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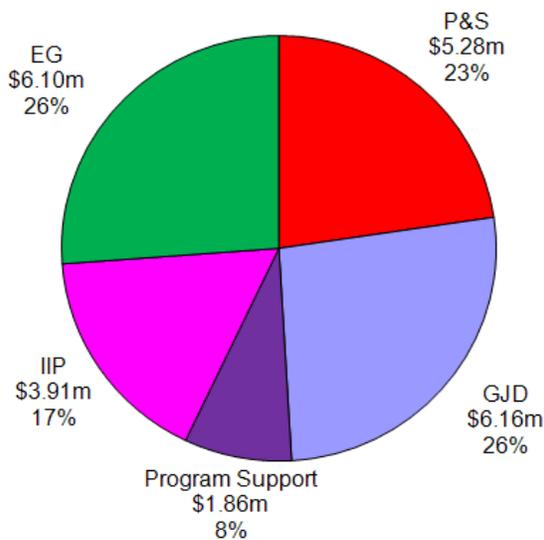
MACEDONIA

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

The U.S. Government (USG)'s overarching foreign assistance goal is to build and sustain a more democratic Macedonia that is more fully integrated into European and Euro-Atlantic structures, and able to contribute to the stability of the western Balkans. Sector-specific foreign assistance goals include strengthening Macedonian law enforcement and military organizations; addressing corruption and improving the performance of the judiciary; increasing the ability of the Macedonian educational system to produce a workforce for today's economy; and increasing business growth, investment, and exports.

TOTAL FY 2009 FOREIGN OPERATIONS APPROPRIATED ASSISTANCE: \$23.32M*



FY 2009 Areas of Focus

GJD: Governing Justly and Democratically

EG: Economic Growth

P&S: Peace and Security

IIP: Investing in People

(*Foreign Operations funding appropriated for FY 2009, not including \$2.30 million in Peace Corps funding and centrally managed, regional Foreign Operations funding that is not budgeted for specific countries.)

HIGHLIGHTS OF FY 2009 PERFORMANCE BY AREA OF FOCUS

Peace and Security

In FY 2009, USG assistance:

- Supported two Antiterrorism Assistance (ATA) courses for Macedonian Government (GOM) law enforcement officials, because of which several successful police operations and arrests were conducted by members of units that had received the training. An in-country program review on the ATA program found that the GOM has been effectively incorporating lessons learned from these trainings.
- Provided training and equipment to combat weapons of mass destruction proliferation by enhancing border control capabilities of Customs and Border Police. Courses were provided on international rail and air cargo interdiction, illicit trafficking in radioactive and chemical materials, strategic export investigations, and the use and maintenance of donated equipment. More than \$700,000 worth of equipment was provided these agencies, including patrol vehicles and radios for Customs, long-range thermal imagers and passport verification systems for Border Police, and personal radiation detectors plus standard inspection and detection equipment for both agencies.
- Supported efforts to enhance Macedonia's strategic trade control system through workshops on brokering controls, end-use/end-user checks and advanced licensing concepts, and completion of installation of Tracker automated licensing system hardware and software
- Trained over 90 military commissioned and non-commissioned officers, of which 32 were sent to the United States for formal training. Another 17 attended resident courses at the Marshall Center, and 47 participated in Marshall Center outreach programs across Europe. This training was complemented by a State Partnership Program with the Vermont National Guard, which conducted 30 military-to-military, military-to-civilian, and civilian-to-civilian familiarization events reaching 700 Macedonian officers, enlisted personnel, and civilians.
- Enhanced the capacity of the Ministry of Interior by helping it target organized crime, border and regional police needs, management issues, and human resources reform. Partially as a result of U.S. assistance and mentoring, Macedonia has experienced a 30 percent increase in arrests, and a 43 percent increase in seizures of illicit narcotics trafficked into and through the country. Continued strengthening of law enforcement agencies is helping Macedonia meet European Union (EU) standards as a prerequisite for EU accession.
- Supported the implementation of the Law on Court Service, which gives the judiciary direct responsibility for court administration and management of its staff. Legislative advice was provided to the Ministry of Justice (MOJ) in drafting the new pro-adversarial Criminal Procedure Code (CPC) more consistently to incorporate international human rights and fair trial standards. A total of 70 prosecutors, judges, law enforcement officers, and private attorneys were trained on how to instruct their colleagues on the new CPC. In addition, 150 prosecutors, law enforcement personnel, and judges were trained in combating corruption, money laundering, trafficking in persons (TIP), and financial and transnational crime. This resulted in prosecutors implementing task force investigations in complex crimes cases and running parallel financial investigations. In FY 2009, prosecutors successfully obtained several asset forfeiture orders. Macedonia's rating in the State Department's 2009 TIP Report also improved, and it is now listed as a Tier I Country.

