

COSTING ANALYSIS OF THE SERVICES FOR REFERRING INDIVIDUALS VULNERABLE TO RADICALIZATION



List of acronyms

CBA	Cost-Benefit Analysis
MSC	Municipal Strategic Council
MLT	Multidisciplinary Local Team
CSW	Centre for Social Work
CSO	Civil Society Organization
SOP	Standard Operating Procedure
PCVE	Preventing and Countering Violent Extremism
CRPM	Center for Research and Policy Making
MOES	Ministry of Education and Science
MSPDY	Ministry of Social Policy, Demographics and Youth
NCCVECT	National Committee for Countering Violent Extremism and Counter Terrorism



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Executive Summary

This report presents a Cost-Benefit Analysis (CBA) of the proposed national roll-out of the Referral Mechanism for the Prevention of Early Radicalization at Local Level. The analysis is based on the pilot implementation conducted in the municipalities of Gostivar, Kumanovo and Štip within the Guardian Shield project implemented by the Center for Research and Policy Making (CRPM) with support from the EU-funded STRIVE Global Programme.

The referral mechanism aims to strengthen early identification, assessment and support of individuals vulnerable to radicalization and violent extremism through improved coordination between municipalities, schools, Centres for Social Work (CSW), civil society organizations and other local actors. The model builds on existing institutional structures and services and does not introduce parallel systems, making it operationally feasible and financially scalable.

The report analyses three implementation scenarios:

- Scenario 1 – Basic Roll Out;
- Scenario 2 – Moderate Roll Out;
- Scenario 3 – Ambitious Roll Out.

The analysis demonstrates that the Basic Scenario requires minimal additional investment and relies almost entirely on existing institutional capacities, but provides limited strengthening of coordination and service delivery capacities. The Ambitious Scenario provides the highest level of staffing, training, digitalization and service availability, but requires substantial financial resources and may exceed realistic operational needs considering the estimated number of beneficiaries. Scenario 2 – Moderate Roll Out strengthens the existing system through targeted additional staffing, periodic training, partial digitalization and selective outsourcing of specialized services, while maintaining financial sustainability and operational effectiveness. According to the conducted cost-benefit analysis, the implementation of the basic scenario is recommended. This scenario represents a resource-based approach that relies entirely on existing institutional capacities. The total cost for a three-year period is estimated at MKD 985,200, approximately EUR 16,019.

INTRODUCTION AND CONTEXT

For the purpose of informing a decision to establish a **National Referral Mechanism for the Prevention of Early Radicalization at Local Level**, in line with the *National Strategy for Prevention of Violent Extremism 2023–2027*, the following Cost Benefit Analysis – CBA is produced and submitted to the Government of the Republic of North Macedonia. The referral mechanism aims to strengthen institutional capacities for early identification, assessment, and support of individuals vulnerable to radicalization that could lead to violent extremism. The mechanism introduces a coordinated and systematic approach that integrates local institutions, social services, educational professionals, civil society organizations, and religious communities in order to provide timely prevention, tailored support, and community reintegration.

The referral mechanism establishes a multi-level governance structure consisting of a Municipal Strategic Council (MSC) responsible for oversight, coordination, and resource allocation, and a Multidisciplinary Local Team (MLT) tasked with individual needs assessment, case management, and implementation of tailored support plans. The mechanism promotes evidence-based early intervention through standardized operating procedures, strengthens data collection on local trends of radicalization, and supports provision of specialized services addressing drivers such as social exclusion, identity crisis, discrimination, and marginalization. By enhancing cooperation between public institutions and licensed service providers, with this referral mechanism the National Coordination Body for Prevention from Violent Extremism and Countering Terrorism creates local institutional framework necessary for preventive, rights-based, and cost-effective responses to risks of violent extremism at the community level.

The referral mechanism was piloted in three municipalities: Gostivar, Kumanovo and Shtip.

Gostivar

In Gostivar, the pilot focused primarily on establishing the institutional architecture of the referral mechanism and strengthening the preparedness of local stakeholders. The Municipal Strategic Council (MSC) and Multidisciplinary Local Team (MLT) were set up, bringing together representatives from the municipality, education sector, Centre for Social Work, psychologists, civil society organizations and community actors. Stakeholders participated in structured capacity-building activities designed to improve understanding of early signs of vulnerability to radicalization and to clarify procedures for case identification and referral in line with the Standard Operating Procedures (SOP). Although no cases were formally referred during the pilot period from July 2025 to February 2026, the training significantly improved awareness and sensitivity among frontline professionals, especially teachers and municipal staff, who reported increased ability to recognize behavioral changes and vulnerability pathways. The pilot demonstrated institutional readiness and strengthened inter-institutional coordination, while identifying the need for continued awareness-raising among parents and community actors to facilitate future referrals.

Kumanovo

In Kumanovo, the referral mechanism was fully operationalized through the establishment of the MSC and MLT and the delivery of targeted trainings for municipal officials, school professional services, teachers and social workers. Building on previous initiatives on prevention of violent extremism, the municipality demonstrated strong institutional capacity and coordination among stakeholders. A total of 20 cases (14 male and 6 female where two were victims of bullying, five were socially withdrawn or excluded, four were problematic escaping from classes, two suffered from parent loss, two were introvert and one was victim of domestic violence) were identified and addressed through preventive, non-stigmatizing interventions implemented primarily in school settings, including psychosocial support and group-based educational, cultural and sports activities. The pilot confirmed that early identification and intervention can be effectively managed within the education system, minimizing the need for formal intervention by social protection institutions. The anonymized monitoring system confirmed consistent implementation of SOP procedures and effective cooperation between institutions, demonstrating the feasibility of a preventive, child-centred approach that applies the “do no harm” principle.

Štip

In Štip, the pilot resulted in the formal establishment of the MSC and MLT structures and the training of key stakeholders from the municipality, education sector, civil society and national institutions. Four potential cases were initially assessed through the mechanism, with the MSC determining that the children involved were experiencing social vulnerability primarily related to isolation and withdrawal, but without indicators of radicalization. Consequently, cases were not referred to advanced intervention stages, confirming the function of the mechanism as a preventive screening tool that avoids unnecessary stigmatization or institutionalization. The pilot strengthened understanding of roles and procedures among participating institutions and highlighted the central role of schools in early detection and response. Stakeholders emphasized the importance of continuous training, clear institutional mandates and improved communication with parents in order to ensure sustainability and scale-up of the mechanism.

