



October 2019

NORTH MACEDONIA

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

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.

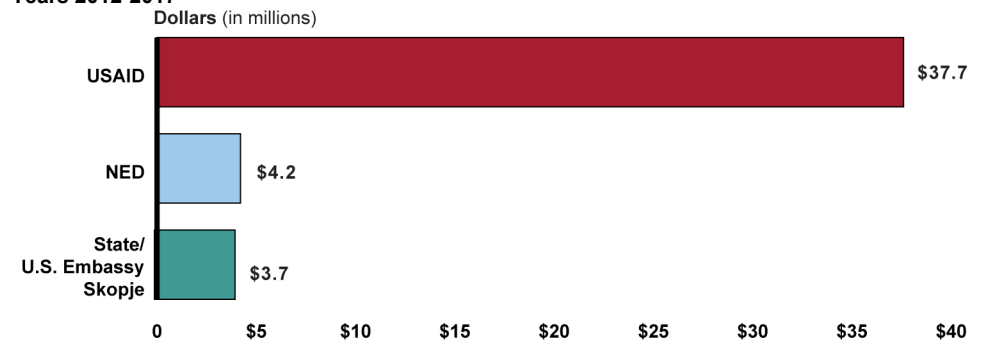
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What GAO Found

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.

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Abbreviations

ADS	Automated Directives System
DRL	Bureau of Democracy, Human Rights, and Labor
DUI	Democratic Union for Integration
EU	European Union
INL	Bureau of International Narcotics and Law Enforcement Affairs
NATO	North Atlantic Treaty Organization
NED	National Endowment for Democracy
NGO	nongovernmental organization
OTI	Office of Transition Initiatives
SDSM	Social Democratic Union of Macedonia
State	Department of State
USAID	U.S. Agency for International Development
VMRO-DPMNE	Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity

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October 3, 2019

The Honorable Christopher Smith
Ranking Member
Subcommittee on Africa, Global Health, Global Human Rights,
and International Organizations
Committee on Foreign Affairs
House of Representatives

The Honorable Robert B. Aderholt
House of Representatives

The Honorable Jeff Fortenberry
House of Representatives

The Honorable Louie Gohmert
House of Representatives

The United States has provided more than \$1 billion in assistance to North Macedonia since that country declared its independence from Yugoslavia in 1991.¹ In recent years, the U.S. Agency for International Development (USAID) and the Department of State (State) have expressed concerns about an erosion of democracy in North Macedonia after the agencies assessed that government control over the judiciary and media was increasing. In February 2015, the leader of the opposition party began releasing wiretapped phone conversations that allegedly revealed corruption on the part of leaders of North Macedonia's ruling party, triggering a political crisis.

The crisis prompted the country's four main political parties to invite the United States and the European Union (EU) to facilitate negotiations to broker an agreement, known as the Przino Agreement, which the major political parties signed on June 2, 2015. U.S. and EU officials continued to engage North Macedonia's political parties to implement the agreement, which culminated in early parliamentary elections in

¹In June 2018, Macedonia and Greece signed the Prespa Accord, whereby the Republic of Macedonia agreed to change its name to the Republic of North Macedonia. Following ratification by both countries, the agreement went into force on February 12, 2019. In this report, we refer to the country as North Macedonia, although it was called the Republic of Macedonia during the period of our review.

December 2016. Although the leader of the then-opposition party formed a majority coalition in February 2017, the President of North Macedonia, Gjorge Ivanov, refused to give the party's leader the mandate to form a new government until May 2017, following a violent attack by protesters on the country's Parliament. North Macedonia's political parties formed a new government in May 2017. Before and throughout the crisis, USAID, State, and the National Endowment for Democracy (NED)—a nongovernmental, nonprofit organization funded largely through appropriated funds—provided democracy assistance to organizations in North Macedonia to fund a range of activities, including assistance to strengthen the political parties, monitor elections, and support an independent media.

You asked us to examine U.S. democracy assistance in North Macedonia and U.S. government actions during North Macedonia's political crisis. This report examines (1) U.S. funding for democracy assistance in North Macedonia during fiscal years 2012 through 2017, the most recent 5-year period for which these data were available, and (2) the extent to which USAID adhered to relevant policies in selecting recipients of democracy assistance in North Macedonia. We will issue a separate, classified report on political events in North Macedonia from January 2012 through June 2017 and the U.S. government's actions in North Macedonia during that period.

To address these objectives, we reviewed documents and data on democracy assistance awards provided by USAID, State, and NED, including planning and strategy documents. We analyzed documents and data for a sample of USAID's awards between fiscal years 2012 through 2017. To determine the data's reliability, we interviewed cognizant officials and reviewed relevant documentation. We also interviewed USAID, State, and NED officials in North Macedonia as well as representatives of implementing partners and of the government of North Macedonia in Skopje, North Macedonia. In addition, we interviewed USAID, State, and NED officials, and implementing partner representatives, in Washington, D.C. For further information about our scope and methodology, see appendix I.

We conducted this performance audit from May 2017 to October 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that

the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

U.S.–North Macedonia Relations

North Macedonia Facts

Geography

- 25,713 square kilometers in area (slightly larger than Vermont)
- Mountainous terrain, with deep basins and valleys and three large lakes
- Landlocked, but a major transportation corridor from Western and Central Europe to the Aegean Sea

Population

- 2,118,945 (146th largest in the world, 2018 est.)
- 28 percent of the population resides in the capital of Skopje (2018 est.)

Economy

- \$31.03 billion gross domestic product in 2017 (131st largest economy in the world)
- 22.4 percent unemployment rate (2017 est.)
- Composition, by sector: agriculture, 11 percent; industry, 27 percent; services, 63 percent (2017 est.)

Ethnic Groups

- Macedonian, 64.2 percent; Albanian, 25.2 percent; Turkish, 3.9 percent; Romani, 2.7 percent; Serb, 1.8 percent; other, 2.2 percent (2002 est.)



Source: Central Intelligence Agency. | GAO-20-158

The United States has maintained a cooperative relationship with North Macedonia across a broad range of political, economic, cultural, military, and social issues since North Macedonia gained its independence from Yugoslavia in 1991. The United States formally recognized North Macedonia in 1994, and the countries established full diplomatic relations in 1995. Following a civil conflict between the country’s ethnic Albanian minority and the Macedonian majority in 2001, the United States and the EU mediated a resolution and supported efforts to agree to a peaceful, political solution to the crisis, known as the Ohrid Framework Agreement. Figure 1 shows Macedonia’s location in southeastern Europe.

Figure 1: North Macedonia’s Location in Europe



Source: GAO Map Resources (map). | GAO-20-158

North Macedonia's Democratic Backsliding

In 2011, USAID and State assessed that North Macedonia's conservative party, the Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (known as VMRO-DPMNE, or VMRO) was consolidating political power when it became the ruling party in 2006.² USAID and State found that government control over North Macedonia's judiciary, Parliament, media, civil society, and local government was increasing.³

In December 2012, security personnel ejected members of the Social Democratic Union of Macedonia (SDSM), the main opposition party, from the Parliament building, along with journalists who had been observing the session, after SDSM members protested VMRO's proposed budget. SDSM boycotted Parliament for approximately 2 months after this incident but returned in March 2013, when the parties reached an agreement. In May 2014, SDSM boycotted Parliament again, accusing VMRO of having violated the country's electoral code in April 2014 elections, in which VMRO retained its parliamentary majority.

In December 2014, USAID concluded that inadequate mechanisms for competition and political accountability represented the primary democracy and governance problems in North Macedonia. USAID noted, among other things, that the ruling party had deployed public resources and control of the media to limit competition; captured executive, legislative, and judicial institutions; and put pressure on, and excluded, civil society.

North Macedonia's 2015 Political Crisis

In February 2015, the leader of SDSM began releasing phone conversations allegedly recorded by the government's counterintelligence service that revealed widespread corruption and state capture by the

²North Macedonia's two largest political parties are VMRO and the Social Democratic Union of Macedonia (SDSM). VMRO led the government from 2006 to 2017. Former Prime Minister Nikola Gruevski led the party from 2003 to 2017 and served as Prime Minister from 2006 to 2016. SDSM—North Macedonia's liberal, left-leaning political party—leads the current governing coalition in North Macedonia. Prime Minister Zoran Zaev has led the party since June 2013.

³Other indexes also found evidence of democratic backsliding. Freedom House reported that North Macedonia's overall democracy score had declined from 3.89 in 2012 to 4.43 in 2017; a score of 7 represents the lowest level of democratic progress. In 2017, North Macedonia received its lowest scores in the categories of Independent Media and National Democratic Governance—5.25 and 5.00, respectively.

ruling party, VMRO, triggering a political crisis.⁴ (See fig. 2 for a timeline of the crisis.) Street protests followed these leaks. The four main political parties⁵ invited the United States and EU to facilitate negotiations to broker a peaceful resolution to the crisis, known as the Przino Agreement, in June 2015.⁶ The parties agreed to, among other things, hold free and fair elections by the end of April 2016.

⁴This description of the 2015 political crisis in North Macedonia is based on information found in State cables. We did not independently verify the political or legal actions of various North Macedonia government entities.

⁵The four political parties involved in the Przino Agreement negotiations were VMRO, SDSM, and two ethnic Albanian parties: the Democratic Union for Integration and the Democratic Party of Albanians.

⁶The Przino Agreement established a number of actions that North Macedonia's political parties committed to undertake, including SDSM's returning to Parliament, chairing a special parliamentary committee of inquiry into the wiretap scandal, and ceasing publication of any wiretap material. In addition, the parties agreed to review and modify the composition of the State Election Commission and participate in further dialogue to reach agreement on a number of democratic reforms, including reforms related to media freedom and the rule of law.

Figure 2: Timeline of Political Events in North Macedonia, 2015-2017



Legend : DUI = Democratic Union for Integration; SDSM = Social Democratic Union of Macedonia; VMRO-DPMNE = Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity.