Governing Justly and Democratically

In FY 2009, USG assistance:

- Helped build the capacity of eight key institutions and partners, including the Association of Units of Local Self-Governments (ZELS), State Commission for Prevention of Corruption, State Education Inspectorate, Bureau for Development of Education, Vocational Education Training Center, Ministry of Economy, Public Procurement Bureau, and the Macedonian Association of Information Technology Companies. For each institution, a thorough assessment of the strengths and weakness of the institution was conducted and shared. Subsequently, and in close collaboration with each institution, an action plan was developed to improve performance.
- Supported seven civil-society organizations (CSOs) that implemented activities in the areas of anticorruption, public service delivery, agricultural policies, youth participation, EU integration, and non-formal education. An additional four CSOs implemented philanthropy pilot projects for local resource mobilization. The funds generated were used to support information technology use by children with disabilities, youth initiatives in hospitals and sports, and renovation of a children's playground. All 11 CSOs received training in topics such as advocacy, fundraising, budgeting, and media monitoring. The CSOs established 31 partnerships with national and local governmental institutions and businesses, helping them move toward becoming more financially sustainable.
- Supported the enactment of the new Law on Parliament, which strengthens the Parliament's mandate and improves the balance among the branches of government. It also increases transparency of the legislative process with the introduction of public hearings, thus increasing avenues for participation of civil society. Prior to the March 2009 presidential and local elections, USG assistance supported the adoption of a Code of Conduct to raise public confidence in the integrity of the electoral campaign, including support for more than 3,000 announcements on television, radio, and in newspapers, as well as 76 billboard messages, intended to stimulate public pressure for a transparent and fair election process. The Institute for Parliamentary Democracy brokered a compromise between the governing and opposition parties in September 2009. Additionally, USG assistance facilitated the partnership between Parliament and the U.S. Congress House Democracy Partnership through which constituency relations, rules of procedure, and committee work are being strengthened.
- Provided support to an ongoing dialogue on fiscal decentralization and facilitated decision to transfer construction land from central to local government, two key issues for strengthening local government in Macedonia. A policy paper on improving fiscal decentralization has been developed and presented to ZELS and the Ministry of Finance (MOF). Key systems for local property tax administration and financial management were installed in an additional 20 municipalities. As a result, Macedonia now has standardized local property tax administration and financial management, which will improve coordination between local governments and the MOF in the decentralization process.
- Developed and installed an automated case management system (CMS), which unified and streamlined the processing of all types of court cases from filing through disposition, and trained 2,200 system users. CMS is now being used in all 26 basic courts in Macedonia. Assistance targeting the transparency and accountability of institutions of the judicial system resulted in the electronic publishing of several court judgments, the Judicial Council opening

its hiring sessions to the public, and the Prosecutorial Council introducing a new performance evaluation system for all prosecutors. Ongoing capacity-building training has resulted in a significant improvement in the efficiency and reliability of the civil judgment enforcement system, increasing the rate of enforcement of civil court decisions from 18 percent to 53 percent.

- Conducted an analysis of 9,679 commercial and 3,894 labor cases to help the MOJ prepare amendments to the Civil Procedure Law that address the procedural impediments for speedier resolution of cases. To improve the efficiency of the Macedonian courts in the area of civil law, USG assistance supported the implementation of backlog reduction activities in the Bitola Appellate Court region, which in three months' time resulted in a 47 percent reduction of cases older than three years.