This analysis is based on the pilot project, which took place over 24 months across 3 municipalities. The pilot implementation took only 6 months.

A total of 24 cases have been recorded, and for the 20 cases that were referred, some received only one and some more than one service. The following distribution of the services was provided:

Service provided	Cases
Sport	15
advisory services at school	2
Art activities	1
Engagement in debate club and workshops	1
Work with psychologist	1
Work with social team at school	1
Social worker support and psychologist support	1

Based on the 24 cases that were identified and the 20 cases that were referred and for which support services were developed and implemented this cost benefit analysis is developed. The costing analysis presented below has a purpose of determining the model and associated costs for scaling up from the pilot cases to national level implementation.

Based on the experience of the pilot cases, the model for referral mechanism was designed to abide by the existing mandates of institutions, services and procedures to be used for the purpose of prevention and countering extremism in all its forms. In this context, the model does not introduce parallel structures or new institutional layers, but rather builds upon and strengthens the current system, including social welfare centers. This approach ensures that interventions remain institutionally anchored, legally compliant, and operationally feasible, while avoiding duplication of roles and responsibilities.

By relying on the existing procedural frameworks and standard operating procedures (SOPs)—namely identification and referral, coordinated support, and monitoring and evaluation—the mechanism integrates seamlessly into current workflows, allowing institutions to respond within their established competencies. At the same time, where gaps in capacity or service availability are identified, the model foresees targeted strengthening through additional resources or outsourcing, rather than structural expansion.

Since a substantial portion of the social services are already financed and operational within the public system, the methodology focuses primarily on the system cost in the scenarios and on incremental costs (out of the pocket) presented in a separated calculation for a budget impact purpose. As a result, the financial burden is significantly reduced for already budgeted costs in the system.

Purpose of this Cost-Benefit Analysis

The purpose of the costs analysis is to provide sufficient data for cost categorization, cost determination and benefits to countering and preventing extremism to assess whether the benefits of the nationwide rollout of the mechanism prevails the costs. The model is based on the three pilot cases and provides simulation of the costs for nationwide roll out. The analysis deals with 3 scenarios each one reflecting different level of services that should be taken under public umbrella and others being outsourced for provision by private organization.

Methodology of the project implemented

Using information from the pilot, this paper will use the costs (direct and indirect) attributed to the referral mechanism. Any lessons learnt from the pilot have been researched and their costs have also been considered.

The pilot was implemented within the **Guardian Shield: Operationalization of the Referral Mechanism for Strengthening Resilience against Radicalization and Extremism in North Macedonia** project for 24 months, from April 2024 to April 2026 by the (CRPM) with support from the EU-funded STRIVE

Global Programme. The project piloted the referral mechanism developed in the previous phases of Strive support, developed Standard Operating Procedures (SOPs) and built capacities of municipal authorities, schools, social services, civil society organizations and other frontline actors to identify early signs of vulnerability, refer cases to the referral mechanism through which tailored, non-stigmatizing support services, including psychosocial, educational and social interventions are provisioned.

Benefits of the Referral Mechanism

The pilot implementation demonstrates that the referral mechanism provides structural and long-term institutional benefits for the Government's prevention of radicalization and violent extremism (Preventing and Countering Violent Extremism - PCVE) function. One of the key benefits is that the mechanism introduces a sustainable, operational model for early detection,

referral and prevention embedded within existing public systems, particularly education, social protection and local governance. Through establishment of Municipal Strategic Councils (MSC) and Multidisciplinary Local Teams (MLT), the mechanism clarifies roles, strengthens inter-institutional coordination and creates a structured pathway for identification, assessment and support of individuals at risk. Evaluation findings show that local stakeholders perceive the mechanism as a useful and applicable framework that strengthens cooperation between schools, Centres for Social Work (CSW), municipalities and civil society organizations, contributing to improved institutional readiness and continuity of preventive action beyond project-based interventions.

A significant benefit is the strengthening of prevention capacities within the education system, which emerged as the primary entry point for early identification of vulnerabilities. Trainings delivered to teachers, pedagogical services and municipal professionals improved awareness of behavioral indicators associated with social exclusion, identity crises and other risk factors, enabling frontline actors to respond through non-stigmatizing and proportionate measures. In Kumanovo, the mechanism enabled identification of 20 cases of vulnerability, which were addressed through school-based psychosocial and educational support activities, demonstrating that early intervention can be effectively managed within mainstream services without resorting to coercive or security-driven responses. In Štip, four initially identified cases were assessed as situations of social vulnerability rather than radicalization risk, illustrating the value of the mechanism in preventing misclassification and ensuring application of the "do no harm" principle.

The mechanism also generates benefits in terms of improved evidence, monitoring and policy learning, supporting gradual institutionalization of Preventing and Countering Violent Extremism (PCVE) within government practice. The anonymized monitoring system and case management procedures provide structured data on vulnerabilities, service responses and coordination challenges, allowing national institutions to better understand local trends and resource needs. Evaluation findings emphasize that the mechanism promotes a shift toward prevention-oriented policy approaches, reinforces cooperation between central and local authorities, and provides a tested operational model that can be scaled nationally through formal government decisions, integration into education policy frameworks, and continuous capacity building of local actors. In this way, the mechanism contributes to long-lasting systemic change by embedding prevention of radicalization within regular government functions and public service delivery systems.

Assumptions & Risks

The model assumes continuous and adequate funding from the state budget to cover the out of pocket costs and ensure uninterrupted service delivery. It also assumes that the existing institutional framework, particularly the Centers for Social Work, will be able to maintain consistent quality of services as the model scales from an initial smaller number of centers to a broader rollout across 33 Centers for Social Work implementing the referral mechanism.

Another assumption is that the training will be integrated in the annual training program for teachers and this will ensure buy-in of teachers, pedagogues and psychologists to annually finish the training cycle in detecting early signs of radicalization.

Key risks relate to the ability to maintain uniform service quality, standards, and coordination

during this scale up, considering that the office of the National coordinator has limited capacity. The coordination capacity is crucial risk especially given differences in local capacities, staffing levels, and access to services. Ensuring sufficient trained personnel, continuous capacity building, and effective supervision mechanisms will be critical. In addition, any limitations in state funding, human resources, or institutional readiness during the expansion phase may affect the consistency, effectiveness, and long term sustainability of the model.

