

**Capital:** Skopje  
**Population:** 2 million (July 2002 est.) 67% Macedonian, 23% Albanian, 4% Turkish, 2% Roma, 2% Serbs, 2% Other  
**GDP (purchasing power parity):** \$10 billion (2002)  
**Population below national poverty line:** 24% (2001 est.)  
**GDP per capita (current U.S.):** \$1,678  
**GDP per capita (purchasing power parity):** \$5,000 (2002 est.)  
**Religion:** Macedonian Orthodox 67%, Muslim 30%, other 3%  
**Languages:** Macedonian and Albanian  
**President:** Boris Trajkovski  
**Prime Minister:** Branko Crvenkovski  
**Ambassador to U. S.:** Nikola Dimitrov



**National Interest:** Macedonia is of U.S. national interest as a country of the Balkan region. Of primary importance is the operationalization of the Framework Peace Agreement (FWA) forged at Lake Ohrid in August 2001, which ended the ethnic Albanian insurgency.

#### OVERVIEW OF USAID'S FOCUS IN MACEDONIA

FY03: Total AEEB - \$50 million, USAID Total - \$44 million

**Accelerated Economic Development and Growth of the Private Sector (FY03 \$12.5 million, 28%):** USAID is providing critical assistance to enterprises through a business resource center, trade and investment facilitation and other advisory programs. By creating a visible core of efficient enterprises, USAID is helping to create a catalyst for economy-wide reform. Complementary credit and equity mechanisms are being supported for small and medium sized enterprises. In 2002 a competitiveness initiative was developed to identify and remove constraints in key sectors of the economy. USAID legal advisors are helping to reform critical taxation, banking, bankruptcy, monopoly regulations and assisting with accession to the World Trade Organization (WTO).

**More Legitimate Democratic Institutions (FY03 \$15.8 million, 37%):** To strengthen the Macedonian democracy, USAID is helping municipal governments find better ways to serve the public and is working with the central government on legal changes to encourage decentralization to municipalities. Advisors have provided direct services to local officials in areas such as resource and infrastructure management, and constituency interaction and support. USAID assistance is also helping to create a network of advocacy and watchdog organizations, bolster the professionalism of the media, and provide Macedonians with the knowledge and skills they need to be citizens in a democratic society. USAID is focusing on reforming the legal system, increasing the independence of the judiciary and improving court operations. Assistance is also being provided to increase confidence in the political process, particularly in elections, and in institutions such as the Parliament and political parties.

**Mitigation of Adverse Social Impacts of the Transition (FY03 \$6.7 million, 15%):** To support the implementation of the Framework Agreement, the Mission added a new Social Transition objective under which activities are currently being developed to address the quality of education and workforce development. USAID helped establish a private accredited university, the South East Europe University (SEEU). In addition, USAID plans to strengthen the primary and secondary education systems to meet employer needs and market requirement in the 21<sup>st</sup> century. USAID efforts at the local level encourage job creation, especially for youth; expand markets for Macedonian artisans; and support cooperation between municipalities and the private sector.

**Special Initiatives and Cross-Cutting Programs (FY 03 \$8.9 million, 20%):** On a cross-cutting basis, the Mission is also addressing issues such as ethnic cooperation; gender-based problems and disparities; problems that affect youth; corruption; and needs that are identified for specialized training outside of Macedonia. The Mission has an HIV/AIDS social marketing program with Population Services International.

**Community Building Initiative (CBI):** CBI, implemented by USAID's Office of Transition Initiatives (OTI), complements Mission objectives. It brings together diverse groups of Macedonian citizens to work cooperatively on projects that the communities have identified and prioritized. Since October 2001, CBI has approved almost 473 grants to NGO projects totaling \$11.2 million. This program will close in September 2003.

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