



COUNTRY PROFILE

JANUARY 2008



Macedonian students from opposite ends of the country chat using a USAID-supported computer lab and high speed wireless internet connectivity.

MACEDONIA SNAPSHOT

Date of independence:
September 8, 1991
Capital: Skopje
Population: 2 million
GDP per person: \$2,350

For more information,
see www.usaid.gov
Keyword: Macedonia

OVERVIEW

Macedonia's strategic location in the Balkans has made maintaining peace and stability within the country key U.S. priorities. To this end, the U.S. was a signatory to the 2001 Ohrid Framework Agreement, which



Skopje

brought an end to conflict between ethnic Albanian insurgents and government security forces. Macedonia's main challenges are to reduce corruption, revive the economy and create jobs, and improve 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 accession negotiations. The U.S. supports Macedonia's entry into the EU and North Atlantic Treaty Organization (NATO), with the USAID program focused on strengthening economic growth, good governance, and education.

PROGRAMS

REVIVING MACEDONIA'S ECONOMY

High unemployment, which reached 38.6 percent in 2005, is an important issue for Macedonia. The security crisis in 2001 negatively affected the country's economy. Slow privatization, lagging investment and productivity in the private sector, and a low-skilled workforce have worsened the problem. USAID assistance seeks to improve the business environment, make private firms more competitive, and increase foreign direct investment. USAID is supporting policy reforms to make it easier to do business in Macedonia, with the aim of growing new businesses and expanding existing ventures. In the agribusiness sector, USAID supports the efforts of fruit and vegetable producers, processors, and retailers to become more profitable in domestic and international markets. Emphasis is placed on quality control and food safety, technological advances, adding value, and improved marketing. USAID recently launched a Development Credit Authority Loan Guarantee Facility worth \$9 million to help mobilize additional capital for small- and medium-sized enterprises.

MACEDONIA GOES WIRELESS

In 2005, with help from USAID, Macedonia became the first completely "wireless" country of its size in the world, boasting a network that blankets nearly every corner of the country. USAID provides broadband wireless internet access to every primary and secondary school in

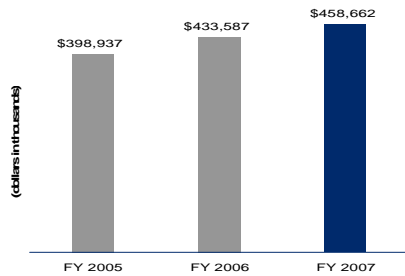


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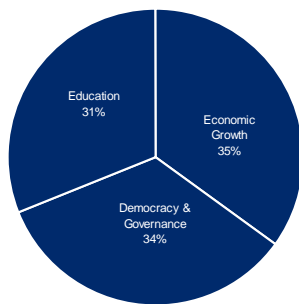
FROM THE AMERICAN PEOPLE

COUNTRY PROFILE CONTINUED

USAID ASSISTANCE TO MACEDONIA



Percent of FY 2007 Budget for Each Area



Democracy & Governance: \$6,307,000
 Economic Growth: \$8,413,000
 Education: \$7,487,000

Macedonia and to the offices of 50 local governments and 30 non-governmental organizations. The wireless network has increased competition and resulted in lower prices for broadband access.

PROMOTING GOOD GOVERNANCE

Macedonia's journey toward EU accession negotiations is progressing. However, a 2007 public opinion survey found that over half of the Macedonians believe their government effective, with corruption being their top concern. To promote better governance, USAID focuses on increasing citizen participation at all levels of government decision-making, while helping Macedonian NGOs become more effective in representing citizens' interests and holding government accountable. USAID works with the Parliament to support its development as an independent and professional branch of government, and to develop quality legislation in a way that maximizes public participation. USAID builds the capacity of local governments to take on increased responsibilities in terms of decentralization and actively engaging citizens, particularly through the provision of modern finance/tax administration systems. USAID also strengthens the rule of law by helping the increasing court efficiency and raising its laws to a European standard.

PROVIDING QUALITY EDUCATION TO ALL CITIZENS

As Macedonia prepares to enter the EU, it must continue to improve its education system, increase access for minorities and disadvantaged people, and ensure that curricula are relevant to the needs of the 21st Century economy. USAID focuses on providing students with employable skills to compete in the job market. Its Primary Education Project is a five-year program which aims to improve the quality of basic education in Macedonia by increasing information and communication technology access and use in the classroom; improving school-based assessment; improving math and science education; and renovating primary schools. USAID's work in connecting vocational high schools and businesses has succeeded in linking graduates to employment opportunities. USAID helped establish the private, accredited, multi-ethnic and multi-lingual South East European University, and works with students to improve their business management, communications, and computer skills. Scholarships, tutoring, and peer-to-peer training offered through USAID helps Roma students achieve a brighter future through access to quality education from pre-school through university.

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