Estimation of cost are done using the concept of cost categories, down to their allocation, the methodology considers the following categories and sources as a basis for determining cost levels:

- a. Labor: ¹The cost of human effort per working hour. Calculation based on the average salary for employees in the sector according to official state data. These are already budgeted costs and the scale up of the referral mechanism in 33 municipalities will not create additional fiscal implication on the budget.
- b. Equipment and materials: Costs for annual maintenance of online training platform and procurement and maintenance of equipment and materials for the support services (i.e. balls, jerseys, scenography and costumes related costs). Calculation based on market price estimates.
- c. Services: ²Costs for outsourced work required from third parties (licensed service providers, etc.). Calculation based on market price estimates.

The multidisciplinary approach and the involvement of multiple institutions in service delivery require strong team commitment, especially from the social worker – case manager in administering the service, as well as trained staff to encourage beneficiaries to remain engaged throughout the entire process. Therefore, the time of the Municipal Strategic Council is allocated on the general management of the referral mechanism and the reporting to the National Coordination Body for Countering Violent Extremism and Fight Against Terrorism.

COSTING APPROACH

Costing approach identifies three scenarios based on the different level of staffing and organization and additional calculation presented for out of the pocket costs purposes. Elements of each of the scenario are described below.

Estimated number of users of the referral mechanism was done taking into consideration the number of users which occurred in the pilot three municipalities by extrapolating it to the total number of municipalities (there are 80 in North Macedonia) and total population. In view of the fact that percentage of youth in total population is spread evenly across municipalities, the three municipalities in pilot project are representative as the percentage of youth in total population is 18%.³ Therefore the prediction of cases is done with regard to total population.

Municipality	Population	% of total population	Youth population as percentage of total population
Kumanovo	98.104	5.34	19%
Štip	43.625	2.38	19%
Gostivar	59.770	3.25	16%
Total	201.499	10.97	

The calculation shows if 24 cases have appeared on the approximately 11 % of the population for 6 months, then 218 cases would be estimated on the total population. Assumption is that there is normal distribution of the cases i.e. three municipalities are representative. Annualized estimated cases are 436, therefore the model is based on estimation of 400 cases. Additionally, this analysis applies pessimistic scenario in the calculation of costs per user for 300 users.

As the system will be established and integrated those involved in the system more knowledgeable, the trends of cases may increase but the mechanism and model is flexible and the variable cost

¹ Labor costs are calculated per hour and determined according to time engagement.

² Service prices in practice is estimated through price lists from adequate providers or by collecting offers through inquiries.

³ https://www.wfd.org/sites/default/files/2024-05/Mladi%20na%20popis_so%20finalen%20tekst_02_so%20korekcii.pdf

small portion of the direct referral mechanism costs.

Cost estimation analysis has been done using the following three scenarios

- Scenario 1: Basic Roll Out
- Scenario 2: Moderate Roll Out
- Scenario 3: Ambitious Roll Out

Scenarios are divided in key elements that directly influence both cost levels and operational complexity. It is envisaged rolling out of the mechanism to 33 Centers for social work and enabling the services nationwide:

In all scenarios the coordination work in the referral mechanism is done by the Municipal Strategic Council that is formally established and resourced (in the MSC the Secretary General of the Municipality, the President of the Municipal Council and the Head of Public Services (education, social protection, health) are members. Overall coordination on national level is done by the National Coordination Body on Countering Violent Extremism and Fight against Terrorism which in addition provides monitoring, and process improvement. In ambitious/moderate scenario improves the coordination structure by adding digital solution to management, monitoring and reporting. In the moderate roll out, additional resources are allocated within existing institutional setup to strengthen coordination. Finally, basic scenario, relies entirely on existing institutional roles, with no additional resources.

a. Level of Staffing

The scenarios differ in the extent to which additional personnel are introduced. The ambitious scenario foresees dedicated staffing across all 33 Centers for Social Work, one additional employee for each of the CSW, ensuring full operational capacity. The moderate scenario introduces staff selectively based on priority needs, while the basic scenario relies predominantly on existing institutional staff.

b. Scope and Frequency of Training

Training is necessary and provided across scenarios. The Ambitious scenario includes continuous annual, standardized face-to-face annual training facilitated through a Train the Trainers program that is managed through the National Coordination Body for Countering Violent Extremism and

Fight against Terrorism, supporting consistent service quality. The moderate scenario focuses on online training provided through the CRPM built platform for training with periodic face to face refreshers once in 3 years, while the basic scenario applies online training provided through the CRPM built platform for training.

c. IT System Scope and Complexity

The scenarios also differ in the degree of digitalization and system integration. The ambitious scenario includes a fully developed IT system supporting case management, monitoring, and inter-institutional data exchange. The moderate scenario adopts a partially integrated system with the data management system on rehabilitation and reintegration of returnees and their families, while the basic scenario utilizes only the platform for providing trainings and simple tracking solutions such as excel based monitoring tables, limiting costs.

d. Service Delivery Model

Differences are also evident in how services are delivered. The ambitious scenario ensures full service availability, with systematic outsourcing and out-of-pocket payments (funded by the local budget) for which additional financing is needed. The moderate scenario uses outsourcing selectively to address gaps where the services cannot be provided by public provider, while the basic scenario depends largely on the current availability of services within existing institutions, with no outsourcing to private external providers. This affects both geographic coverage and consistency of service access, considering that not everywhere the public and private services is available.

The number of Centre's for social work correspond to the current number of operational centers. Their coverage is on the whole territory to all 80 municipalities so in practice the services are provided from 33 operational centers.

Scenario 1 – Basic Roll Out

The basic scenario represents a resource approach that relies entirely on existing institutional capacities. The total cost over three years is estimated at 985.200 MKD (approximately EUR 16.019)⁴. calculation could be found in annex 1.

The Component (a) staff costs is with 0 value as during the pilot, participating municipalities did not need of additional employees. However, for the purpose of implementing the referral mechanism a secure filling and recording cabinets are required for which purpose the CBA includes 560.000 MKD (approximately 9.105 EUR) for purchasing such cabinets. These costs per municipality will be 7.000 MKD (app. 114 EUR).