Source: GAO analysis of Department of State, European Union, and Organization for Security and Cooperation in Europe documents. | GAO-20-158

After two failed attempts to hold elections in early 2016, the United States and EU convened North Macedonia's political parties for another round of negotiations in the summer of 2016. The parties reached agreement on a number of key reforms and set the conditions for parliamentary elections by the end of 2016. These elections took place on December 11, 2016, without a clear majority winner. Although SDSM leader Zoran Zaev formed a majority coalition in February 2017, then-President Ivanov refused to give Zaev the mandate to form a new government until May 2017, following a violent storming of Parliament by hundreds of protesters in April. In May 2017, President Ivanov authorized SDSM to form a government with a coalition of ethnic Albanian parties.⁷

The new coalition government expressed support for North Macedonia's accession to the EU and membership in the North Atlantic Treaty Organization (NATO). On February 12, 2019, the Republic of Macedonia formally changed its name to the Republic of North Macedonia, ending a longstanding dispute over its name with Greece, which had for years exercised its veto power in NATO to block North Macedonia's membership (see the text box for details of North Macedonia's NATO aspirations and name dispute with Greece). On February 6, 2019, NATO members signed an accession protocol with North Macedonia, paving the way for North Macedonia to become the 30th member of NATO. The EU states also opened the path to potential EU accession negotiations with North Macedonia in June 2019, contingent on the country's full implementation of its agreement with Greece and its demonstrated progress in implementing EU-recommended reforms. However, the EU postponed the decision until no later than October 2019. On February 15, 2019, the U.S. government recognized North Macedonia's name change.

⁷North Macedonia has several ethnic Albanian parties. The largest of these parties, the Democratic Union for Integration, is led by Ali Ahmeti.

North Macedonia's NATO Aspirations and Name Dispute with Greece

In 2008, having determined that North Macedonia met North Atlantic Treaty Organization (NATO) membership criteria, NATO allies decided that North Macedonia would be invited to join NATO as soon as North Macedonia and Greece, a NATO member, resolved a dispute regarding North Macedonia's name. A brief timeline of this dispute follows.

- **1991:** The "Republic of Macedonia" declared its independence from the former Yugoslavia. Greece objected to this name, viewing "Macedonia" as representing territorial claims against Greece, which has a northern province by the same name. Because Greece has veto power in NATO, it was able to prevent the Republic of Macedonia from joining the organization.
- **1995:** Greece and the Republic of Macedonia reached an interim accord in which Greece agreed not to block applications by the Republic of Macedonia to international organizations if made under the name "Former Yugoslav Republic of Macedonia."
- **2008:** At a NATO Summit in Bucharest, Greece blocked the Republic of Macedonia's bid to join NATO.
- **Dec. 2011:** The International Court of Justice ruled that Greece had been wrong to block the Republic of Macedonia's bid to enter NATO in 2008, but the decision did not affect NATO's consensus-based decision-making process.
- **June 12, 2018:** The foreign ministers of Greece and the Republic of Macedonia signed the Prespa agreement, whereby the Republic of Macedonia would change its name to the Republic of North Macedonia, Greece would no longer object to North Macedonia's Euro-Atlantic integration, and both countries would promise to respect existing borders.
- **Sept. 30, 2018:** The Republic of Macedonia held a referendum on changing its name to the Republic of North Macedonia, with nearly 92 percent of votes in favor of the change. Overall turnout for the referendum was about 37 percent, as opponents of the name change boycotted the referendum.
- **Oct. 19, 2018:** A two-thirds majority in North Macedonia's Parliament voted in favor of the name change.
- **Jan. 11, 2019:** North Macedonia's Parliament approved a constitutional amendment that renamed the country to the Republic of North Macedonia.
- **Jan. 25, 2019:** The Greek Parliament voted to approve the deal outlined in the Prespa agreement.
- **Feb. 6, 2019:** NATO's 29 members signed an accession protocol with North Macedonia, paving the way for the country to become the 30th member of the alliance.
- **Feb. 8, 2019:** Greece became the first NATO member to ratify the accession protocol.
- **Feb. 12, 2019:** The Republic of Macedonia formally changed its name to the Republic of North Macedonia.
- **Feb. 15, 2019:** The U.S. government recognized the Prespa Agreement's entry into force and North Macedonia's name change.

Source: GAO analysis of Congressional Research Service, Department of State, Voice of America, and Radio Free Europe documents.
| GAO-20-158

Note: GAO did not independently verify the political or legal actions of the governments of Greece or North Macedonia.

Overview of U.S. Democracy Assistance

According to State, democracy assistance seeks to advance freedom and dignity by assisting governments and citizens to establish, consolidate, and protect democratic institutions, processes, and values. These components include participatory and accountable governance, rule of

law, authentic political competition, civil society, human rights, and the free flow of information.⁸ Democracy assistance falls into six program areas—Rule of Law, Good Governance, Political Competition and Consensus-Building, Civil Society, Independent Media and Free Flow of Information, and Human Rights—each with different program elements. See appendix V for descriptions of democracy program areas and program elements.

The U.S. government provides democracy assistance through multiple bureaus and offices in USAID, State, and NED.⁹ For a list of these agencies’ roles and responsibilities related to democracy assistance overseas, see table 1.

Table 1: USAID, State, and NED Roles Related to Democracy Assistance Overseas	
Agency, bureau, or office	Roles and responsibilities
U.S. Agency for International Development (USAID)	
Bureau for Management Office of Acquisition and Assistance	Provides centralized administrative services, including procurement services, for offices throughout USAID. Provides administrative services for awards, including for democracy assistance programming.
Bureau for Democracy, Conflict, and Humanitarian Assistance	Consists of nine offices headquartered in Washington, D.C., that support the bureau’s mission to promote democratic and resilient societies.
Office of Transition Initiatives	Provides short-term democracy assistance programs that are targeted in areas that are under transition and have stabilization needs.
USAID missions	Consists of USAID offices in cooperating countries and regions throughout the world that design and manage democracy programs, among other types of foreign assistance.

⁸Department of State, *Standardized Program Structure and Definitions*, accessed April 28, 2019, <https://2009-2017.state.gov/f/c24132.htm>. According to this resource, the full name of the program area that this report refers to as democracy assistance is “democracy, human rights, and governance assistance.”

⁹On November 22, 1983, NED was established as a private, nonprofit corporation, with one of its stated purposes being to encourage free and democratic institutions throughout the world. NED’s purposes are set forth in its articles of incorporation and are repeated in section 502 of the National Endowment for Democracy Act. Pub. L. No. 98-164, Title V, § 502 (Nov. 22, 1983), codified at 22 U.S.C. § 4411. According to NED officials, NED can only provide democracy assistance through grants to nongovernmental entities.

Agency, bureau, or office	Roles and responsibilities
Department of State (State)	
Bureau of Democracy, Human Rights, and Labor	Provides funding primarily to U.S. nonprofit organizations to strengthen democratic institutions, promote human rights, and build civil society mainly in fragile democracies and authoritarian states. Provides this funding through grants and cooperative agreements, which are centrally managed by staff based in Washington, D.C.
Bureau of International Narcotics and Law Enforcement Affairs	Provides funding for programs in areas such as combatting crime and corruption, promoting good governance, and supporting rights and justice. Funds democracy assistance programs through contracts, grants, cooperative agreements, and other mechanisms that are managed by State personnel in Washington, D.C., and at posts overseas.
Regional bureaus ^a	Provide democracy assistance funding within their regional areas of focus across various program areas. Provide this funding primarily through grants and cooperative agreements that are managed by State personnel in Washington, D.C., and at posts overseas.
Bureau of Administration	Provides policy guidance and training for State federal assistance, including democracy assistance overseas.
U.S. embassies	May facilitate the coordination of democracy assistance initiatives in-country and provide input on strategic objectives and priorities for assistance.
National Endowment for Democracy (NED)	A private, nonprofit, nongovernmental organization, funded largely through grants from State provided by annual congressional appropriations. Awards about half of its total annual funding through grants to four affiliated organizations, known as the core institutes: the International Republican Institute, National Democratic Institute, Solidarity Center, and Center for International Private Enterprise. Uses the remainder of its budget to make hundreds of grants to nongovernmental organizations throughout the world to support democracy. Typically receives additional funds from State to make grants in specific countries or regions. The core institutes may also receive funding from State and USAID that is not overseen by NED.

Sources: GAO analysis of information from USAID, State, and NED. | GAO-20-158

Note: The agencies, bureaus, and offices shown do not represent an exhaustive list of those that provide funding for U.S. democracy assistance programs.

^aState has six regional bureaus: the Bureau of African Affairs, the Bureau of East Asian and Pacific Affairs, the Bureau of European and Eurasian Affairs, the Bureau of Near Eastern Affairs, the Bureau of South and Central Asian Affairs, and the Bureau of Western Hemisphere Affairs.

Agency Operational Policies for Assistance

Federal laws governing agencies' use of contracts and grants seek to promote discipline in the selection and use of procurement contracts, grant agreements, and cooperative agreements; maximize competition in

making procurement contracts; and encourage competition in making grants and cooperative agreements.¹⁰ USAID's operational policy, the Automated Directives System, incorporates these requirements into agency guidance. Thus, in selecting recipients of democracy assistance, agency staff are required to guarantee the integrity of the competitive award process by ensuring overall fairness and considering all eligible applications for an award.

Strategic Objectives for Democracy Assistance in North Macedonia

Since North Macedonia's separation from Yugoslavia in 1991, the United States has provided democracy assistance to support North Macedonia's Euro-Atlantic integration and the development of prosperous and democratic institutions. This assistance has focused on promoting rule of law, political processes, citizen engagement, and free media. In light of North Macedonia's 2015 political crisis, as well as democratic backsliding observed in the years before the crisis, USAID narrowed its assistance goals for the country to focus on more inclusive citizen engagement in civic life, political processes, and the free flow of information to support better functioning checks on executive authority.¹¹

The USAID mission in North Macedonia's strategic plan for 2011 through 2015 identified three primary objectives of U.S. democracy assistance in North Macedonia:¹²

- Promote greater checks and balances in democratic processes by empowering local governments, promoting greater equilibrium among the branches of government at the national level, and promoting political accountability.
- Develop a basic education system that prepares youth for a modern economy and stable democracy by improving students' basic skills, expanding workforce skills, and enhancing ethnic integration in the education sector.

