a sectoral financial framework, it nevertheless does not represent their simple sum but is instead a reflection of the actual financial resources available, on the one hand, and the joint decisions of the key stakeholders on the actual priorities of the community, on the other. It allows proper planning of expenditures and funding sources for the planned programmes, and sub-programmes/projects and their timely inclusion in the municipal budget and other budgets (state, planning region, donors, EU, etc.) whose financial support is anticipated in the implementation process. It is adapted to a budget planning cycle which includes planning for the next year and approximate figures for the remaining number of years, with the continuous repetition of this policy.

Indicative financial plans clearly link programmes, and sub-programmes/projects, costs, and funding sources with the set sectoral and strategic objectives. As such, they reflect the participatory and gender-accountable defining of policies, priority programmes, and sub-programmes/projects.

After the completion of the ILDP (the main part, the project portfolio and the budget) and organizing at least one Community Forum, the local development team shall assist the municipal mayor in preparing for the presentation of the ILDP to the Municipal Council for its adoption.

## 4. ILDP Implementation

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**A**fter the planning phase is completed, it is important to plan the implementation of the ILDP. Primarily and in accordance with the existing normative solutions, the operationalisation of the ILDP should be related to the execution of the Municipal Budget and the implementation of the Plan of the Development Programmes, which is an integral part of the Municipal Budget.

The approach related to the implementation of the annual work plans of municipal institutions (primary and secondary schools, kindergartens, cultural institutions, institutions that deliver social services, territorial fire-fighting brigades and other institutions established by the municipality) and municipal utilities is identical.

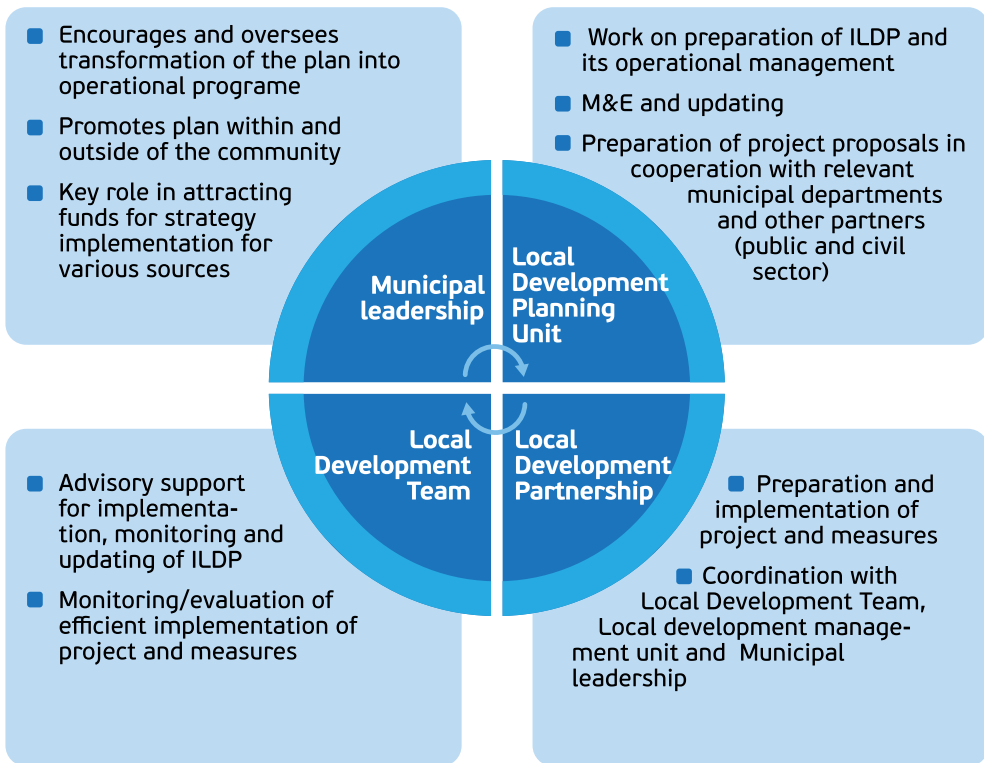
The managers in the municipal administration, municipal institutions and enterprises are directly responsible for the implementation of these annual plans. These managers answer to the mayor of the municipality. A common practice for monitoring and reporting on the implementation of work plans is through periodic (mainly financial) and integral annual reports. In most of the municipalities, at the beginning of the year, an integral narrative Report is prepared for the implementation of the Plan of the Development Programmes of the municipality and other annual work plans for the previous year, and it is submitted by the mayor to the Council of the municipality. This established practice, at the choice of the municipalities, can be upgraded by preparing a separate - annual Operational or Action Plan for implementing the ILDP. The purpose is to ensure an efficient implementation of ILDP.