Costs under component (b) training according to the model is predicted to provide online training through the CRPM built platform for trainings and no additional costs in this respect are calculated associated with delivery of trainings. The amount for the transfer of the platform of 118.800 MKD (approximately 1.932 EUR) is as initial cost for setting up and other supportive transfer costs.

Costs under component (c) IT system scope are not envisaged since there won't be any additional software as it was the case during the pilot period.

The last cost component (d) provision of services for support, amounting to 295.200 MKD (approximately EUR 4.800). These costs are calculated assuming all users of support services and programs will be served as a part of the existing capacities of the institutions and within already designated budgets. Cost envisaged under this scenario is for materials and supplies related to providing coordinated support and assistance for increased number of users.

The scenario is financially efficient, cost – effective and provides only necessary system strengthening and service of the existing system for functioning of the referral mechanism.

Scenario 1 – Basic Rollout - Total costs and Costs per implementing body, 3 years			
Description of cost	Implementing body	Cost per implementing body	Total cost
Equipment specifically required for the MSC (filling cabinets and lockers for cases)	Municipality	7.000 MKD (app. 114 EUR)	560.000 MKD (app. 9.105 EUR)
Indirect cost for MSC	Municipality	140 MKD (app. 2,3 EYP)	11.200 MKD (app. 182 EUR)
Transfer of the platform - Delivery through online platform	MOES (Ministry of Education and Science)	118.800 MKD (app. 1.932 EYP)	118.800 MKD (app. 1.932 EUR)
Materials and supplies used in service delivery	Schools	2.228 MKD (app. 36 EYP)	295.200 MKD (app. 4.800 EUR)
TOTAL			985.200 MKD (16.019 EUR)

Scenario 2 – Moderate Roll Out

The moderate scenario presented in annex 2, represents an extended approach compared to the basic scenario 1 that maintains system effectiveness while keeping overall costs balanced. The total cost over three years is estimated at 96.087.599 MKD (approximately 1.56 million EUR), representing a significant reduction compared to the ambitious scenario.

Component (a) staff costs in 33 CSW amounts to 34.883.543 MKD for three years (approximately 567.200 EUR). The calculation follows the approach with a strengthening capacity in CSW, estimated at 16 new

⁴ Currency conversion calculated according to the exchange rate valid at the time of writing (1 EUR = 61.5 MKD). The same exchange rate is used for all calculations in this document

employees in 16 CSW. These additional personnel represent one of the main drivers of cost in this scenario, while maintaining balanced cost level and increasing capacity of service delivery in CSW where there will be high increase of the number of cases under referral mechanism that are supposed to be processed. The overriding assumption here is that not in all 33 centers there will be need of a new employee. Consequently, the scenario includes equipment for the newly employed and indirect cost for their functioning is envisaged proportionally as 2% of the direct costs.

Next component (b) training are estimated to 628.800 MKD (approximately EUR 10.200). These are calculated based on online training provided with the taking over of the CRPM platform and a frequency of face-to-face training activities (set under this scenario to happen once in three years). Instead of annual training sessions that are delivered face-to-face, in this scenario online training is delivered for all teachers, pedagogues, psychologists and members of MLTs using the CRPM built online platform and assumes only one cycle of face-to-face training for front-line workers on local level in three years. The trainings will be organized for 7084 high school teachers, plus pedagogues, psychologists and multidisciplinary teams of the CSW. The setup of the training is with engagement of expert for training of trainers and on-line delivery of trainings for high school teachers. The approach logic is initial capacity building with on line training and periodical refreshment training with trainers. The same amount for transfer of the online platform as in scenario 1 is envisaged in this scenario as well.

Component (c) IT system scope and complexity amount to 880.056 MKD (approximately 14.310 EUR). Costs are envisaged for licenses and annual maintenance and small upgrade of existing software. These costs reflect a limited investment, focusing on upgrading existing systems used in the Ministry of Social Policy, Demographics and Youth (MSPDY) for keeping data on rehabilitation and reintegration of the returnees; rather than developing new software. The calculation includes initial costs and reduced annual maintenance expenses due to simple IT solution.

Under Component (d) – Provision of Support Services, the total estimated cost amounts to MKD 59,547,600 (approximately EUR 0.97 million) over a three-year period.

The cost estimate is based on the assumption that 150 out of a total of 300 beneficiaries will receive support services from external providers, while the remaining 150 beneficiaries will receive services through the existing capacities of the relevant institutions and municipalities. The numbers are estimated per year users.

Only the costs of externally contracted services are included in the budget, as these represent additional expenditures. Services provided through existing institutional and municipal capacities are expected to be covered within their current budgets and therefore do not generate additional project costs.

The use of external service providers is based on the assumption that the 33 centers will not have sufficient capacity to provide the required psychological support services. As a result, external private providers will be engaged to ensure that beneficiaries have access to the necessary support. This approach results in an estimated 150 beneficiaries receiving externally provided services, while the remaining beneficiaries will be supported through existing institutional resources.

The cost estimate is calculated based on 150 beneficiaries receiving 48 hours/sessions of psychological support per year—equivalent to approximately one session per week throughout the year—at a unit cost of MKD 350 per hour/session. This results in an annual cost of MKD 2,520,000 and a total cost of MKD 7,560,000 over three years.

Under this component is also monthly membership fees for different kind of activities. Estimated number of users for these activities are 800 per year all being serviced from private partners.

The cost for the monthly membership fee is calculated on the basis of providing services to 800 users over a period of 12 months, with a fixed monthly rate of 1,800 MKD per user. The annual cost is determined by applying the monthly fee to all 800 users across 12 months, resulting in a total annual amount of 17,280,000 MKD.

For the three-year projection, the annual amount is extended over 3 years, resulting in a total cost of 51,840,000 MKD, assuming continuous service provision to all users throughout the entire period.

This is targeted approach utilizing the existing capacity of the systems and at a same time outsourcing them to private providers in case of increase of the number beyond the capacity of the institutions. Total costs for these two activities under component d sums up to 59,547,600 MKD or EUR. 0.97 million.

Thus, the moderate scenario achieves staffing levels, training intensity, and more combined service provision from own and outside sources, while maintaining overall system functionality and effectiveness.