Investing in People

In FY 2009, USG assistance:

- Resulted in the development of an inter-ethnic education policy paper and improved security at two high schools characterized by fragile ethnic relations. Over 787 teachers and students participated in a USG-supported social justice training aimed at recognizing prejudices and fostering understanding. USG assistance to Roma community students resulted in completion and continuation rates above 90 percent. This prompted the Ministry of Education and Science (MOES) to initiate a Roma scholarship program of its own.
- Renovated 40 schools, with an average GOM cost-share of 24 percent in the cost of the renovations. USG programs trained 2,354 math and science teachers and increased assessment abilities of 4,772 teachers and administrators. Partnerships with Intel and Microsoft expanded computer training, hardware donations, and regional competitions. Moreover, the MOES adopted a new USG-supported technology curriculum that created the first-ever upper-primary-school focus on entrepreneurship and workforce skills and is already being showcased in nine school robotics labs.
- Established a "Study in the United States" program at the largest public university in Macedonia, leading to increased interest in studying abroad. USG assistance also supported the placement of an English Language Fellow in *Sumnal*, a Roma non-governmental organization, resulting in the production of a revised English language curriculum and additional classes. In addition, USG programs supported Educational Advising Centers in American Corners, informing Macedonian citizens of U.S. educational opportunities.

Economic Growth

In FY 2009, USG assistance:

- Developed and completed 41 competitiveness enhancement initiatives, including support for 7 international trade fairs at which 50 participants received orders worth more than \$3.8 million. Other activities supported by U.S. assistance included study tours, training sessions, workshops and roundtables, market research assessments, and technical assessments. Overall, 299 agribusiness enterprises received direct technical assistance, 544 employees received short-term training, and 41 new technologies and management practices were made available. Contributions by the participating businesses constituted 78 percent of the total activity cost, resulting in very effective leveraging of USG resources.

- Helped 22 agriculture-related firms identify the most appropriate source and type of financing, and facilitated the approval and disbursement of nearly \$3.2 million in financing. A total of \$9.3 million of investments were stimulated by U.S.-assisted participants. Whenever possible, women were encouraged to participate in U.S.-sponsored training and activities in order to promote equitable gender participation. A total of 107 female employees were trained in new technologies and management practices, representing a 20 percent participation rate in this male-dominated industry.
- Facilitated coordination with other agricultural and agribusiness projects in Macedonia and the Balkans. This has helped strengthen cooperation and information sharing between the Swedish-supported National Extension Service, joint activities with the Dutch-sponsored Wine Export Promotion Project, and the first export of apples to India in collaboration with the USG's Macedonia Competitiveness Project.
- Provided technical assistance in coordination with the EU and the World Bank to the Ministry of Energy to strengthen the capacity of its Energy Department and to develop the Electricity Market Rules as major secondary legislation in compliance with the Energy Law. The USG assisted in the development of an action plan for harmonization of Macedonian energy-related legislation in conformity with the Energy Community Treaty. This energy action plan envisions development of amendments to the energy law in compliance with several EU Directives, as well as development of other relevant secondary legislation.
- Supported a "single window" for obtaining customs export-import licenses, which helped Macedonia continue its incremental progress, moving up from 63rd to 62nd place in the "trading across borders" rankings in the World Bank's *Doing Business* index. USG assistance to the Ministry of Labor and the Employment Service Agency involved the introduction of international labor standards, cost analysis on social benefits, and the implementation of active labor market measures. Support was provided in the preparation of legislation for non-bank financial institutions, municipal borrowing, and managing public debt. USG assistance helped establish a forum for public-private dialogue on economic policy and provided support to develop an independent think tank, the Center for Economic Analyses (CEA), for shaping public policy debates. The CEA became the first outside entity to provide input to the Parliament on the proposed Macedonian budget and has become a trainer for parliamentary staff.
- Resulted in the GOM, which has continuously invested in upgrades of e-government applications, receiving an improved score from the EU on the sophistication of e-government services. There was an increased use of e-government applications, including 743 companies filing taxes; 7,813 registrations of employment actions; a 66 percent issuance rate of all export/import licenses; and the issuance of 80 electronic public tenders.
- Improved the productive and technological capabilities of 30 companies and the management practices of 108 entities. Investments and market linkages resulted in \$16 million in new investment, \$6.5 million in new exports, and increased employment by 625 jobs. USG assistance to the digital media industry helped establish a Digital Media Park, which had over \$1 million in exports in 2009 and employed over 100 people.