The annual Operational Plan or Action Plan of the ILDP could consist of the following three elements:

- An annual Matrix with Strategic Goals and Objectives, Programmes, Sub-Programmes/Projects, Timeframe; Responsible Party; Baseline Indicator, and Indicator of Success (incl. gender-sensitive indicators);
- An annual Financial Plan with Programmes, Sub-Programmes/Projects, estimated (annual) budget, and the source of financing, prepared in the ILDP Budget form;
- An organizational and human resources development plan.

Successful implementation of development plans requires adjusting existing organisational structures and ensuring adequate human capacities, which makes local governments capable of responding to challenges that development management and project approaches bring.

Picture no. 3 – ILDP Implementation



First, it is about the municipal leadership, their attitude towards implementing the ILDP, and their capacities to carry out their specific tasks and provide operational structures that would constantly and systematically work on coordinating, implementing, and monitoring planned activities and tasks. Apart from these factors, there are also requirements for internal (within the local government) and external coordination in the context of an integrated and participatory approach to development.

Without commitment and decisions of municipal leadership (especially the mayor and municipal administration) there will be no effective ILDPs. Even if they are created, usually upon an external initiative, they will only be implemented if municipal leadership is interested and involved in the implementation process. In addition, continuous involvement and support of the Municipal Council through regular reviews of progress reports on ILDP implementation and coordination of municipal policies with the Plan's priorities is crucial.

Internal coordination entails the coordination of all activities of the local government in the process of implementation and monitoring of ILDP. It is about a coordinated transformation of relevant parts of the Plan into operational plans and programmes of individual municipal departments/agencies; joint efforts in preparing documents

required for the implementation of strategies and plans (such as the indicative and annual budget, identification of funding modalities, preparation of tender documents and carrying out public procurement procedures, etc.); and the process of monitoring the realization of planned activities and reporting in line with defined indicators.

External coordination in managing local development entails how municipalities communicate with relevant external actors. The municipal development team and the partnership group are good communication tools within the community. The municipal organisational unit responsible for development and frequently the mayor would be responsible for communication with stakeholders (higher levels of government, donors, other municipalities, etc.).

Ensuring stakeholders' involvement during the ILDP implementation process is also recommended when performing activities as well as when implementing monitoring and evaluation – qualitative assessment/perceptions of the achieved development progress, and when preparing reports.

### **Putting planning, monitoring, and evaluation together – Results Based Management**

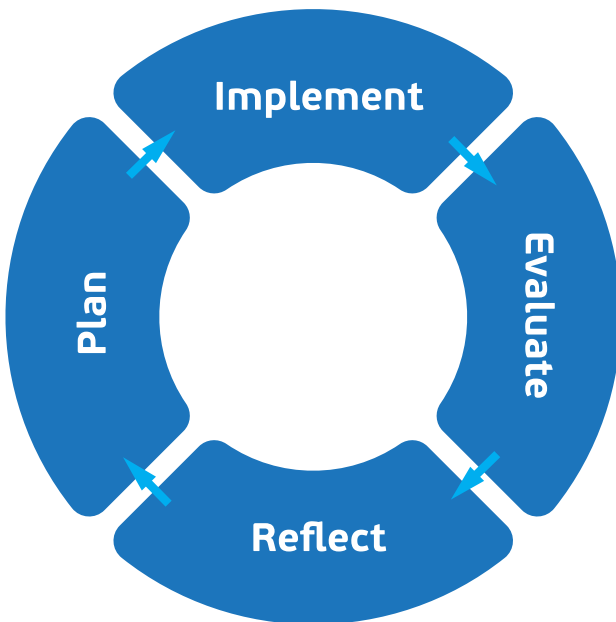
Good planning and effective monitoring and evaluation can significantly enhance the effectiveness of development plans and their projects. Good planning helps us focus on the results that matter, while monitoring and evaluation help us learn from past successes and challenges and inform decision-making so that current and future initiatives are better able to improve people's lives and expand their choices.