Scenario 2 – Moderate Rollout - Total costs and Costs per implementing body			
Description of cost	Implementing body	Cost per implementing body	Total cost (covering all 80 municipalities)
Staff costs	MSPDY, CSW	2.144.512 MKD (app. 34.870 EUR)	34.312.343 MKD (app. 557.924 EUR)
Equipment specifically required for the MSC (filling cabinets and lockers for cases)	Municipality	7.000 MKD (app. 114 EUR)	560.000 MKD (app. 9.105 EUR)
Indirect cost for MSC	Municipality	140 MKD (app. 2,3 EUR)	11.200 MKD (app. 182 EUR)
Transfer of the platform - Delivery through online platform	MOES (Ministry of Education and Science)	118.800 MKD (app. 1.932 EUR)	118.800 MKD (app. 1.932 EUR)
Trainings face to face once in 3 years	NCCVECT (National Committee for Countering Violent Extremism and Counter Terrorism)	510.000MKD (app. 8.293 EUR)	510.000MKD (app. 8.293 EUR)
IT software support system	MSPDY (Ministry of Social Policy, Demographic and Youth)	880.056 MKD (app. 14.310 EUR)	880.056 MKD (app. 14.310 EUR)
Service delivery from private providers	Municipality	742.500 MKD (app. 12.073 EUR)	59.400.000 MKD (app. 965.854 EUR)
Materials and supplies used in service delivery	Schools	2.228 MKD (app. 36 EUR)	295.200 MKD (app. 4.800 EUR)
TOTAL			96.087.599 MKD (app. 1.562.400 EUR)

Scenario 3 – Ambitious Roll Out

The ambitious scenario reflects a fully developed system with the highest level of capacity increase, developed it system for tracking, monitoring and coordination, and service provision. The total estimated cost over a three-year period amount to 145.574.119 MKD (approximately 2.367 million EUR). This level of expenditure is driven by the simultaneous expansion of all system components, staffing, training, IT infrastructure, and service provision. All calculation are given in annex 3.

Component (a) staff costs in Centres for Social Work (CSW) represent a major cost driver, amounting to 70.769.207 MKD (approximately 1.15 million EUR). These costs are calculated by multiplying the number of staff engaged in the system, estimated at 33 social workers, by the average gross monthly salary and annualizing over three years. In addition, the calculation includes equipment and setup costs per staff member, such as IT equipment and office infrastructure, as well as indirect costs. This component reflects the full

⁶ https://www.stat.gov.mk/pdf/2025/2.1.25.07_mk.pdf

deployment of human resources necessary to ensure ambitious system functionality. Here it is assumed that in each of the Centres there will be need for one new employee, making it very extensive scenario. This scenario could only be applied if the numbers in each of the CSW have more than 40 cases per year, which is highly unlikely.

Component (b) Training costs are estimated at MKD 4,590,000 (approximately EUR 74,634). These costs are calculated based on the number of training days, the cost per training session, the number of participants, and the engagement of external experts and facilitators, as well as the associated logistical arrangements.

There are approximately 70,846 high school teachers in the country, in addition to pedagogues, psychologists, and members of the multidisciplinary teams within the Centres for Social Work (CSWs). Under the ambitious scenario, each participant is expected to receive one training session per year.

Each training session lasts one hour and is designed for approximately 128 participants. A training day consists of four separate sessions (groups), allowing approximately 512 participants to be trained per day. Based on the size of the target group, delivering one annual training session to all participants would require approximately 15 training days per year, equivalent to 60 training sessions (groups) annually.

The annual cost of delivering the training programme is estimated at MKD 1,530,000, covering the engagement of external experts and facilitators, as well as the associated logistical and organizational costs. This corresponds to an average cost of MKD 102,000 per training day or MKD 25,500 per training session (group).

Over the three-year implementation period, the total training cost is estimated at MKD 4,590,000 (approximately EUR 74,634).

As in Scenario 1, the same budget allocation for the transfer and adaptation of the online platform is also included in this scenario.

Component (c) IT system scope and complexity amounts to 2.576.112 MKD (approximately 41.900 EUR) and includes both initial investment and recurring costs. The calculation encompasses software development or procurement, system setup, and annual maintenance and licensing costs, aggregated over the three-year period. This reflects the implementation of a dedicated and relatively complex digital system to support, processing, coordination, case management, monitoring and reporting.

The largest share of total costs falls under component (d) provision of services for support, which amounts to 66.960.000 MKD (approximately 1.088 million EUR). These costs are calculated based on the number of users, estimated at approximately 300 annually for counselling sessions and 800 membership fees for activities. Counselling sessions are estimated for each of the users multiplied by the average number of service sessions 48 (one per week) or hours per user and the unit cost per service, such as hourly rates for psychologists or specialized service providers.

This component reflects extensive service coverage and the use of specialized external private providers, making it the dominant cost driver in the ambitious scenario.

Overall, this scenario ensures the highest level of service, coverage, and system control, but it is also the most resource intensive due to the full expansion of all cost components.

Scenario 3 – Ambitious Rollout - Total costs and Costs per implementing body			
Description of cost	Implementing body	Cost per implementing body	Total cost
Staff costs	MSPDY, CSW	70.769.207 MKD (app. 1.150.720 EUR)	70.769.207 MKD (app. 1.150.720 EUR)
Equipment specifically required for the MSC (filling cabinets and lockers for cases)	Municipality	7.000 MKD (app. 114 EUR)	560.000 MKD (app. 9.105 EUR)
Indirect cost for MSC	Municipality	140 MKD (app. 2,3 EUR)	11.200 MKD (app. 182 EUR)

Transfer of the platform - Delivery through online platform	MOES	118.800 MKD (app. 1.932 EUR)	118.800 MKD (app. 1.932 EUR)
Trainings face to face annually for 3 years	NCCVECT	4.590.000 MKD (app. 74.634 EUR)	4.590.000 MKD (app. 74.634 EUR)
IT software support system	NCCVECT	2.576.112 MKD (app. 41.900 EUR)	2.576.112 MKD (app. 41.900 EUR)
Service delivery from private providers	Municipality	837.000 MKD (app. 13.610 EUR)	66.960.000 MKD (app. 1.088.780 EUR)
Materials and supplies used in service delivery	Schools	2.228 MKD (app. 36 EUR)	295.200 MKD (app. 4.800 EUR)
TOTAL			145.574.119 MKD (app. 2.367.059 EUR)

Cross Scenario Comparative Analysis

A comparative analysis of the three scenarios shows that total costs are primarily driven by components (a) staffing, and (d) service provision; while components (b) training, and (c) IT systems represent smaller but structurally important investments.

