

**Capital:** Skopje

**Population:** 2 million (2002 Census) 64.2% Macedonian, 25.2% Albanian, 3.8% Turkish, 2.7% Roma, 1.8% Serbs, 2.3% Other (Nov. 2003)

**GDP (purchasing power parity):** \$10.57 billion (2002 est.)

**Population below national poverty line:** 24% (2001 est.)

**GDP per capita (purchasing power parity):** \$5,100 (2002 est.)

**Religion:** Macedonian Orthodox 67%, Muslim 30%, other 3%

**Languages:** Macedonian, Albanian, Turkish, Serbo-Croatian, other

**President:** Branko Crvenkovski

**Prime Minister:** Hari Kostov

**Ambassador to U. S.:** Nikola Dimitrov



**National Interest:** Maintaining peace and stability in Macedonia remains the top foreign policy interest of the U.S. for this small but strategically-placed Balkan country. The U.S. supports the 2001 Lake Ohrid Framework Agreement as a key to stability and good governance. The U.S. wants to see Macedonia revive its economy and continue to move forward toward integration with NATO and the European Union.

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

FY05: Total AEEB - \$34.0 million, USAID Total - \$32.075 million

FY04: Total AEEB - \$38.8 million, USAID Total - \$34.6 million

**Accelerated Economic Development and Growth of the Private Sector (FY 05 \$11.55 million, 39.0%):** USAID facilitated the creation of a National Entrepreneurship and Competitiveness Council to stimulate private sector growth. By assembling this team of competitive industries, USAID is helping to create a catalyst for economy-wide reform. USAID's projects strengthen financial institutions in order to improve the access to capital for firms of all sizes. USAID's projects also support modernization of Macedonia's fiscal policy and company law, assist compliance with World Trade Organization requirements, improve the environment for private sector growth and support economic development at the local level.

**More Legitimate Democratic Institutions (FY 05 \$9.8 million, 30.0%):** To strengthen Macedonian democracy, USAID supports Macedonia's decentralization process and helps municipal governments be more responsive to citizens. Assistance is given to local officials in areas such as revenue collection, urban planning, local economic development, and constituency interaction and support. USAID is also helping to create a network of advocacy and watchdog organizations, bolstering the professionalism of the media, and providing Macedonians with the knowledge and skills they need to be active participants in a democratic society. USAID is focusing on reforming the legal system, increasing the independence of the judiciary and improving court operations. We also provide assistance to increase confidence in the political process, particularly by helping to strengthen good governance practices in institutions such as the Parliament, political parties and election administration.

**Mitigation of Adverse Social Impacts of the Transition (FY 05 \$7.3 million, 23.0%):** The Social Transition objective addresses the quality of education and local economic development. USAID helped establish a high quality, multiethnic and multilingual, private accredited university, the South East European University (SEEU) that attracts more students every year. USAID is strengthening the primary and secondary education systems and introducing information technology in schools to meet employer needs and modern labor market requirements. USAID efforts at the local level encourage job creation and income generation through expanding markets for Macedonian artisans, by introducing agricultural innovations to expand and diversify production, and by maximizing information and technology use by small and medium enterprises.

**Cross-Cutting Programs (FY 05 \$2.5 million, 8.0%):** On a cross-cutting basis, the mission provides specialized training inside and outside of Macedonia to increase the sustainability of projects and help prepare Macedonia for Euro-Atlantic integration. The Mission also supports an HIV/AIDS social marketing and TB control programs and anti-trafficking in persons activities.

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