



# USAID | MACEDONIA

FROM THE AMERICAN PEOPLE

## COUNTRY PROFILE

NOVEMBER 2008



*Macedonian students from the opposite sides of the country chat online using USAID-provided computer labs and internet access. USAID helped Macedonia become the first wireless country of its size in the world.*

### OVERVIEW

The Republic of Macedonia is an important strategic partner to the United States. Its steady economic progress and relative political stability have made Macedonia a moderating voice in the Balkans region. For



**Skopje**

over a decade, USAID has worked side-by-side with the Government, the private sector and educational institutions to further its transition to a stable and prosperous democracy. The American people, through USAID, have invested nearly \$500 million in programs that have reduced corruption, created new jobs, and improved the quality of education.

In December 2005, the European Council granted Macedonia European Union (EU) candidate status, but did not set a date for the start of negotiations. Much remains to be done, not only to prepare Macedonia for EU membership but to ensure its capacity to cope with competitive pressure and market forces within the Union. USAID supports Macedonia's entry into the EU and North Atlantic Treaty Organization by implementing programs focused on economic growth, good governance, and education.

### PROGRAMS

#### ACCELERATING ECONOMIC GROWTH

Since its independence in 1991, the Macedonian economy has been moving steadily forward, but serious challenges remain. Corruption, lagging investment, and a low-skilled workforce have hindered economic growth. Official unemployment remained high at 35 percent in June 2008, while GDP growth in 2007 was 3.5 percent. To address these challenges, USAID works on the macroeconomic level to improve Macedonia's business environment and stimulate foreign investment, while simultaneously assisting individual industry sectors to become more productive and competitive in the global markets.

Key USAID accomplishments in Macedonia have included helping the country gain World Trade Organization membership in 2003 and establishing simplified import and export processes. New laws on public procurement, financial companies, credit unions and investment funds, as well as the introduction of corporate governance standards, have made Macedonian businesses more attractive to investors. To facilitate ex-

#### MACEDONIA SNAPSHOT

Date of independence:  
September 8, 1991  
Capital: Skopje  
Population: 2 million  
GDP per person: \$3,042

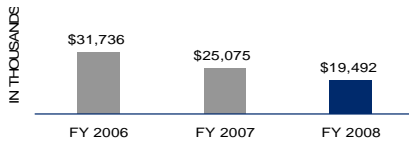
**For more information,  
see [www.usaid.gov](http://www.usaid.gov)  
Keyword: Macedonia**



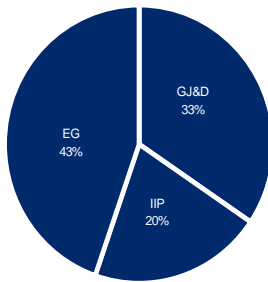
# USAID | MACEDONIA

## COUNTRY PROFILE CONTINUED

### USAID ASSISTANCE TO MACEDONIA



### FY 2008 Budget Allocation by Objective



Governing Justly & Democratically: \$6,445,000  
 Investing In People: \$3,950,000  
 Economic Growth: \$8,409,000

Based on FY 2008 Assistance for Eastern Europe and the Baltic States funding.

panded access to financing, USAID has recently established a Development Credit Authority Loan Guarantee Facility worth nearly \$20 million, which will mobilize private capital for businesses and municipalities, and push banks to look beyond their current clientele to create public-private partnerships.

### PROMOTING GOOD GOVERNANCE

A 2007 public opinion survey found that government corruption is one of the top concerns for Macedonians. To promote better governance, USAID works to increase citizen participation at all levels of decision-making, while helping Macedonian NGOs become more effective in representing citizens' interests. USAID collaborates with the Parliament to support its development as an independent branch of government, and with political parties to ensure meaningful dialogue with their constituencies. USAID helps Macedonia strengthen the rule of law by improving court functioning through the introduction of modern administrative practices and procedures, and by bolstering the judiciary's capacity to operate in a more transparent, effective, and accountable manner. USAID also trains local governments on current management systems which enable them to operate more efficiently and to attract foreign investors.

USAID has played a key role in Macedonia's democratization by helping to enact the legal framework for decentralization, supporting peaceful and fair parliamentary elections, and facilitating an accurate and widely accepted national census. USAID was instrumental in the development and implementation of the Government's National Anti-corruption Strategy and in aiding Macedonia with improving its scores on international measures of corruption. In terms of strengthening local institutional capacity, USAID has worked with key Macedonian ministries to improve their effectiveness and to obtain the tools and skills necessary to continue democratic reforms.

### PROVIDING QUALITY EDUCATION TO ALL CITIZENS

Since 2002, USAID has been implementing programs to address all levels of education and to promote the implementation of modern interactive teaching methodologies and use of information and computer technology the classroom. USAID also helped Macedonia become the first wireless country of its size in the world by providing nationwide internet access which encouraged healthy competition in the sector.

### CONTACT INFORMATION

Michael Fritz  
 Mission Director  
 USAID/Macedonia  
 Jurij Gagarin 15/III  
 1000 Skopje  
 Republic of Macedonia  
 Tel: 011-389-2-308-0446

Lauren Russell  
 Desk Officer for Kosovo and  
 Macedonia  
 Tel: 202-712-4873  
 Email: lrussell@usaid.gov

On behalf of the American people, the U.S. government has provided humanitarian assistance and economic development to those in need around the world since the Marshall Plan.