	Scenario 1 Basic	Scenario 2 Moderate	Scenario 3 Ambitious
Total costs over 3 years in MKD	985.200 MKD	96.087.599 MKD	145.574.119 MKD
Total costs over 3 years in EUR	EUR 16.019	EUR 1.56 million	EUR 2.367 million

Total costs are in the range from 985.200 MKD (approximately 16.000 EUR) for 3 years in the basic scenario to 96.087.599 MKD (approximately 1.56 million EUR) in the moderate scenario, and further to 145.574.119 MKD (approximately 2.36 million EUR) in the most ambitious scenario.

A key cross cutting factor is the estimated number of users and scope of services, which directly drive total costs. Given that the number of beneficiaries is not fixed but estimated, three scenarios are used to reflect different levels of coverage and service intensity. The baseline assumes around 300 users annually, with a potential increase to 400 users of psycho social support, while a broader estimate of 800 users is made for the services based on interests and talents (cultural and sports) for which membership in sport/cultural clubs are foreseen as costs. The calculations are for total number of users over 3 years period.

Overall, the analysis demonstrates that the model is financially scalable and adaptable, with total costs largely determined by the number of beneficiaries and the level of service intensity. The selection of the appropriate scenario depends on the desired balance between financial investment and system impact, with the ambitious scenario offering maximum effectiveness, the moderate scenario providing an optimal trade off,

⁸ OECD (2020), Early Intervention and Preventive Policies for Children and Youth
https://www.oecd.org/social/soc/child-well-being/BPF_early-intervention.pdf; pages 2-4; 6-8

and the minimal scenario ensuring functioning of the referral mechanism designed for number of users which are not significant.

The value of the presented scenarios, which are divided by components, provides substantial information to combine components from different scenarios in order to design the most adequate scenario.

Importantly, the vast majority of system is already established, including institutional setup, procedures and baseline staffing and is already financed within existing public systems. Therefore, the costs presented in scenario are all costs for the whole system.

All calculation is made to determine the budget impact of establishing the referral mechanism. It reflects the budget impact in terms of out-of-pocket (incremental) costs, focusing only on the additional financial resources required to operationalize the referral mechanism within the

existing institutional system. It assumes that core staffing, infrastructure, and baseline services are already funded, and therefore excludes from the analysis.

The figures demonstrate that the mechanism can be implemented with relatively modest additional investment, as it builds on existing structures and primarily requires targeted inputs to improve coordination, capacity, and service delivery effectiveness.

EXPECTED BENEFITS OF THE ROLLING UP OF THE REFERRAL SYSTEM

The expected impact of the model is primarily determined by the number of children. It is estimated at 300 to 400 annually for psycho social support and up to 800 children engaged through membership based activities in cultural and sports clubs. Systems focused on early detection and timely intervention for children have been shown to produce better outcomes when services are accessible and linked through structured referral mechanisms.⁸

At the level of individual children, the model is expected to improve early identification of vulnerabilities and access to psychosocial support. Evidence shows that early intervention significantly improves developmental, behavioral, and social outcomes for potentially vulnerable children.⁹

At the state level and institutional procedures, the model strengthens linkages between early detection and service provision, reducing fragmentation between sectors such as education, social services, and community-based organizations. Coordinated child focused systems have been shown to improve both service accessibility and effectiveness.¹⁰

The model represents a preventive and targeted investment, with total estimated costs of 985.200 MKD (approximately 16.000 EUR) over three years in scenario 1 Basic roll out. Economic evidence shows that early interventions in childhood generate long term benefits, including reduced need for more intensive and costly services later in life.¹¹

For service providers and institutions, the model introduces a clear and focused structure based on two services, activities and psychosocial support, which facilitates coordination, improves referral pathways, and supports more efficient use of resources.

Overall, the model is expected to generate impact through early identification, continuous engagement, and timely psychosocial support, which are widely recognized as key factors in preventing the escalation of vulnerabilities among children.

⁹ OECD (2019), Engaging Young People in Positive Activities

<https://www.oecd.org/education/cei/positive-activities-youth.pdf>; pages 5–7 and 10–12

¹⁰ WHO (2020), Guidelines on Mental Health Promotive and Preventive Interventions for Adolescents

<https://www.who.int/publications/i/item/9789240049956> pages 20 to 24

¹¹ UNICEF, Strengthening Child Protection Systems

<https://www.unicef.org/reports/strengthening-child-protection-systems> pages 22–25.

Annex 1 - Scenario 1

80 municipalities; 129 high schools and 33 Centers for social work						
a. Staff costs	Initial investment	Number of workers	Monthly Gross salary	First year amount	Annual amount	3 year amount
Municipal staff, educational front line workers and social workers staff salaries		0	0	0	0	0
Equipment specifically required for the MSC (filling cabinets and lockers for cases)	560.000 (app. EUR 9.105)			560.000 (app. EUR 9.105)		
Total	560.000 (app. EUR 9.105)			560.000 (app. EUR 9.105)	0	560.000 (app. EUR 9.105)
Indirect (2% of the direct costs)				11.200 (app. EUR 182)	0	11.200 (app. EUR 182)
Total				571.200 (app. EUR 9.288)	0	571.200 (app. EUR 9.288)

Training costs				
b. Scope and frequency of training	Initial costs	annual costs	Total cost	3 year amount
1. Trainings and support for implementation			118.800 (app. EUR 1.932)	118.800 (app. EUR 1.932)
Transfer of the platform - Delivery through online platform	118.800 (app. EUR 1.932)			118.800 (app. EUR 1.932)
Total			118.800 (app. EUR 1.932)	118.800 (app. EUR 1.932)

d. Cost for provision of services for support	80 municipalities; 129 high schools and 33 Centers for social work				
1. costs for purchasing the service from private providers	Number of users	Number of hours/sessions	Costs for an hours	Annual amount	3 year amount
Price of monthly membership fee					0
Total				0	0
2. Materials and supplies used in service delivery					
Paper, pens				24.600 (app. EUR 400)	
Printed forms (intake, consent, assessment tools)				24.600 (app. EUR 400)	
Therapeutic worksheets/handouts				24.600 (app. EUR 400)	
Record-keeping materials (paper)				24.600 (app. EUR 400)	
Total				98.400 (app. EUR 1.600)	295.200 (app. EUR 4.800)
Total					295.200 (app. EUR 4.800)