The basis of the monitoring system should be established in the planning stage, and according to a determined time interval, it should be applied during the ILDP implementation phase.

**Monitoring** can be defined as the ongoing process by which stakeholders obtain regular feedback on progress toward achieving ILDP's goals and objectives. Simple monitoring processes can comprise reviewing progress in implementing actions or activities (planned projects) and tracking information about achieving expected results within planned priorities and measures. In other words, monitoring, as defined in this Guidelines, is not only concerned with asking, "Are we taking the actions we said we would take?" but also, "Are we making progress on achieving the results that we said we wanted to achieve?". The difference between these two approaches is extremely important. In the more limited approach, monitoring may focus on tracking projects and using the municipal resources. In the broader approach, monitoring also involves tracking strategies and actions taken by partners and non-partners and determining what new strategies and activities must be taken to ensure progress toward the most important results.

**Evaluation** is a rigorous assessment of either completed or ongoing activities to determine to what extent they achieve stated objectives and contribute to decision-making. Evaluations, like monitoring, can apply to many things, including an activity, project, program, strategy, policy, topic, theme, sector, or organization. The key distinction between the two is that evaluations are usually done independently to provide managers and staff with an objective assessment of whether they are on track. However, it is possible for quantitative evaluation to be conducted internally, especially where external experts do quantitative impact assessment evaluation. Donors, especially international ones, often request independent evaluation of financed projects. Evaluations are also more rigorous in their procedures, design, and methodology and involve more extensive analysis. However, the aims of both monitoring and evaluation are very similar: to provide information that can help inform decisions, improve performance, and achieve planned results.

Picture no. 4 – Result-based management





To conduct monitoring and evaluation, it is necessary **to define key performance indicators in respect of each of the development priorities and objectives defined in the ILDP.**

A **baseline indicator** is a measure of the situation before the action/activity starts (could be zero if a new action). It is used to measure change and monitor progress. All indicators must have a baseline before the start of the action (or should state when it will become available). A success indicator is a measurable value that represents progress towards a desired impact of a project. For example, for an activity or project to improve accessibility by removing all physical barriers for children - students with disabilities in primary and secondary schools, it is necessary to map the number and type of the physical obstacles and express them as a baseline indicator value and then a success indicator is projected as a value – the number of removed physical barriers/obstacles through implementation of the action by the end of the year. Another example could be determining an existing situation with an area covered by valid urban plans and documentation (baseline indicator) versus a projected area of updated or new urban plans and documentation (success indicator). Further, within each priority/measure, a set of quantified performance indicators should be developed to follow their realization e.g., achievement. When defining the indicators, their gender sensitivity should be taken into account.

Both mentioned groups of indicators will be bases for monitoring and evaluation of the realization/achievements of ILDP. Standard Monitoring Matrix should contain the following elements:

- The title of the programme, sub-programme/project;
- Description of the indicator (possibly a definition of the method of measurement for more complex composite indicators);
- Data source;
- The Base Year with the indicator value and the Year with the target value of the indicator.

Also, performance indicators should be gender sensitive whenever possible.

It is recommended that monitoring should be based on the application of statistical methods for data collection and data processing.

In the OECD Glossary<sup>37</sup>, „statistical data“ is defined as characteristics or information, usually numerical, collected through observation. In the EUROSTAT Glossary, a statistical indicator represents statistical data for a specific time, place, or any

<sup>37</sup> <https://stats.oecd.org/glossary/detail.asp?ID=532>

other relevant characteristic, corrected for at least one dimension (usually size) to allow a meaningful comparison.