¹⁰31 U.S.C. § 6301.

¹¹U.S. strategic documents from 2014 and 2015 reflect shifts in U.S. assistance goals in light of these events and other evidence of democratic backsliding. The documents indicate the need to develop North Macedonia's democratic and civil society environment to improve the country's prospects for joining NATO and completing accession negotiations with the EU.

¹²U.S. Agency for International Development, *USAID/Macedonia Strategic Plan: 2011-2015* (Skopje, North Macedonia: December 2010).

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- Increase job-creating private-sector growth in targeted sectors by improving the country's business environment in critical areas and strengthening key private-sector capacities.

Additionally, USAID and State relied on a broader strategic framework, the integrated country strategy, when developing democracy projects in North Macedonia. This interagency, multiyear, overarching strategy outlines U.S. policy priorities and objectives for North Macedonia. Its objectives include improving North Macedonia's democratic and civil society environment to improve the country's prospects for joining NATO and for completing accession negotiations with the EU.¹³

U.S. Agencies Obligated More Than \$45 Million for Assistance for North Macedonia, but Total State Department Obligations Cannot Be Reliably Reported

U.S. government agencies obligated more than \$45 million in democracy assistance funding for North Macedonia in fiscal years 2012 through 2017, according to agency award documents and data (see table 2).¹⁴ This assistance was provided to support U.S. strategic objectives for North Macedonia, including promoting the rule of law, political processes, citizen engagement, and free media. USAID obligated approximately \$38 million, and NED obligated approximately \$4.2 million. Additionally, the Public Affairs Section of the U.S. Embassy in Skopje provided about \$3.7 million in assistance. However, we are unable to report total State obligations for democracy assistance for North Macedonia because of uncertainty about the reliability of award data from State's Bureau of International Narcotics and Law Enforcement Affairs (INL). In addition, State's Bureau of Democracy, Human Rights, and Labor (DRL) provided democracy assistance in North Macedonia solely through regional grants and did not specify which obligated funds were provided for democracy assistance in North Macedonia. See appendixes II through IV for a full list

¹³State and USAID collaborate on the creation and implementation of U.S. strategic objectives. Drawing from a region's joint regional strategy—drafted by both State and USAID—U.S. embassies in the region develop individual integrated country strategies for each of their missions. USAID then formulates regional and country specific strategies based on the specific objectives in the joint regional strategies and integrated country strategies.

¹⁴An obligation is a definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received or that creates a legal duty on the part of the United States that could mature into a legal liability by virtue of actions on the part of the other party beyond the control of the United States. Payment may be made immediately or in the future. An agency incurs an obligation, for example, when it places an order, signs a contract, awards a grant, purchases a service, or takes other actions that require the government to make payments to the public or from one government account to another.

of USAID, NED, and State awards for democracy assistance in North Macedonia in fiscal years 2012 through 2017.

Table 2: USAID, NED, and State Obligations for Democracy Assistance for North Macedonia, Fiscal Years 2012-2017

Agency	Obligations (dollars in millions)
USAID	37.7
NED	4.2
State (U.S. Embassy Skopje)	3.7 ^a
Total	45.7

Source: GAO analysis of U.S. Agency for International Development (USAID), Department of State (State), and National Endowment for Democracy (NED) data. | GAO-20-158

Note: Amounts shown do not sum to the total because of rounding.

^aThe obligations shown for State include only democracy assistance granted by the Public Affairs Section of the U.S. Embassy in Skopje for North Macedonia. State's Bureaus of International Narcotics and Law Enforcement Affairs (INL) and Democracy, Human Rights, and Labor (DRL) also provided democracy assistance for North Macedonia in fiscal years 2012 through 2017. INL obligations are not shown because data on these amounts are unreliable, and DRL obligations are not shown because DRL provided regional, rather than country-specific, assistance. We have previously reported on the unreliability of INL data for specific awards made under INL awards; see [GAO-18-136](#).

USAID Obligated
Approximately \$38 Million
for Democracy Assistance
Program Areas

USAID provided about \$38 million in democracy assistance for North Macedonia in fiscal years 2012 through 2017. As table 3 shows, the majority of USAID funding—approximately \$17 million—supported projects in the civil society program area, while more than \$7 million supported political competition and consensus building.

Table 3: USAID's Total Obligations for Democracy Assistance for North Macedonia, by Program Area, Fiscal Years 2012-2017

Democracy assistance program areas ^a	Obligation amount (dollars)
Civil Society	17,156,164
Political Competition and Consensus Building	7,214,604
Independent Media and Free Flow of Information	6,225,000
Rule of Law and Human Rights	5,298,894
Good Governance	1,776,024
Total	37,670,686

Legend: USAID = U.S. Agency for International Development.
Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-20-158

^aIn April 2016, the Department of State and the U.S. Agency for International Development updated their Foreign Assistance Standardized Program Structure and Definitions to include six program areas under Democracy, Human Rights, and Governance. The previous Rule of Law and Human Rights program area was divided into two separate program areas—one for Rule of Law and one for Human Rights. The previous Civil Society program area was also divided into two separate program areas—one for Civil Society and one for Independent Media and Free Flow of Information.

Several USAID bureaus and offices provided democracy assistance in North Macedonia during that period. The Bureau for Democracy, Conflict, and Humanitarian Assistance and the Bureau for Europe and Eurasia provided such assistance through contracts, grants, and cooperative agreements. According to agency documents, USAID supported U.S. foreign policy in North Macedonia by promoting democracy and respect for the rule of law and human rights, through activities such as supporting civil society organizations and developing the capacity of independent media outlets in the country. USAID also promoted political competition and accountability by working with political parties and state institutions to enable an environment for free and fair elections.

In addition, USAID's Office of Transition Initiatives (OTI) provided short-term assistance to groups in the country. OTI established an office in North Macedonia in September 2015 to support reform processes outlined in the Przino Agreement. According to OTI documents, OTI supports U.S. foreign policy objectives by promoting stability, peace, and democracy through fast, flexible, short-term assistance targeted to key political transition and stabilization needs. The office works with civil society organizations, media groups, and government institutions to increase access to reliable information, promote free and open civic discourse, and support democratic reforms. In North Macedonia, OTI funded initiatives such as a televised debate series that presented civil dialogue and diverse viewpoints on issues affecting citizens of North Macedonia. OTI grants have also supported digital media initiatives and civic engagement projects.

USAID assistance supported initiatives in a range of democracy program areas. Table 4 shows examples of USAID projects across different program areas, some of which are related to democracy assistance.

Table 4: Examples of USAID Democracy Projects in North Macedonia, Fiscal Years 2012-2017

Initiative	Total obligation amount (dollars) ^a	Instrument type	Program area(s)	Description
USAID Office of Transition Initiatives (OTI) activities in North Macedonia	13,192,907	Contract	Good Governance, Independent Media and Free Flow of Information, and Conflict Mitigation and Stabilization	This award supported OTI's activities in North Macedonia, which included several grants to local organizations that were managed by OTI's main implementing partner. OTI launched its activities to support the reform processes outlined in the Przino Agreement. According to USAID officials, OTI worked closely with civil society organizations, media groups, and government institutions to increase access to reliable information, promote free and open civic discourse, and support democratic reforms.
Parliamentary Development and Improved Constituent Representation Program	8,930,522	Cooperative agreement	Civil Society, Good Governance, Rule of Law and Human Rights, Political Competition and Consensus-Building, and Independent Media and Free Flow of Information	The purpose of this cooperative agreement was to (1) equip North Macedonia's Parliament with skills to fulfill its legislative and oversight functions more effectively and (2) encourage debate on electoral reform that would make candidates more accountable to voters. The project was managed by the Consortium for Elections and Political Process Strengthening, through a cooperative agreement supervised and funded by USAID. ^b
Interethnic Integration in Education Project	6,170,244	Cooperative agreement	Civil Society	The purpose of this project was to build the awareness and capacity of school boards, principals, teachers, and administration officials to deal with diversity and multi-ethnic issues. The project provided diversity training and incentives in support of central and local governments for ethnic integration.
Judicial Strengthening Project	4,455,913	Contract	Rule of Law and Human Rights	The purpose of this award was to support the judiciary's efforts in North Macedonia to evolve as an independent, self-governed, effective, and accountable branch of government, capable of meeting the needs of the citizens, businesses, and organizations for prompt and impartial protection of their rights and adjudication of their legal disputes.

Initiative	Total obligation amount (dollars) ^a	Instrument type	Program area(s)	Description
Strengthening Independent Media in Macedonia Project	1,671,763 ^c	Cooperative agreement	Independent Media and Free Flow of Information	The purpose of this multi-component project was to increase the legitimacy of media and strengthen freedom of expression by empowering journalists to reduce their vulnerability to political, legal, and economic intimidation. USAID selected different recipients for the three components of this project, which funded (1) the establishment of an online media fact-checking service, (2) an activity to promote partnerships between media and civil society organizations, and (3) an activity to promote legal reforms leading to a sustainable media environment.

Legend: USAID = U.S. Agency for International Development.

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-20-158

^aObligation amounts shown reflect total awards, which may include assistance that does not fall into democracy assistance program areas.

^bThrough the Consortium for Elections and Political Process Strengthening, three organizations—the National Democratic Institute, the International Republican Institute and the International Foundation for Electoral System—receive and coordinate funding to provide democracy assistance to a range of organizations in foreign countries, including governmental bodies, election management organizations, civil society organizations, and activists. The National Democratic Institute and the International Republican Institute also receive funding from the National Endowment for Democracy.

^cThe Strengthening Independent Media in Macedonia Project consists of three components. The obligation amount shown represents total awards for all three components.