Scenario 1 – Basic Rollout - Total costs and Costs per implementing body				Total cost
Description of cost	Implementing body	Cost per implementing body		
Equipment specifically required for the MSC (filling cabinets and lockers for cases)	Municipality	7.000 MKD (app. EUR 114)		560.000 MKD (app. EUR 9.105)
Indirect cost for MSC	Municipality	140 MKD (app. EUR 2,3)		11.200 MKD (app. EUR 182)
Transfer of the platform - Delivery through online platform	MOES	118.800 MKD (app. EUR 1.932)		118.800 MKD (app. EUR 1.932)
Materials and supplies used in service delivery	Schools	2.228 MKD (app. EUR 36)		295.200 MKD (app. EUR 4.800)
TOTAL				985.200 MKD (app. EUR 16.019)

Annex 2 – Scenario 2						
80 municipalities; 129 high schools and 33 Centers for social work						
a. Staff costs	Initial investment	Number of workers	Monthly Gross salary	First year amount	Annual amount	3 year amount
Social workers staff salaries (16 CSW) one for each		16	56.402 (app. EUR 917)	10.829.184 (app. EUR 176.084)	10.829.184 (app. EUR 176.084)	32.487.552 (app. EUR 528.253)
c. Equipment specifically required for the service						
Desk and chairs and furniture (16 workplaces)	432.000 (app. EUR 7.025)			432.000 (app. EUR 7.025)		
Computer or laptop (for newly employed social workers) 16 pieces	720.000 (app. EUR 11.707)			720.000 (app. EUR 11.707)		
Equipment specifically required for the MSC (filling cabinets and lockers for cases)	560.000 (app. EUR 9.105)			560.000 (app. EUR 9.105)		
Total	1.712.000 (app. EUR 27.837)			12.541.184 (app. EUR 203.922)	10.829.184 (app. EUR 176.084)	34.199.552 (app. EUR 556.090)
Indirect (2% of the direct costs)				250.824 (app. EUR 4.078)	216.584 (app. EUR 3.522)	683.991 (app. EUR 11.122)
Total				12.792.008 (app. EUR 208.000)	11.045.768 (app. EUR 179.606)	34.883.543 (app. EUR 567.212)

b. Scope and frequency of training		Initial costs	annual costs	Total cost	3 year amount
1. Training Delivery online platform					
Transfer of the platform - Delivery through online platform	118.800 (app. EUR 1.932)			118.800 (app. EUR 1.932)	118.800 (app. EUR 1.932)
Total				118.800 (app. EUR 1.932)	118.800 (app. EUR 1.932)
2. Trainings face to face once in 3 years	Number of days	Cost per day	Total cost		3 year amount
Preparation of Materials	15	4.000 (app. EUR 65)	60.000 (app. EUR 975)		
Engagement of specialist and consultant	15	20.000 (app. EUR 325)	300.000 (app. EUR 4.875)		
Logistic and organizational costs	15	10.000 (app. EUR 163)	150.000 (app. EUR 2.440)		
Total			510.000 (app. EUR 8.293)		510.000 (app. EUR 8.293)
Total			628.800 (app. EUR 10.224)		628.800 (app. EUR 10.224)

c. IT System Scope and Complexity		Initial investment	1 year amount	annual amount	3 year amount
Software integration in municipalities	150.000 (app. EUR 2.440)	150.000 (app. EUR 2.440)	237.600 (app. EUR 3.863)	237.600 (app. EUR 3.863)	712.800 (app. EUR 11.590)
Annual maintenance of the software and licenses			7.752 (app. EUR 126)	4.752 (app. EUR 77)	17.256 (app. EUR 280)
General management and administrative (2% of the direct costs)			395.352 (app. EUR 6.428)	242.352 (app. EUR 3.940)	880.056 (app. EUR 14.310)
Total					

d. Cost for provision of services for support	80 municipalities; 129 high schools and 33 Centers for social work				
costs for purchasing the service from private providers	Number of users	Number of hours/sessions	Costs for an hours	Annual amount	3 year amount
Psychologists (150 user x 48 sessions of 1 hour /session a week)	150	7.200	350	2.520.000 (app. EUR 40.976)	7.560.000 (app. EUR 122.927)
price of monthly membership fee	800	12	1.800	17.280.000 (app. EUR 280.976)	51.840.000 (app. EUR 842.927)
Total				19.800.000 (app. EUR 321.951)	59.400.000 (app. EUR 965.854)
b. Materials and supplies used in service delivery					
Paper, pens				24.600 (app. EUR 400)	
Printed forms (intake, consent, assessment tools)				24.600 (app. EUR 400)	
Therapeutic worksheets/handouts				24.600 (app. EUR 400)	
Secure record-keeping system (paper or digital)				24.600 (app. EUR 400)	
Total				98.400 (app. EUR 1.600)	295.200 (app. EUR 4.800)
Total					59.695.200 (app. EUR 970.654)

Scenario 2 – Moderate Rollout - Total costs and Costs per implementing body			
Description of cost	Implementing body	Cost per implementing body	Total cost
Staff costs	MSPDY , CSW	2.144.512 MKD (app. EUR 34.870)	34.312.343 MKD (app. EUR 557.924)
Equipment specifically required for the MSC (filling cabinets and lockers for cases)	Municipality	7.000 MKD (app. EUR 114)	560.000 MKD (app. EUR 9.105)
Indirect cost for MSC	Municipality	140 MKD (app. EUR 2,3)	11.200 MKD (app. EUR 182)
Transfer of the platform - Delivery through online platform	MOES	118.800 MKD (app. EUR 1.932)	118.800 MKD (app. EUR 1.932)
Trainings face to face once in 3 years	NCCVECT	510.000MKD (app. EUR 8.293)	510.000MKD (app. EUR 8.293)
IT software support system	MSPDY	880.056 MKD (app. EUR 14.310)	880.056 MKD (app. EUR 14.310)
Service delivery from private providers	Municipalities	742.500 MKD (app. EUR 12.073)	59.400.000 MKD (app. EUR 965.854)
Materials and supplies used in service delivery	Schools	2.228 MKD (app. EUR 36)	295.200 MKD (app. EUR 4.800)
TOTAL			96.087.599 MKD (app. EUR 1.562.400)