In the professional literature from the domain of political sciences and related to monitoring the implementation of policies, including those from the scope of local self-government, the indicators can be divided into **“Output” indicators** and **“Outcome” indicators**. Since the translation of the two terms, output and outcome, relates to „results” we would mention that it is about results on two levels: the output is the closest to a product, and the outcome is the most relative to an effect. “Output” indicators are measured through quantitative data related to an achieved result, for example, “costs per ton of municipal waste collected,” and “Outcome” indicators are associated with a qualitative assessment of the effects of the achieved result, for example, “public hygiene on the streets is better or worse maintained.”<sup>38</sup>

As for the **data related to the calculation of indicators** from the relevant policies, they can be divided into several sub-categories:

- Data related to the implementation of measures or actions from current policies;
- Data related to the delivery of local services as a whole or only those whose improvement has been singled out as a priority and is covered by current policies;
- Data on perceptions of service users and the population about the quality and scope of local services;
- Data collected through statistical methods and research by an authorized institution (for example the SSO). These data are primarily quantitative and aim to acquire precise knowledge about the number of delivered services, the number of service users, and other quantitative and measurable aspects related to the process of delivery of local services by municipalities, their public utilities, and local institutions;

At the same time, the typology of local services should be taken into account, which can be administrative, which also includes a part of financial services such as fiscal payments, then technical - technological such as communal services, protection from fires, and harmful actions of water, ensuring quality ambient air, increasing energy efficiency, transportation and mobility, as well as other direct services for users in the field of primary and secondary education, social protection and child protection, culture, sports, and recreation, ensuring a healthy environment, etc.

A checklist with all the steps for ILDP preparation is attached as Annex 1 to these Guidelines.

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<sup>38</sup> METHODOLOGY FOR THE EVALUATION OF THE DECENTRALIZATION PROGRAMME OF THE REPUBLIC OF MACEDONIA, by Prof. dr. Massimo BALDUCCI, University of Florence, July 2012.

## 5. Basic principles in the process of preparation of Integrated Local Development Plan

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And finally, few reminders when starting the process of preparation of ILDP:

- A) ILDP should be broader than just activities of local government; it should represent activities that contribute to economic, social, and territorial development and cohesion – today’s plans are area-based, meaning they look at all aspects of life of the municipalities and their balanced development.
- B) The document should be simple and not burdened with too many analyses; it should have logical framework from analysis toward goals and expected results.
- C) Each new generation of ILDPs should be built on the existing plans and lessons learned from the previous planning processes.
- D) Horizontal issues should be considered– gender equality and equal opportunities for all social groups, sustainable development, good management practices, and a participative approach toward development.
- E) When preparing or revising Local Development Plan, all existing relevant strategic documents should be considered, and ILDP should be in harmony with them.
- F) ILDP preparation is a great opportunity for learning for all participants involved in the process.
- G) And finally, the document should be discussed at least at one community forum, signed by the Mayor and approved by the Municipal Council.

## Annex 1

### Check list for the planning process

Steps	Responsible person	Expected minimum time for completion of the step	Step completed YES/NO
Step 1 – Mayor’s decision about the start of the planning process		Week 1	
Step 2 – Establishment of the Local Development Planning Team		Week 1	
Step 3 – Stakeholder’s mapping		Week 2	
Step 4– First assessment of mapped stakeholders based on their interest and power (table in the Methodology)		Week 2	
Step 5 – Detailed assessment of the stakeholders that have interest and power in the process through prepared questionnaires or structured interviews (table in the Methodology)		Weeks2 - 3	
Step 6 – Preparation of the plan for engagement of stakeholders in the planning process and ways and means of communication		Week 3	
Step7 - Collection of data for socio-economic and environmental analyses		Weeks 4 - 5	
Step8 - Socio-economic and environmental analyses		Weeks 6 - 7	
Step 9–Establishment and preparation for the work of the thematic working groups – organising invitation lists and preparation for the meetings of working groups for thematic SWOTs		Week 8	
Step 10 – Preparation of consolidated thematic SWOT’s and reports from thematic working groups, and the integral SWOT		Weeks 8 -9	