NED Obligated Approximately \$4.2 Million for Democracy Assistance Activities

NED awarded 72 grants totaling nearly \$4.2 million in North Macedonia in fiscal years 2012 through 2017. Of these, six grants, totaling almost \$1.7 million, were awarded to two of NED's core institutes—the National Democratic Institute and the Center for International Private Enterprise—while 66 grants, totaling about \$2.6 million, were awarded to other organizations.¹⁵ In addition, NED awarded 61 grants totaling more than \$17.1 million for regional programs that included North Macedonia. NED does not disaggregate cost data by individual country due to the nature of the Balkan regional programs NED supports. Thus, we are unable to report the amounts NED provided in North Macedonia through regional programs during the period of our review.

¹⁵NED provides democracy assistance through (1) grants to its core institutes—the International Republican Institute, the National Democratic Institute, the Solidarity Center, and the Center for International Private Enterprise—and (2) discretionary grants to other, non-core institute organizations to support democracy initiatives worldwide.

After the onset of the political crisis in 2015, NED focused its democracy assistance in North Macedonia on three program areas: promoting good governance, supporting independent media, and fostering positive interethnic relations.¹⁶ NED grants supported a range of initiatives, including projects to improve investigative reporting on democratic reforms and rule-of-law matters, and to encourage youth leadership and activism.

NED's funding to the National Democratic Institute and the Center for International Private Enterprise supported a range of activities in North Macedonia. The institute worked with the country's Parliament to improve its management and organization of the legislative process by, among other things, assisting Parliament in reviewing its legislative and oversight procedures. Other National Democratic Institute initiatives included encouraging participation by various groups in the democratic process, including the Roma population, women, and civil society organizations. The Center for International Private Enterprise received funding for one grant devoted to developing youth leadership.¹⁷

State Obligated At Least \$3.7 Million for Democracy Assistance, but Some Project-Level Funding Could Not Be Determined

Several State offices—U.S. Embassy Skopje, INL, and DRL—provided funding for democracy assistance in North Macedonia, but only the funding provided by the embassy can be reliably reported. The embassy's Public Affairs Section provided at least \$3.7 million in democracy assistance in North Macedonia in fiscal years 2012 through 2017. INL was unable to provide reliable data on obligations on its awards in North Macedonia. DRL obligated more than \$2 million to support democracy assistance activities at the regional level but due to the regional nature of its projects, was unable to provide country-level breakdowns of obligations.

¹⁶NED uses its own program focus definitions to categorize its democracy assistance activities.

¹⁷The International Republican Institute, another NED core institute, received funding from USAID in fiscal years 2012 through 2017 for activities in North Macedonia. These activities included the promulgation of public opinion surveys to gauge public perceptions of political and economic developments in the country, particularly during the country's 2015 political crisis. The institute did not receive funding from NED for activities in North Macedonia during this period.

U.S. Embassy Skopje Provided Democracy Assistance Grants to Organizations in North Macedonia

In fiscal years 2012 through 2017, Embassy Skopje's Public Affairs Section obligated approximately \$3.7 million in democracy assistance grants to organizations in North Macedonia. According to State officials, the embassy works with the Coordinator of U.S. Assistance for Europe and Eurasia to allocate democracy assistance and helps align assistance activities with the U.S. strategic goals for North Macedonia. The embassy's Public Affairs Section also provides democracy assistance through other means, including media training programs, youth engagement projects, speaker programs, and the Democracy Commission Small Grants Program.

The embassy granted \$1.8 million for 91 grants through the Democracy Commission Small Grants Program in fiscal years 2012 through 2017. According to the embassy, grants through this program, which cannot exceed \$24,000, support nongovernmental organizations' efforts to promote the rule of law, independent media, interethnic community building, the empowerment of women and youth, human rights, and the institutionalization of open and pluralistic democratic political processes. Examples of awards for Democracy Commission grant-funded activities include the following:

- **Women's Rights Center** (\$22,900). This award funded a program to strengthen the capacities of organizations that are working with women victims of domestic violence.
- **Civil Lyceum Project** (\$17,830). This project aimed to mobilize youth in Skopje to become more involved in the civil society sector and to help create young leaders who understand the value of civic engagement and advance democratic values.
- **Way Out** (\$7,858). This award funded the maintenance and development of the online version of a student magazine.

The remainder of the embassy's Public Affairs Section awards for assistance in North Macedonia supported activities such as youth engagement projects, speakers, and media training programs, which included short-term trips for journalists from North Macedonia to receive training in the United States.

INL Project-Level Funding Data Are Unreliable, but INL Reported Bulk Obligations for Democracy Assistance in North Macedonia

INL provided democracy assistance to organizations in North Macedonia in fiscal years 2012 through 2017. INL was unable to provide reliable data on project-level obligations; however, it reported bulk obligations for democracy assistance projects that supported efforts to reform North Macedonia's criminal justice system to meet rule-of-law benchmarks for

Euro-Atlantic integration.¹⁸ INL's assistance in North Macedonia focused on three primary areas: developing the country's criminal justice system, developing legal professionals' skills, and professionalizing the police. According to agency officials, this assistance is intended to strengthen North Macedonia's justice sector and independent institutions. Specific INL activities included assisting with revisions to the criminal procedure code to promote a more adversarial justice system, providing technical advisors and equipment to the Special Prosecutor's Office, and promoting accountable policing efforts by providing training to local police on crime scene management.

In December 2017, we reported that INL funding data for democracy assistance projects were unreliable and we recommended that State identify and address factors that affect the reliability of its democracy assistance data.¹⁹ State concurred with this recommendation. As of July 2019, INL reported continued efforts to improve data quality and reliability, including ensuring that current and future transactions would maintain coding integrity. However, officials stated that, because of missing codes or miscoded items, they were unable to provide reliable data on obligations for INL awards for democracy assistance projects in North Macedonia for fiscal years 2012 through 2017.

Although we determined that data for specific INL democracy awards were unreliable, INL reported providing bilateral assistance of approximately \$14.2 million in North Macedonia in fiscal years 2012 through 2017, including \$6.9 million for democracy assistance.²⁰

¹⁸INL recorded a financial commitment outlined in a letter of agreement or amendment as a "bulk obligation" in State's financial management system, although a specific need for the funding may not yet have been identified. When bulk-obligated funds are given to a specific project, INL designated this funding as a subobligation.

¹⁹GAO, *Democracy Assistance: State Should Improve Accountability Over Funding; USAID Should Assess Whether New Processes Have Improved Award Documentation*, [GAO-18-136](#) (Washington, D.C.: Dec. 14, 2017).

²⁰INL provides assistance in North Macedonia using a letter-of-agreement framework. A letter of agreement is a strategic-level, bilateral agreement between the U.S. government and a foreign government, defining the terms under which a specific project is to be carried out and reflecting the commitments made by both parties to accomplish certain project objectives. Once a letter of agreement or amendment has been processed, funds may be obligated for specific projects. The U.S. government signed a letter of agreement with the government of North Macedonia on August 30, 2012, to provide bilateral assistance for a range of INL programs. In 2012 through 2017, the governments made eight amendments to the 2012 letter of agreement, which modified program goals, descriptions, and performance measures.

DRL Funded Regional
Democracy Assistance Awards
That Included North
Macedonia

However, we did not independently verify that INL provided this amount of bilateral assistance.

DRL funded four awards that benefited North Macedonia in fiscal years 2012 through 2017. However, DRL awarded this assistance at the regional level and does not track country-level obligations for North Macedonia. One regional award with obligations of roughly \$300,000 supported a project focusing on Roma populations in Bulgaria, North Macedonia, Romania, and Serbia. A second regional award provided more than \$2 million for a project promoting the rule of law in the Balkans. The two remaining DRL awards provided \$25,000 to organizations supporting local civil society organizations working to promote human rights.

USAID Generally Followed Operational Policy in Selecting Recipients of Democracy Assistance in North Macedonia

Our review of 13 USAID grants and cooperative agreements for democracy assistance—representing roughly half of USAID obligations in North Macedonia in fiscal years 2012 through 2017—found that in selecting recipients, the agency generally followed operational policies intended to ensure a fair and transparent selection process.²¹ (See table 5 for a list of the awards in our sample.) We found that staff at the USAID mission in North Macedonia generally evaluated applicants against the merit review criteria stated in public notices.²² We also found that USAID considered and recorded the strengths and weaknesses of applicants in selection committee memorandums for 10 of the 13 awards in our sample. For three awards originating from the same public notice, we were unable to determine, on the basis of available documentation, whether USAID considered the strengths and weaknesses of all applicants. Finally, we found that USAID documented the review procedures it used to assess applicants in selection committee memorandums.

²¹USAID provided the majority of its democracy assistance in North Macedonia through openly competed awards, for which it solicited applications through public announcements. All 13 awards in our sample were openly competed. Some awards originated from the same public notice. For example, the public notice for the Strengthening Independent Media in Macedonia project resulted in awards to three recipients: the Balkan Investigative Reporting Network, the Metamorphosis Foundation for Internet and Society, and the Media Development Center. Another public notice, for the Development Grants Program, resulted in awards to two recipients: the Defending Human Rights Project and the Legal Protection of Women Victims of Gender Based Violence and Discrimination Project. Finally, the public notice for the Macedonia Media (M-Media) project resulted in awards to three recipients: Telma TV, 360 Degrees, and Art Project Lab.

²²In assessing USAID's compliance with operational policy in selecting recipients of the 13 awards in our sample, we focused on the actions of the selection committees for these awards. According to USAID operational policy, selection committees are appointed to review applications using review criteria contained in the public notice for awards. Selection committees generally consist of members with the requisite technical knowledge or expertise to review the programmatic merits of applications. The USAID agreement officer for the award ensures that selection committee members do not have conflicts of interest with the organizations whose applications they are reviewing. According to USAID officials, selection committees can comprise U.S. and locally engaged staff at the USAID mission as well as embassy staff.

