

Why GAO Did This Study

Since fiscal year 1991, the United States has provided over a billion dollars in assistance to North Macedonia. In recent years, USAID and State have expressed concern about an erosion of democracy in the country. These concerns were heightened by the onset of a political crisis in February 2015, when the then-opposition party released phone conversations revealing alleged corruption in the ruling party. This crisis prompted the four major political parties to invite the United States and the European Union to help broker an agreement. The parties later agreed to hold early parliamentary elections in December 2016. Though the opposition party formed a majority coalition, the President refused to give the opposition leader a mandate to form a new government until May 2017, after protesters violently attacked North Macedonia's Parliament.

This report examines (1) U.S. government funding for democracy assistance in North Macedonia and (2) the extent to which USAID adhered to relevant policies in selecting recipients of democracy assistance in North Macedonia. GAO analyzed U.S. government data and documents and interviewed U.S. officials in Washington, D.C., and in Skopje, North Macedonia.

What GAO Recommends

In prior work, GAO recommended that State identify and address factors affecting the reliability of INL's democracy assistance data. State concurred and, in July 2019, reported that INL was continuing efforts to improve data reliability. GAO will continue to monitor State's efforts to ensure this recommendation is fully implemented.

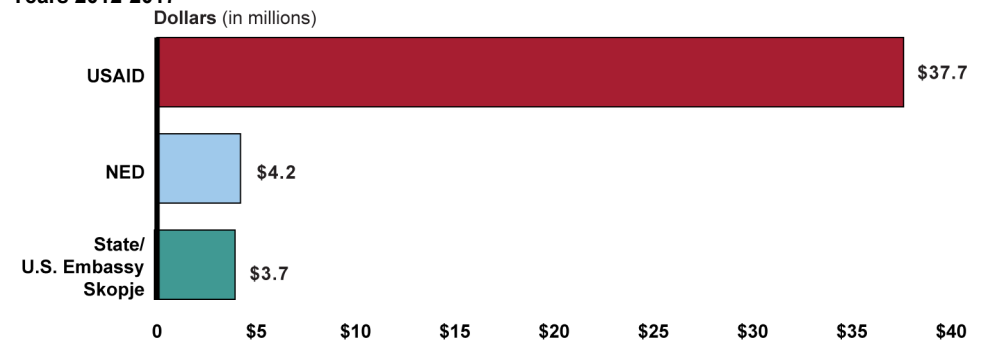
NORTH MACEDONIA

U.S. Government Has Provided Funding to Support Democracy Activities

What GAO Found

The U.S. government provided more than \$45 million for democracy assistance in North Macedonia through the U.S. Agency for International Development (USAID), National Endowment for Democracy (NED), and U.S. Department of State (State) in fiscal years 2012 through 2017. During this 5 year period—the most recent for which funding data were available—USAID obligated about \$38 million to support rule of law and human rights, governance, political competition and consensus building, civil society, and an independent media and free flow of information. NED—a nongovernmental organization funded largely through appropriated funds—provided \$4.2 million for activities such as training in investigative reporting and rule of law. The U.S. embassy in Skopje obligated at least \$3.7 million for rule of law and human rights, governance, and civil society. State's Bureau of International Narcotics and Law Enforcement Affairs (INL) and Bureau of Democracy, Human Rights, and Labor (DRL) also provided funding for democracy initiatives. However, GAO is unable to report State's total obligations, because INL's data were unreliable and because DRL, due to the regional nature of its projects, does not track country-level obligations for North Macedonia.

USAID, NED, and State Obligations for Democracy Assistance in North Macedonia, Fiscal Years 2012-2017



Source: GAO analysis of USAID, NED, and State data. | GAO-20-158

Legend: USAID = U.S. Agency for International Development, NED = National Endowment for Democracy, State = U.S. Department of State.

Note: Only obligations from the Public Affairs Section of the U.S. Embassy in Skopje are shown for State. State's other funding data were either unreliable or not tracked at the country level.

GAO's review of 13 USAID democracy assistance awards, representing roughly half of USAID obligations in fiscal years 2012 through 2017, found that the agency generally complied with operational policy intended to ensure a fair and transparent selection process. USAID policy requires officials to consider merit review criteria specified in public notices and to assess applicants against these criteria. GAO found that the merit review criteria USAID included in public notices were generally consistent with the criteria that selection committees used to evaluate applicants. GAO also found that selection committees generally discussed the relative strengths and weaknesses of award applications and recorded these discussions in selection memorandums, consistent with USAID policy.