METHODOLOGICAL GUIDELINES FOR PREPARATION OF  
INTEGRATED LOCAL DEVELOPMENT PLANS

Steps	Responsible person	Expected minimum time for completion of the step	Step completed YES/NO
Step 11 – Preparation of the first and consolidated drafts of the ILDP (vision, strategic goals, prioritization criteria, programmes, programme goals, priority measures, activities and projects, budget, and monitoring and evaluation plan)		Weeks 9 - 12	
Step 12 - Presentation of the draft ILDP to the Community Forum for their feedback and comments		Week 13	
Step 13 - Preparation of the pre-final draft of the ILDP approved by the mayor		Week 14	
Step 14 - Presentation of pre-final draft of the ILDP to the Municipal Council for discussion and endorsement		Week 15	
Step 15 – Publication of the final version of the ILDP		After being endorsed	

## Annex 2

### Project examples

#### 2.A Non-exhaustive list of project ideas, as a helping tool when creating municipal lists of project ideas for further elaboration:

<b>Physical planning and related preparatory activities</b>
1. Geodetic survey mapping
2. Preparation of the zoning and spatial plan
<b>Communal infrastructure and services</b>
1. Purchase of the communal machines for Public Company
2. Preparation of the technical documentation for building roads/water supply system/waste water treatment/, public street light network, etc. – be precise – routes, length, etc.
3. Building of the roads/water supply systems/waste water treatment, etc.
4. Preparation of technical documentation or building gas infrastructure for connecting households
5. Preparation of technical documentation for construction/reconstruction of playgrounds, parks and other places for outdoor activities of citizens
6. Construction/reconstruction of playgrounds, parks and other places for outdoor activities of citizens
7. Preparation of technical documentation/building dog shelters
8. Reconstruction of the cemetery(ies)/building morgue(s)
9. Preparation of technical documentation and regulation of riverbeds and water courses
<b>Sustainable management of environment, energy efficiency and renewable sources of energy</b>
1. Purchase of waste containers
2. Purchase of new waste collection machines
3. Establishment of recycle yards in the settlements and public campaign for waste separation
4. Preparation of technical documentation for establishment of wind/solar parks
5. Preparation of technical documentation for energy efficient public buildings
6. Inclusion of monitoring systems of costs for utilized energy in public buildings
7. Preparing plans and installing energy-efficient lighting in settlements, public buildings etc.

### **Business related infrastructure and support to business sector**

1. Preparing technical documentation for business zone or business incubators
2. Building business zone or business incubator
3. Organization of education program for managers of business zones and incubators
4. Organization of vocational trainings for farmers
5. Preparation of technical documentation for selling points/markets of agriculture products
6. Provision of assistance to the establishment of farmers cooperatives
7. Support to establishment of public/private institution for development and management of tourist destination
8. Development of touristic infrastructure and signalization
9. Developing tourist multi-functional trails, mapping and preparation using modern digital tools (for smart phones and GPS)

### **Social Infrastructure and social services/programs**

1. Preparation of technical documentation for construction/reconstruction of buildings for social and related services
2. Preparation of technical documentation for construction/reconstruction of heating, plumbing, etc. in public buildings
3. Construction/reconstruction of buildings for social and related services
4. Construction/reconstruction of gyms and other sports facilities
5. Development of service for elderly people in their houses
6. Construction and reconstruction of schools and other educational institutions
7. Procurement of equipment for kindergartens, schools and other educational public institutions (lifelong learning centers, etc.)
8. Development and implementation of different platforms for easier access to public services by specific groups of people

### **Culture infrastructure and services**

1. Preparation of technical documentation for rehabilitation of cultural sights
2. Reconstruction of cultural sights with development of services related to their interpretation
3. Equipping cultural sights and their surrounding – lights, sidewalks, etc.
4. Organizing various cultural events

### **Safety and Security**

1. Preparation of the Disaster Risk Reduction (DRR) Plan
2. Establishment of civil protection service
3. Provision of equipment for civil protection service
4. Construction/reconstruction of the firefighting engine house, etc.
5. Organization for professional training(s) of civil protection service staff
6. Procurement of cars/vans/trucks
7. Provision of equipment for rescue service related to the assistance to the citizens and tourists