Table 5: GAO Sample of USAID Democracy Assistance Awards in North Macedonia, Fiscal Years 2012-2017

Number and title of award	Date of public notice	Date of award issuance	Total obligations (dollars) ^c	Number of applicants assessed for the award
1. Interethnic Integration in Education Project	July 2011	Dec. 2011	6,220,244	3
2. Civil Society Project	Aug. 2011	Feb. 2012	4,819,125	5
3. Strengthening Independent Media in Macedonia Project ^a —Media Fact Checking ^b	Mar. 2012	Oct. 2012	485,504	22 ^d 3 ^d
4. Strengthening Independent Media in Macedonia Project ^a —USAID Program for media legal reform and responsible media ^b	Mar. 2012	Nov. 2012	407,282	22 ^d 3 ^d
5. Strengthening Independent Media in Macedonia ^a —Balkan Investigative Reporting Network ^b	Mar. 2012	Dec. 2012	778,977	22 ^d 3 ^d
6. USAID Macedonia Anti-Corruption Program ^b	June 2012	June 2013	583,972	19 ^d 2 ^d
7. Development Grants Program ^a —Legal Protection of Women Victims of Gender Based Violence and Discrimination Project ^b	July 2013	Sept. 2014	388,978	23 ^d 5 ^d
8. Development Grants Program ^a —USAID Defending Human Rights Project ^b	July 2013	Sept. 2014	608,004	23 ^d 5 ^d
9. Macedonia Media (M-Media) Content Production Project ^a —360 Degrees	Mar. 2016	Sept. 2016	693,403	30
10. Macedonia Media (M-Media) Media Content Production ^a —Art Project Lab	Mar. 2016	Sept. 2016	425,694	30
11. Macedonia Media (M-Media) Media Content Production Project ^a —Telma	Mar. 2016	Sept. 2016	410,000	30
12. Migrant and Refugee Human Rights Protection	Mar. 2016	Sept. 2016	673,301	3
13. Youth Ethnic Integration Activity	Nov. 2016	Apr. 2017	775,228	1

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-20-158

^aThis project resulted in more than one award to a recipient in North Macedonia in fiscal years 2012 through 2017.

^bThe award had a concept paper phase and an application phase. USAID may establish a solicitation and review system with two or more phases. In the first phase, potential awardees may submit an executive summary or concept paper, from which USAID selects the best qualified. In the second phase, USAID solicits applications from the selected applicants and reviews the applications, using more-specific merit review criteria. Six of the 13 awards in our sample were two-phased awards.

^cAmounts shown reflect total obligated amounts, which may include assistance that does not fall into democracy assistance program areas.

^dThe first row for this award indicates the number of applicants USAID assessed in the first phase of the award, during which concept papers were solicited from potential applicants. The second row indicates the number of applicants USAID assessed during the second phase, when the selection committee reviewed full applications from selected applicants.

USAID Considered Published Merit Review Criteria in Selecting Recipients of Assistance

USAID's selection committee considered merit review criteria that were consistent with those included in the agency's public notices for 10 of the 13 awards for democracy assistance in North Macedonia that we reviewed.²³ USAID's process for selecting recipients of assistance for competitive awards requires announcing opportunities, reviewing applications, and making award decisions on the basis of published merit review criteria. USAID announces a grant opportunity by developing a notice of funding opportunity.²⁴ Merit review criteria are developed by the USAID staff and reflect the agency's strategic priorities for democracy assistance.²⁵ After interested parties have submitted applications, a selection committee, also known as a technical evaluation committee, is appointed to review applications.

All 13 awards in our sample included merit review criteria in public notices during the concept paper phase of awards, while 10 of the awards included merit review criteria for the full application phase. Many of the awards required selection committees to consider some of the same merit review criteria in assessing applicants. Examples of commonly applied criteria include the following:

- **Technical approach.** Reviewers are to assess the extent to which an applicant's proposed activity is clear, logical, and technically sound and meets the objectives of the funding outlined in the public notice.

²³We requested and received technical evaluation committee memorandums for 11 of the 13 awards in our sample from USAID headquarters and from the USAID Mission in North Macedonia. For two awards—the Civil Society Project and the Interethnic Integration in Education Project—we reached out to former members of the selection committee to obtain selection committee memorandums.

²⁴According to agency policies outlined in USAID's Automated Directives System (ADS), these notices must contain certain information, including a program description outlining the agency's funding priorities or the program areas it intends to support, the estimated total amount of funding available for the activity, the types of applicants that are eligible, and the merit review criteria that will be used to score applications. Notices of funding opportunity are publicly available at www.grants.gov. USAID primarily uses two types of notices: a request for applications, which USAID uses when it intends to provide assistance for an activity or methodology that supports or is in keeping with USAID's program objectives, and an annual program statement, which USAID uses when it intends to support a variety of creative approaches towards developing methodologies to assess and implement development objective activities.

²⁵An agreement officer, or contracting officer, has the ultimate authority to make award decisions for grants and cooperative agreements on behalf of USAID. According to USAID operational policy, the agreement officer further guarantees the integrity of the competitive process for granting awards by ensuring overall fairness and consideration of all eligible applicants to an award (ADS 303.3.6).

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- **Management plan and key personnel.** Reviewers are to assess the extent to which an applicant considered staffing, roles and responsibilities, and other management issues for their proposed activity.
 - **Organizational capacity and past performance.** Reviewers are to assess the extent to which the applicant demonstrated the technical and managerial resources and expertise to achieve their program objectives. Reviewers are also to assess the extent to which the applicant demonstrated technical and managerial resources and expertise in past programs and performed satisfactorily in similar programs executed in recent years.

We found that in reviewing the 13 awards in our sample, USAID generally applied the criteria published for each award.

- Six of the 13 awards in our sample were two-phased awards, for which the mission required potential applicants to first submit an executive summary or concept paper for their proposed activity. For these awards, the mission published separate merit review criteria for concept papers and full applications, and selection committees assessed each type of submission against the relevant set of criteria. The selection committee memorandums for three awards showed that these merit review criteria were consistent with the criteria outlined in the public notices for each award. Specifically, in the first phase of the award process, staff at the USAID mission in North Macedonia applied the published criteria for concept papers in reviewing the submitted papers and selected those that best met the criteria. In the second phase for three awards, USAID solicited applications from the selected applicants and applied the published criteria for full applications in reviewing the submitted applications. In the case of three awards that originated from the same public notice, the notice lacked merit review criteria for the full application phase. The public

notice for these three awards did not include the merit review criteria the selection committee would use to evaluate full applications.²⁶

- For the remaining seven one-phased awards in our sample, the selection committee memorandums showed that USAID applied the criteria published in the award solicitations in reviewing the applications that were submitted, consistent with USAID's operational policies.

USAID Generally Assessed Strengths and Weaknesses of Applicants for Democracy Awards

We found that USAID officials generally assessed applicants' strengths and weaknesses when reviewing applications for awards for democracy assistance in North Macedonia. USAID operational policy requires selection committees to evaluate the strengths and weaknesses of each applicant for an award relative to the merit review criteria.²⁷ The committee then prepares a written selection memorandum recording its assessments, which is then sent to the agreement officer.

For the 13 awards in our sample, selection committee memorandums show that officials generally considered and recorded their assessments of applicants' strengths and weaknesses against the criteria outlined in the public notices. For example, in considering the applicants for one award in our sample, the selection committee assessed the strengths and weaknesses of applicants' technical approaches by looking at the logical connection between their activities and stated objectives, their plans for community outreach, and their awareness of potential problems that might arise over the course of their projects. The committee also assessed applicants' strengths and weaknesses with regard to management plans and key personnel by considering, among other

²⁶The public notice for the Strengthening Independent Media in Macedonia project resulted in three separate awards to three recipients: the Balkan Investigative Reporting Network; the Metamorphosis Foundation for Internet and Society; and the Media Development Center. Each organization handled a separate component of the project. In the public notice for these awards, USAID included merit review criteria in the concept paper phase of the award but not for the full application phase, noting selected applicants would be invited to apply. Based on available documentation, we could not determine whether the merit review criteria USAID applied in the full application phase were consistent with the criteria included in the public notice for these awards because the public notice did not include the merit review criteria that the selection committee would use to evaluate applicants in the full application phase.

²⁷For some awards, the public notice for the award indicates that the committee will weight criteria differently. For these awards, USAID operational policy requires selection committee memorandums to include a numerical scoring of applicants, in addition to a narrative identifying their strengths and weaknesses.

things, applicants' plans to train staff, their knowledge of the stakeholders they planned to engage, and the relevant experience of the organizations' leaders. In addition, the committee assessed applicants' strengths and weaknesses with regard to organizational capacity and past performance, primarily by examining whether applicants had successfully managed projects of similar magnitude, scope, and sensitivity in recent years. For this award, the selection committee provided an overall score for each criterion based on the numerical scoring outlined in the award's public notice and ultimately recommended the top-scoring applicant to the agreement officer.

For three of the six two-phased awards we reviewed, selection committee officials considered and recorded their assessments of applicants' concept papers as well as the full applications they received. For three two-phased awards that originated from the same public notice, we could not determine, on the basis of available documentation, whether the selection committee assessed the strengths and weaknesses of applicants relative to the merit review criteria.²⁸

USAID Recorded Review Procedures, Consistent with Its Operational Policy

We found that USAID documented its review procedures, consistent with USAID policy. USAID operational policy requires that the selection committee include in its review documentation a discussion of its procedures for reviewing awards. For all 13 awards, the selection committee memorandums included a discussion of the review procedures that the committee used to assess applicants. These review procedures included actions such as the following:

- The establishment of the selection committee, including its purpose and composition

²⁸The committee's selection memorandum from the concept paper phase of the Strengthening Independent Media in Macedonia Project resulted in three awards to three recipients: the Balkan Investigative Reporting Network; the Metamorphosis Foundation for Internet and Society; and the Media Development Center. The selection committee received 22 concept papers during the first phase of this award. The selection committee memorandum does not include a discussion of the strengths and weaknesses of all of the papers submitted. The memorandum shows only that the committee evaluated three applicants' concept papers against merit review criteria in the public notice and that it followed a simplified procedure in evaluating and rejecting the 19 other concept papers it received. The selection committee's memorandum shows that it assessed the strengths and weaknesses of the three applicants invited to submit full applications. However, we were unable to determine whether the committee used the correct criteria, because the public notice lacked merit review criteria for the full application phase.