Annex 3 – Scenario 3						
80 municipalities; 129 high schools and 33 Centers for social work						
a. Level of staffing in 33 CSW	Initial investment	Number of workers	Monthly Gross salary	First year amount	Annual amount	3 year amount
Social workers staff salaries (33 CSW) one for each		33	56.402 (app. EUR 917)	22.335.192 (app. EUR 363.174)	22.335.192 (app. EUR 363.174)	67.005.576 (app. EUR 1.089.522)
c. Equipment specifically required for the service						
Desk and chairs and furniture (33 workplaces)	891.000 (app. EUR 14.488)			891.000 (app. EUR 14.488)		891.000 (app. EUR 14.488)
Computer or laptop (for new staff) 33 pieces	1.485.000 (app. EUR 24.146)			1.485.000 (app. EUR 24.146)		1.485.000 (app. EUR 24.146)
Equipment specifically required for the MSC (filling cabinets and lockers for cases)	560.000 (app. EUR 9.105)			560.000 (app. EUR 9.105)		560.000 (app. EUR 9.105)
Total	2.936.000 (app. EUR 47.740)			25.271.192 (app. EUR 410.913)	22.335.192 (app. EUR 363.174)	69.941.576 (app. EUR 1.137.261)
Indirect (2% of the direct costs)				505.423,84 (app. EUR 8.218)	446.704 (app. EUR 7.263)	1.398.831,52 (app. EUR 22.745)
Total				25.776.615,84 (app. EUR 419.131)	22.781.896 (app. EUR 370.437)	71.340.407,52 (app. EUR 1.160.006)

b. Scope and frequency of training		Initial costs	annual costs	Total cost	3 year amount
1. Training Delivery online platform		118.800 (app. EUR 1.932)		118.800 (app. EUR 1.932)	118.800 (app. EUR 1.932)
Transfer of the platform - Delivery through online platform				118.800 (app. EUR 1.932)	118.800 (app. EUR 1.932)
Total				Total cost	3 year amount
2. Trainings face to face once in 3 years		Number of days	Cost per day		
Preparation of Materials	45	4.000 (app. EUR 65)		180.000 (app. EUR 2.925)	540.000 (app. EUR 8.780)
Engagement of specialist and consultant	45	20.000 (app. EUR 325)		900.000 (app. EUR 14.625)	2.700.000 (app. EUR 43.902)
Logistic and organizational costs	45	10.000 (app. EUR 163)		450.000 (app. EUR 7.317)	1.350.000 (app. EUR 21.951)
Total				1.530.000 (app. EUR 24.878)	4.590.000 (app. EUR 74.634)
Total				1.648.800 (app. EUR 26.810)	4.708.800 (app. EUR 76.566)

c. IT System Scope and Complexity			
NCCVECT			
	Initial investment	1 year amount	annual amount
Software development and integration in municipalities	1.100.000 (app. EUR 17.886)	1.100.000 (app. EUR 17.886)	1.100.000 (app. EUR 17.886)
Annual maintenance of the software and licenses		475.200 (app. EUR 7.727)	475.200 (app. EUR 7.727)
General management and administrative (2% of the direct costs)		31.504 (app. EUR 512)	9.504 (app. EUR 154)
Total		1.606.704 (app. EUR 26.125)	484.704 (app. EUR 7.881)
			50.512 (app. EUR 821)
			2.576.112 (app. EUR 41.888)

80 municipalities; 129 high schools and 33 Centers for social work					
d. Cost for provision of services for support	Number of users	Number of hours/sessions	Costs for an hours	Annual amount	3 year amount
Psychologists (300 user x 48 sessions of 1 hour /session a week)	300	14.400	350	5.040.000 (app. EUR 81.951)	15.120.000 (app. EUR 245.854)
Price of monthly membership fee	800	12	1.800	17.280.000 (app. EUR 280.976)	51.840.000 (app. EUR 842.927)
Total				22.320.000 (app. EUR 362.927)	66.960.000 (app. EUR 1.088.780)
b. Materials and supplies used in service delivery					
Paper, pens				24.600 (app. EUR 400)	
Printed forms (intake, consent, assessment tools)				24.600 (app. EUR 400)	
Therapeutic worksheets/handouts				24.600 (app. EUR 400)	
Secure record-keeping system (paper or digital)				24.600 (app. EUR 400)	
Total				98.400 (app. EUR 1.600)	295.200 (app. EUR 4.800)
Total					67.255.200 (app. EUR 1.093.580)

Scenario 3 – Ambitious Rollout - Total costs and Costs per implementing body			
Description of cost	Implementing body	Cost per implementing body	Total cost
Staff costs	MSPDY , CSW	70.769.207 MKD (app. EUR 1.150.719)	70.769.207 MKD (app. EUR 1.150.719)
Equipment specifically required for the MSC (filling cabinets and lockers for cases)	Municipality	7.000 MKD (app. EUR 114)	560.000 MKD (app. EUR 9.105)
Indirect cost for MSC	Municipality	140 MKD (app. EUR 2,3)	11.200 MKD (app. EUR 182)
Transfer of the platform - Delivery through online platform	MOES	118.800 MKD (app. EUR 1.932)	118.800 MKD (app. EUR 1.932)
Trainings face to face annually for 3 years	NCCVECT	4.590.000 MKD (app. EUR 74.634)	4.590.000 MKD (app. EUR 74.634)
IT software support system	NCCVECT	2.576.112 MKD (app. EUR 41.888)	2.576.112 MKD (app. EUR 41.888)
Service delivery from private providers	Municipality	837.000 MKD (app. EUR 13.610)	66.960.000 MKD (app. EUR 1.088.780)
Materials and supplies used in service delivery	Schools	2.228 MKD (app. EUR 36)	295.200 MKD (app. EUR 4.800)
TOTAL			145.574.119 MKD (app. EUR 2.367.059)