### **Sustainable management of natural resources**

1. Data collection and preparation of the different studies necessary for preparation of strategic documents
2. Preparation of strategic documents necessary for sustainable management of natural resources
3. Provision of new services related to sustainable management of natural sights

### **Strengthening Human Capacities for Development of all three sectors**

1. Joint training programs with NGOs related to project management and strategic planning



## 2.B Applicable examples of measures and project ideas related to key horizontal crosscutting topics and values

### Gender equality

Below are some examples of applicative measures and activities to the North Macedonia local context:

- Strengthening the role of the municipal coordinators for equal opportunities for ensuring gender equality in the municipalities;
- Strengthening the capacities of equal opportunities commissions;
- Establishing a sustainable mechanism and system framework for regular collection of gender disaggregated data and defining and monitoring gender sensitive indicators;
- Application of gender responsive budgeting in the municipal budget and all horizontal programs of the municipalities, and strengthening the structural links between the Commissions for equal opportunities and the councils of the municipalities;
- Promotion of gender equality in primary and secondary education, culture, sports, and recreation;
- Support for the establishment and functioning of girls' sports teams in schools as well as women's' sports teams in professional sports,
- Municipalities and Social Work Centres to improve the practices for identifying gender issues and their application in the process of social protection and social work, collection of gender disaggregated data and analysis to monitor situations from a gender perspective and the causes about women falling into poverty and remaining in social exclusion;
- Developing programs for direct support of women's employment through grants and schemes for training and retraining;
- Improving women's access to entrepreneurship, innovation, and business skills training programs;
- Support for women in opening and running a business (especially in rural areas) and for the systematic reduction of barriers to women's access to the labour market;
- Implementation of other targeted measures to reduce women's unemployment, especially in rural areas;

- Increased participation of municipalities in monitoring and identifying the health needs of women, and implementing activities to improve women's health; The municipality could, for example, work on increasing awareness of regular health check-ups and reduce the vulnerability of men and women to certain diseases;
- Implementation of support measures for households with many children and single parents, who are primarily women;
- Increasing the coverage of children in kindergartens to provide more opportunities to activate the labour market for parents, especially mothers;
- Implement measures to prevent premature leaving of education of girls and enable equal access and interest for all professions, and, last but not least
- Support for vocational education of women to invest in their better economic condition; and
- Implementing measures for encouraging the increased rate of women, who are real estate owners.

## **Social inclusion**

Considering these normative and systemic solutions, municipalities can incorporate compatible measures and activities in their ILDPs, such as:

- Preparation of Social Plan and related annual programme;
- Greater participation in social protection user mapping and focusing on active measures for users of guaranteed minimum assistance, people with disabilities, young people and women, but also older people, people without completed primary education and with primary education, as well as unemployed people from the Roma community;
- Implementing programs with active measures to reduce unemployment with a focus on the most vulnerable groups of the population;
- Continuation of the process of deinstitutionalisation by strengthening social services delivered in the home, in day centres and community centres and other alternative forms of care and providing direct services for children, young people, and adults with disabilities;
- Further coordination and involvement of all stakeholders (users of services and citizens' associations) in the community, in the process of providing quality and innovative social services, especially for persons with disabilities (establishment of municipal laboratories for joint creation of social services with end users and

others inventive forms of communication and cooperation with service users);

- Improving accessibility in municipal facilities and all municipal public institutions and utilities;
- Subsidising the bills of utility users who belong to vulnerable groups and use social assistance and services;
- Investments in strengthening the local infrastructure of kindergartens and centres for early childhood development, providing support to rural municipalities for organizing alternative ways to care for children;
- Further expansion and improvement of the network and facilities for institutional accommodation and care for the elderly through the construction of the new, expansion of existing homes, or appropriate adaptation and conversion of other facilities;
- Establishment of centres for psycho-social support to victims of gender-based violence;
- Establishment of shelters for victims of gender-based violence;
- Formation of heterogeneous work teams at the municipal level to solve social problems related to the crime rate and especially preventive measures to prevent juvenile delinquency, and last but not least;
- Establishing forms of inter-municipal cooperation in the field of social protection and child protection.