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- A requirement for selection committee members to sign a certificate regarding nondisclosure, conflict of interest, or rules of conduct
 - Individual reviews of the applications by each selection committee member
 - A review of the rating system the committee used to assess applicants
 - A joint meeting to discuss individual reviews and ratings of applications, resulting in consensus among selection committee members about the strengths and weaknesses of each application

For the two-phased awards in our sample, the selection committee memorandums include documentation of review procedures for both the concept paper and full application phases of awards. The selection committee memorandum for the full application phase of these awards included other actions that the selection committee took, such as the following:

- A summary of the committee's procedures and results in the concept paper phase
- An evaluation of the proposals from applicants who were invited to submit full applications
- A discussion of the programmatic weaknesses that USAID asked applicants to address before submitting their full applications

We are sending copies of this report to the USAID Administrator, the Secretary of State, and the President of NED. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3149 or gootnickd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VII.



David B. Gootnick
Director, International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

Our objectives were to examine (1) U.S. funding for democracy assistance in North Macedonia in fiscal years 2012 through 2017 and (2) the extent to which the U.S. Agency for International Development (USAID) adhered to relevant operational policies in selecting recipients of democracy assistance in North Macedonia.

To identify the United States' strategic objectives and goals for providing democracy assistance in North Macedonia, we reviewed USAID and Department of State (State) strategic documents and interviewed cognizant USAID and State officials in Washington, D.C.

To examine U.S. funding for democracy assistance in North Macedonia, we analyzed award data from USAID, State, and the National Endowment for Democracy (NED) for fiscal years 2012 through 2017, the most recent 5-year period for which these data were available. To determine the data's reliability, we interviewed agency officials and reviewed relevant documentation. We determined that USAID's and NED's data were sufficiently reliable for the purposes of our reporting objectives. We further determined that State's data on the U.S. Embassy in Skopje's Public Affairs Section awards were reliable for these purposes. However, on the basis of interviews with State officials, our review of their data, and our prior work, we determined that the data maintained by State's Bureau of International Narcotics and Law Enforcement Affairs (INL) could not be reliably reported.¹ We determined that data provided by State's Bureau of Democracy, Human Rights, and Labor Affairs (DRL) were reliable; however, we could not determine what portion of DRL funding went only to North Macedonia, because DRL made regional awards during this period that benefited several Balkan countries. Therefore, we report State obligations as approximations for awards for which we had more reliable data. To identify the recipients of democracy assistance in North Macedonia and describe the process through which the U.S. government grants such assistance, we reviewed award data, relevant award documents, and bilateral agreements and other communications between the United States and North Macedonia regarding this assistance.

¹In December 2017, we reported that INL funding data for democracy assistance projects were unreliable. We recommended that State identify and address factors that affect the reliability of its democracy assistance data. See GAO, *Democracy Assistance: State Should Improve Accountability Over Funding; USAID Should Assess Whether New Processes Have Improved Award Documentation*, [GAO-18-136](#) (Washington, D.C.: Dec. 14, 2017).

We interviewed USAID, State, and NED officials in Washington, D.C., who oversee democracy assistance in North Macedonia regarding U.S. funding for such assistance. We also interviewed representatives of organizations that implement this assistance that have offices in Washington, D.C. In addition, during audit work in Skopje, North Macedonia, we interviewed USAID and State officials who manage democracy assistance. We also met with officials from the government of North Macedonia, including the Minister of Defense and members of Parliament, the State Election Commission, and the Agency for Audio and Audiovisual Services, to determine the types of activities the U.S. government supported during the period of our review. In addition, we conducted individual and group interviews with representatives of 41 implementing partners of USAID, State, and NED in Skopje who received funding during the period of our review.

To assess the extent to which USAID officials followed operational policies in selecting recipients of democracy assistance, we analyzed award data and documentation for a sample of awards made between fiscal years 2012 through 2017. We excluded from our sample any contracts and other awards for which no public notice was issued, because these awards were not openly competed. We further excluded grants under contract arrangements that USAID entered into with local partners in North Macedonia, because these awards also were not openly competed. Such awards include those made by USAID's Office of Transition Initiatives and under the Consortium for Elections and Political Process Strengthening process. Our sample comprised the 13 largest-value grants and cooperative agreements that USAID made for North Macedonia in fiscal years 2012 through 2017, constituting 46 percent of all USAID obligations in North Macedonia during this period. We analyzed USAID operational policies contained in the Automated Directives System (ADS) and other USAID policy documents outlining the agency's strategic plan and assistance priorities for North Macedonia. We analyzed relevant documents for the awards in our sample, including the notices of funding opportunity and selection committee memorandums, and we assessed the extent to which these documents showed that USAID had met the requirements of its operational policy outlined in the ADS. In particular, for each award, we examined the extent to which

- the merit review criteria published in the notice of funding opportunity matched the criteria the selection committee used,
- the selection committee assessed the strengths and weaknesses of the submitted applications and recorded these assessments, and

- the selection committee included a discussion of its review procedures in its review documentation.

Finally, we interviewed USAID officials in Washington and Skopje regarding USAID's operational policies in fiscal years 2012 through 2017 as well as its process for selecting recipients of democracy assistance.

We conducted this performance audit from May 2017 to October 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: U.S. Agency for International Development Democracy Assistance in North Macedonia

Table 6 lists the U.S. Agency for International Development's (USAID) awards for democracy assistance in North Macedonia in fiscal years 2012 through 2017.

Table 6: USAID Awards for Democracy Assistance in North Macedonia, Fiscal Years 2012-2017

Award title	Recipient	Award start	Program area(s)	Obligation amount (dollars)
Interethnic Integration in Education Project	Macedonian Civic Education Center	2012	Civil Society	6,170,244
Civil Society Project	Foundation Open Society–Macedonia	2012	Civil Society	4,819,125
Parliamentary Development and Improved Constituent Representation Program	Consortium for Elections and Political Process Strengthening	2012	Good Governance, Rule of Law and Human Rights, Civil Society, Political Competition and Consensus-Building, Independent Media and Free Flow of Information	8,930,522
Municipal Climate Change Strategies Project	Milieukontakt Macedonia	2012	Civil Society	800,000
Judicial Strengthening Project	Tetra Tech ARD	2012	Rule of Law and Human Rights	4,455,913
Tech Advisors at the Ministry of Education and Science	(Personal services contractor)	2012	Civil Society	62,919
Civic Participation Tech Advisors at Ministry of Education and Science	(Personal services contractor)	2012	Civil Society	57,363
Small Project Assistance Program with Peace Corps	Peace Corps	2012	Civil Society	300,000
Democracy and Governance Survey	Agencija Rejting SP-M D.O.O.E.L.	2013	Civil Society	17,451
Strengthening Independent Media in Macedonia Project—Media Fact-Checking	Metamorphosis	2013	Independent Media and Free Flow of Information	485,504
Strengthening Independent Media in Macedonia—USAID Program for media legal reform and responsible media	Media Development Center	2013	Independent Media and Free Flow of Information	407,282
Strengthening Independent Media in Macedonia—Enhancing Civil Service Organizations and media cooperation & strengthening investigative journalism	Balkan Investigative Reporting Network	2013	Independent Media and Free Flow of Information	778,977
Organizational Performance Improvement Project	Detra Centar	2013	Good Governance, Rule of Law and Human Rights, Civil Society	446,513
USAID Macedonia Anti-Corruption Program	Macedonia Center for International Cooperation	2013	Civil Society	583,972

**Appendix II: U.S. Agency for International
Development Democracy Assistance in North
Macedonia**

Award title	Recipient	Award start	Program area(s)	Obligation amount (dollars)
Training of Internal Auditors in the Public Sector	Center for Excellence in Finance	2013	Civil Society	433,578
USAID Defending Human Rights Project	Macedonian Young Lawyers Association	2014	Civil Society	608,004
Legal Protection of Women Victims of Gender Based Violence and Discrimination Project	Association for Emancipation, Solidarity and Equality of Women in Macedonia	2014	Civil Society	388,978
Slovak Balkan Public Policy Fund	Slovak Agency for International Development Cooperation	2014	Civil Society	65,816
Migrant and Refugee Human Rights Protection	Macedonian Young Lawyers Association	2016	Rule of Law and Human Rights	345,301
LGBTI Inclusion Project	Helsinki Committee for Human Rights of the Republic of Macedonia	2016	Rule of Law and Human Rights	299,976
Activity for Civic Engagement	East-West Management Institute	2016	Civil Society, Political Competition and Consensus Building, Independent Media and Free Flow of Information	3,662,300
Macedonia Media Content Production Project—Telma D.O.O.E.L.	Telma D.O.O.E.L.	2016	Independent Media and Free Flow of Information	410,000
Macedonia Media Content Production—360 Degrees	360 Degrees	2016	Independent Media and Free Flow of Information	693,403
Macedonia Media Content Production—Art Project Lab	Art Project Lab	2016	Independent Media and Free Flow of Information	425,964
Office of Transition Initiatives (OTI) Program Support	AECOM Technology Corporation	2016	Good Governance, Independent Media and Free Flow of Information	500,000
Make-Decentr. Work-Development Alternatives, Inc.	DAI Global, LLC	2016	Good Governance	3,447
Youth Ethnic Integration Activity	Macedonia Civic Education Center	2017	Civil Society	753,478
25th anniversary of USAID assistance to the people of Macedonia	McCann D.O.O.	2017	Independent Media and Free Flow of Information	19,240
Audit Service My Career	Grant Thornton D.O.O.	2017	Civil Society	3,422
National Convention of the European Union	Research Center of the Slovak Foreign Policy Association	2017	Civil Society	111,220
Balkan Media Assistance Program	FHI 360	2017	Independent Media and Free Flow of Information	1,250,000

**Appendix II: U.S. Agency for International
Development Democracy Assistance in North
Macedonia**

Award title	Recipient	Award start	Program area(s)	Obligation amount (dollars)
Information Safety and Capacity Project	Counterpart International, Inc.	2017	Rule of Law and Human Rights, Civil Society, Independent Media and the Free Flow of Information	38,760
(None listed)	(Personal service contractor)	(none provided)	Civil Society	3,230

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-20-158

Note: Award information contained in this table is based on information provided by USAID and was not independently verified by GAO. This table does not include USAID deobligations, or negative obligations, to recipients in North Macedonia between fiscal years 2012 through 2017, which totaled approximately \$660,000.