### **Activities related to Green Deal /GA**

A few examples of indicative measures and activities that the municipalities in North Macedonia can incorporate into the ILDPs and at the same time are related to the GAWB:

- Enabling effective climate action by localizing the response to climate change with a focus on the most vulnerable categories of the population who are also most exposed to the harmful effects of climate change;
- Implementation of adaptive measures that are gender responsive in the sectors of health, agriculture, protection of water resources and biodiversity, measures to reduce greenhouse gas emissions in the energy sector, transport, waste management, industry, agriculture, and other sources of emissions, as well as measures to reduce the disproportionate climate impact on women and men;
- Mapping the most vulnerable categories of the population, women, men, and children who would be most affected by climate change and incorporating

measures and activities in risk management plans (from floods, forest fires, and other consequences of climate change) as well as establishing a system for collection of gender-disaggregated data on environment and climate change and developing gender indicators;

- Enabling Just Transition towards a climate-neutral economy by incorporating community and vulnerable groups' recommendations into transitional action plans of the municipalities;
- Preparation and implementation of municipal public campaigns through direct cooperation with citizens' associations to raise public awareness of the consequences of climate change and the need to plan and implement mitigation and adaptation measures, with particular reference to the needs and abilities of vulnerable categories of women and men;
- Regularly updating the Municipal Risk Assessments from all types of risks and hazards, including climate change and new and atypical threats, such as a pandemic or a migrant/refugee crisis;
- Continuous strengthening of the capacities of the members of the municipal councils and the municipal administration, local institutions, and public utility companies for crisis management and protection and rescue of citizens and goods;
- Review of the traffic solutions in the settlements to create conditions for smooth walking and the use of bicycles (separated fast lanes, etc.) and other means of transport that do not cause air pollution;
- Mapping populated areas where urban and socio-economic regeneration of degraded parts is necessary, enhanced protection of urban greenery and recreation areas, as well as cultural heritage;
- Establishing a joint administration for the protection of the environment and nature of municipalities that do not have enough human resources;
- Preparation and implementation of the municipal ambient air quality plans;
- Introduction of low-emission zones, local parking policies in polluted zones, more intensive greening of populated areas, and establishment of green zones, corridors, and barriers around industrial facilities and busy thoroughfares;
- Incorporation of water management measures from river basin management plans into other local policies, programs, and plans;
- Establishing forms of inter-municipal cooperation for the management of protected areas whose borders overlap with the boundaries of two or more municipalities;
- Establishment of joint administrative bodies of the municipalities for energy management/efficiency;
- Preparation of integral multi-year investment plans for the development of water supply, drainage and purification, and waste management infrastructure

## Annex 3

### Just transition – territories and local communities

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The goal of a “just transition” is contained in the Paris Agreement on climate change<sup>39</sup>. It aims to make the transition to low-carbon economies fair for all stakeholders: workers, consumers, local communities and society as a whole.

Achieving the European goal of reducing greenhouse gas emissions by 55% by 2030 requires a rapid shift that will have concrete consequences for the territories and the lives of the communities that live in them. For political and economic actors, integrating local issues into their global strategy to combat climate change is a major challenge. However, taking into account the territory and local communities is essential to ensure that the transition is just, that is to say, chosen and not suffered by the greatest number of people.

Given the economic, social and environmental situations and differences observed at the territorial level, some will be more affected than others. Some areas are already socially weakened by the energy transition, especially those structured around fossil fuels. In Eastern Europe, for example, the mining regions of Śląskie (Poland), Zagora and Sliven (Bulgaria) are at risk of losing 39,000 jobs by 2030.

When it comes to social risks, this territorial heterogeneity exists both at the European and national level. In order to be just, the transition must focus on its consequences for each territory, to take advantage of its geography, its economic and social resources and its specificities to create new opportunities where current jobs are threatened. These include opportunities related to clean energy, sustainable use of land and natural capital, conversion of industries to low-carbon models, development of clean mobility or energy renovation of buildings.

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<sup>39</sup> [The Paris Agreement | UNFCCC](#)



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