Appendix III: National Endowment for Democracy Assistance in North Macedonia

Table 7 lists the National Endowment for Democracy's (NED) democracy assistance awards in North Macedonia in fiscal years 2012 through 2017.

Table 7: NED Awards for Democracy Assistance in North Macedonia, Fiscal Years 2012-2017

Award title	Recipient	Award start	NED program area(s) ^a	Obligation amount (dollars)
Strengthening Interethnic Communication through Media	Association for Democratic Initiatives	NA	Freedom of Information	33,888
Promoting the Accountability of Public Officials	Metamorphosis Foundation	2012	Accountability and Governance	36,073
Macedonia: Strengthening the Capacities of Citizen Organizations to Participate in the Legislative Process	National Democratic Institute for International Affairs	2012	Nongovernmental Organization (NGO) Strengthening	310,000
Encouraging Youth Political Dialogue	Ohrid Institute	2012	Civic Education	40,000
Raising Human Rights Awareness through Film	MakeDox	2012	Civic Education	45,000
Fostering Youth Activism in Macedonia	Youth Educational Forum	2012	Freedom of Information	45,000
Engaging Citizens in the Fight against Corruption	Transparency International - Macedonia	2013	Accountability and Governance	40,000
Promoting Youth Civic Participation at the Local Level	Youth Cultural Center (MKC) - Bitola	2013	Civic Education	45,000
Fostering Citizen Participation in the Political Process	Association for Citizen Tolerance and Cooperation	2013	Political Processes	34,000
Promoting Democratic Values and Human Rights through Film	Clovek v tisni, o.p.s. (People in Need)	2013	Civic Education	26,000
Encouraging Youth Participation in Political Processes	Coalition of Youth NGOs SEGA	2013	Political Processes	23,000
Promoting Citizen Participation at the Local Level	Front 21/42	2013	Political Processes	21,649
Raising Awareness about Corruption through Investigative Reporting	Center for Investigative Journalism SCOOP Macedonia	2013	Freedom of Information	35,000
Promoting the Accountability of Elected Officials Using New Technologies	Metamorphosis Foundation	2013	Accountability and Governance	30,000
Encouraging Youth Political Dialogue	Ohrid Institute	2013	Civic Education	57,000
Encouraging Youth Political Dialogue	Ohrid Institute	2013	Civic Education	15,000
Raising Human Rights Awareness Through Film	MakeDox	2013	Civic Education	45,000

**Appendix III: National Endowment for
Democracy Assistance in North Macedonia**

Award title	Recipient	Award start	NED program area(s)^a	Obligation amount (dollars)
Encouraging Public Debate across Ethnic Lines	Diversity Media	2013	Freedom of Information	22,422
Strengthening the Advocacy Capacities of NGOs	National Democratic Institute for International Affairs	2013	NGO Strengthening	285,000
Promoting Youth Civic Participation at the Local Level	Youth Cultural Center (MKC) - Bitola	2014	Civic Education	45,000
Fostering Youth Activism and Promoting Open Debate through Online Media	Youth Educational Forum	2014	Freedom of Information	44,511
Combating Hate Speech	Helsinki Committee for Human Rights in Macedonia	2014	Human Rights	45,000
Combatting Hate Speech	Helsinki Committee for Human Rights in Macedonia	2014	Human Rights	15,000
Promoting the Accountability of Elected Officials Using New Technologies	Metamorphosis Foundation	2014	Accountability and Governance	30,000
Raising Awareness about Corruption through Investigative Reporting	Center for Investigative Journalism SCOOP Macedonia	2014	Freedom of Information	37,000
Raising Human Rights Awareness Through Film	MakeDox	2014	Civic Education	40,000
Promoting Investigative Reporting on Public Spending	EuVision	2014	Freedom of Information	2,790
Encouraging Youth Political Dialogue	Ohrid Institute	2014	Civic Education	45,000
Strengthening Political Pluralism through Increased Civic Engagement in Legislative Advocacy and Public Policy Dialogue	National Democratic Institute for International Affairs	2015	NGO Strengthening	300,000
Promoting Youth Civic Participation at the Local Level	Youth Cultural Center (MKC) - Bitola	2015	Civic Education	36,000
Fostering Youth Activism and Promoting Open Debate through Online Media	Youth Educational Forum	2015	Freedom of Information	45,000
Raising Human Rights Awareness through Film	MakeDox	2015	Civic Education	40,000
Raising Awareness about Corruption through Investigative Reporting	Center for Investigative Journalism SCOOP Macedonia	2015	Freedom of Information	40,000
Combating Hate Speech	Helsinki Committee for Human Rights in Macedonia	2015	Human Rights	45,000
Promoting Transparent and Accountable Political Processes	CIVIL—Center for Freedom	2016	Political Processes	12,000

**Appendix III: National Endowment for
Democracy Assistance in North Macedonia**

Award title	Recipient	Award start	NED program area(s)^a	Obligation amount (dollars)
Promoting Transparent and Accountable Political Processes	CIVIL—Center for Freedom	2016	Political Processes	52,000
Promoting Investigative Reporting on Reforms and Rule of Law	EuVision	2016	Freedom of Information	49,233
Promoting the Accountability of Public Officials	Metamorphosis Foundation	2016	Accountability and Governance	50,000
Promoting Free and Fair Elections	MOST	2016	Political Processes	70,000
Promoting Free and Fair Elections	MOST	2016	Political Processes	20,000
Civic Engagement in the Political Process	National Democratic Institute for International Affairs	2016	Accountability and Governance	303,000
Encouraging Youth Political Dialogue	Ohrid Institute	2016	Civic Education	35,000
Encouraging Youth Political Dialogue	Ohrid Institute	2016	Civic Education	85,000
Fostering Youth Activism and Debate through Online Media	Youth Educational Forum	2016	Freedom of Information	60,000
Restoring Trust in Election Processes	iVote Foundation	2016	Political Processes	26,000
Promoting Accountability by Measuring Civic Trust	Association for Citizen Tolerance and Cooperation	2016	Accountability and Governance	32,000
Promoting Activism and Youth Dialogue in Multiethnic Communities	Center for Intercultural Dialogue	2016	Conflict Resolution	30,000
Raising Awareness about Corruption through Investigative Reporting	Center for Investigative Journalism SCOOP Macedonia	2016	Freedom of Information	45,000
Fostering Public Debate on State Capture	Institute of Social Sciences and Humanities - Skopje	2016	Accountability and Governance	45,000
Raising Human Rights Awareness through Film	MakeDox	2016	Civic Education	40,000
Promoting Investigative Reporting on Reforms and Rule of Law	EuVision	2016	Freedom of Information	98,000
Promoting Investigative Reporting on Reforms and Rule of Law	EuVision	2016	Freedom of Information	48,000
Building the Next Generation of Youth Leaders	Center for International Private Enterprise (CIPE)	2016	Civic Education	196,757
Promoting Civic Engagement in Local Policymaking	Front 21/42	2016	Accountability and Governance	39,404
Combating Hate Speech	Helsinki Committee for Human Rights in Macedonia	2016	Human Rights	45,000
Promoting Independent Journalism on Local Development	Kanal 77	2016	Freedom of Information	30,000

**Appendix III: National Endowment for
Democracy Assistance in North Macedonia**

Award title	Recipient	Award start	NED program area(s)^a	Obligation amount (dollars)
Promoting Transparent and Accountable Political Processes	CIVIL—Center for Freedom	2017	Accountability and Governance	50,000
Promoting the Accountability of Public Officials	Metamorphosis Foundation	2017	Accountability and Governance	98,000
Promoting the Accountability of Public Officials	Metamorphosis Foundation	2017	Accountability and Governance	48,000
Promoting Free and Fair Elections	MOST	2017	Political Processes	50,000
Promoting Investigative Reporting on Corruption and State Capture	Sakam da kazam Association	2017	Freedom of Information	28,000
Fostering Youth Activism and Debate through Online Media	Youth Educational Forum	2017	Freedom of Information	55,000
Pluralism through Public Policy Discourse	National Democratic Institute for International Affairs	2017	Accountability and Governance	286,442
Promoting Accountability and Independence of Public Institutions	Association for Citizen Tolerance and Cooperation	2017	Accountability and Governance	33,310
Promoting Youth Activism in Multiethnic Communities	Center for Intercultural Dialogue	2017	Conflict Resolution	34,000
Restoring Trust in Election Processes	iVote Foundation	2017	Political Processes	36,000
Encouraging Youth Political Dialogue	Ohrid Institute	2017	Civic Education	53,000
Promoting Accountability through Investigative Reporting	Center for Investigative Journalism SCOOP Macedonia	2017	Freedom of Information	45,000
Fostering Public Debate on Accountability	Institute of Social Sciences and Humanities—Skopje	2017	Accountability and Governance	45,000
Promoting Civic Engagement and Human Rights Awareness through Film	MakeDox	2017	Civic Education	43,000
Promoting Local Government Accountability	Metamorphosis Foundation	2017	Accountability and Governance	40,000
Promoting Free and Fair Elections	MOST	2017	Political Processes	52,000

Legend: NA = not applicable.

Source: GAO analysis of National Endowment for Democracy (NED) data. | GAO-20-158

Note: Award information contained in this table is based on information provided by NED and was not independently verified by GAO. This table does not include NED deobligations, or negative obligations, to recipients in North Macedonia between fiscal years 2012 through 2017, which totaled approximately \$8,000.

^aNED uses its own program areas, which differ from those specified in the Department of State's Standardized Program Structure and Definitions, to categorize its democracy assistance.

Appendix IV: Department of State Democracy Assistance in North Macedonia

Tables 8 and 9 list the Department of State's (State) awards for democracy assistance to North Macedonia in fiscal years 2012 through 2017. These awards were provided by U.S. Embassy Skopje through its Public Affairs Section. Table 8 shows the grants that the embassy's Public Affairs Section awarded through the Democracy Commission Small Grants Program, and table 9 shows other, non-Democracy Commission grants awarded by the Public Affairs Section.

Table 8: U.S. Embassy Skopje, Public Affairs Section Democracy Commission Small Grants Program Awards for Democracy Assistance in North Macedonia, Fiscal Years 2012-2017

Recipient	Award purpose	Award start	Obligation amount (dollars)
Coalition of Youth Organizations SEGA	Organize a model United Nations.	2012	4,454
Diversity Media Production	Produce a radio and online media service in Macedonian and Albanian using the same subjects, stories, and journalistic standards to provide people with different sides of stories in one publication.	2012	23,990
Diversity Media Production	Produce a radio and online media service in Macedonian and Albanian using the same subjects, stories, and journalistic standards to provide people with different sides of stories in one publication.	2013	23,952
Florozone	Raise awareness among the general public about the importance of the protection of the environment through nationwide media campaign.	2012	23,844
Geostrategic Institute Global	Promote tolerance and respect for diversity through sports.	2012	15,040
Institute for Human Rights	Identify challenges affecting freedom of expression in Macedonia, and recommend actions, such as training for judges, lawyers and journalists, and legislative changes.	2012	23,200
Integrity Alpha and Omega	Organize the Go Pink Walk for breast cancer awareness.	2012	13,671
Local Development Agency Struga	Increase the involvement of citizens in the local decision making processes by encouraging them to participate in advocacy and lobbying activities that can influence municipal decisions.	2012	17,778
Macedonian Mentoring Network	Empower women's participation in the business sector through mentoring, educational and networking opportunities. Activities include creating a mentorship database, a mentoring program, education session for young women as well as networking opportunities nationally and regionally.	2012	50,000
Marketing Gate	Address several issues regarding business planning, reading and analysis of the main financial statements, project valuation, marketing plan, and decisionmaking.	2012	9,600
Mladiinfo FESJS-MK	Empower young Macedonians between the ages of 18 and 26 to gain diversified experience during their higher education to create a more skilled workforce that will help reduce the current unemployment and emigration issues in the country.	2012	15,653
Open Fun Football Schools	Promote interethnic tolerance among the youth by involving them in joint sports and educational activities.	2012	23,980

**Appendix IV: Department of State Democracy
Assistance in North Macedonia**

Recipient	Award purpose	Award start	Obligation amount (dollars)
Open Gate La Strada	Strengthen the protection and assistance services available via a helpline to victims, primarily women and girls.	2012	22,400
Shpresa	Educate women on voting rights and procedures, and to inspire them to vote; reaching out to the Albanian women outside of urban areas who traditionally have a very low voter turnout and are often subject to “family voting.”	2012	9,940
Sumnal	Gather children from different ethnic groups in order to foster understanding and allow different ethnic groups to live in harmony and peace.	2012	8,429
Trinity Plus Production	Produce twelve episodes dedicated to changing popular opinions and attitudes towards lesbian, gay, bisexual, and transgender (LGBT) issues and promoting LGBT rights through personal stories and commentaries.	2012	18,117
Way Out	Maintain a student magazine and introduce a new online version.	2012	7,858
Youth Entrepreneurial Service Foundation	Increase both the awareness of entrepreneurship and the number of young people engaged in entrepreneurship activities.	2012	14,790
Youthink	Organize Camp GLOW—a week-long summer camp to develop leadership skills for 80 multi-ethnic girls from Macedonia.	2012	13,304
Institute for Civil Development and Political Analyses ResPublica	The Civil Lyceum project aims to mobilize young adults in Skopje to be more involved in the civil society sector, to help create young leaders who will understand the value of civic engagement and advance democratic principles in Macedonian society.	2013	17,830
Institute for Social Analyses	Analyze the process of political socialization of the younger generations (16-20 years), through new media.	2013	8,300
Association for Fight Against Cancer -BORKA	Organize the Go Pink Walk for the fifth year in row to raise awareness about breast cancer.	2013	17,404
Civil Association OHO	Improve the well-being of the society by promoting environmental citizenship as a constitutive part of the rule of law.	2013	23,410
Coalition of Youth Organizations SEGA	Organize a model United Nations.	2013	14,380
Geostrategic Institute Global	Promote integration, socialization and tolerance among ethnic groups through sports.	2013	24,000
Integrity Alpha and Omega	Encourage students, unemployed persons, and employees of Macedonian companies and other organizations to develop and implement innovative ideas in order to promote the competitiveness of the Macedonian economy.	2013	13,400
Konfidens	Create the website www.balkon3.com, which publishes content on cultural issues in three neighboring languages (Macedonian, Greek and Turkish) in addition to English.	2013	24,960
LGBTI Support Center	Provide free legal aid and monitoring, analysis and reporting on human rights issues facing the lesbian, gay, bisexual, transgender, and intersex (LGBTI) community.	2013	23,810

**Appendix IV: Department of State Democracy
Assistance in North Macedonia**

Recipient	Award purpose	Award start	Obligation amount (dollars)
Liberal Alternative Institute	Make social and electronic media hate speech free; change the attitudes of youth, media representatives and sport fan clubs on hate speech; and build a platform to work towards usage of this type of media for positive ends	2013	12,300
Local Development Agency Struga	Fund Camp GLOW, a week-long summer camp to develop leadership skills for 80 multi-ethnic girls from Macedonia.	2013	14,040
Makedox	Create an independent forum for discussion and exchange of ideas on human rights issues in marginalized and hard-to-reach village communities in Macedonia.	2013	15,498
Marketing Gate	Support the “Day of Marketing Leaders,” an event that focuses on key marketing concepts, the role of marketing within organizations, and the role of marketing in society.	2013	7,750
NOVA TV	NA	2013	7,232
Open Fun Football Schools	Build networks in local communities to facilitate cross sector cooperation between civil society organizations, sport clubs, schools, the municipality, and community police to strengthen their individual and collective capacities to identify problems and share ideas on joint action.	2013	23,980
Open Gate La Strada	Empower trafficked persons to ensure their social and economic inclusion.	2013	23,970
Youth Association YMCA Bitola	Support youth camps emphasizing important themes such as interethnic dialogue, leadership, social inclusion, gender equality, and democracy.	2013	20,566
Ambrela	Organizing Girls Leading Our World (GLOW) Summer Camp.	2014	17,300
American Chamber of Commerce	Support the project Advancing Business-University Cooperation and Public Private Partnerships in Macedonia	2014	6,450
Association for Criminal Law and Criminology	Strengthen the role of defense lawyers in the Macedonian criminal procedures.	2014	23,890
Association for Fight Against Cancer – BORKA	Organize the sixth “Go Pink Walk and Ride.”	2014	17,000
Association of Citizens (CEFE) Macedonia	Implement 6-month project to prevent “brain drain” from North Macedonia by enhancing the economic and business development.	2014	20,892
Civil Association OHO	Create animated stories for children entitled “Rule of Law through Children’s Eyes.”	2014	23,900
Civil—Center for Freedom	Promote free elections by monitoring institutions, political parties, electoral legislation and implementation, government and civil society actions.	2014	23,950
Coalition of Youth Organizations SEGA	Organize a model United Nations.	2014	12,000
Finance Think	Empower women in Krushevo by promoting the manufacture and sale of traditional products.	2014	23,828
Health Education and Research Association	Create job opportunities for victims of domestic violence in Skopje.	2014	23,974
Institute for Human Rights	Strengthen the mechanisms for implementation of the rights of the smaller communities.	2014	24,000

**Appendix IV: Department of State Democracy
Assistance in North Macedonia**

Recipient	Award purpose	Award start	Obligation amount (dollars)
Open Gate La Strada	Support project contributing to the prevention and protection of Roma children from forced marriages and child marriages, and human trafficking.	2014	23,915
School for Journalism	Train journalists and provide funding for the “(De)construct the Media” project.	2014	23,990
Step to Europe	Promote transparency in the work of local government.	2014	15,564
Women’s Rights Center—Shelter	Strengthen the capacities of the organizations that are working with women victims of domestic violence.	2014	22,090
Youth Can	Empower youth to face and solve the challenges posed in today’s local communities by equipping them with specific skills and tools for more efficient influence in their local communities through the implementation of community service project of their interest.	2014	11,490
Youth Cultural Center—Bitola	Enhance the institutional cooperation between civil society organizations and local self-governments in the field of volunteering to promote democratization of local policy making processes in Macedonia and sustainable development of volunteering.	2014	23,868
Association for Policy Research Analytica	Assess North Macedonia’s efforts in countering violent extremism, particularly the view from civil society.	2015	19,800
Blink 42-21	Empower students to engage in “e-Advocacy” using online tools to influence the community and elected officials to advocate on important topics as rule of law, empowering youth and business development.	2015	19,930
Boris Trajkovski International Foundation	Research youth participation in the decision and policy making processes, opportunities and best world practices as well as training courses to enhance the capacity of young people in order to promote their civic participation.	2015	9,180
Center for Climate Change	Raise awareness for proper waste, electric, and electronic equipment management.	2015	23,996
Center for Common Ground	Support the Project Mozaik model for integrated, multicultural education in Macedonia.	2015	6,500
GAUSS Institute	Initiate an acceleration program targeted at increasing youth employment in the information technology creative industry, specifically the video game industry.	2015	24,000
International Debate Education Association (IDEA)	Strengthen civil society organizations, with a focus on young people, youth activists and representatives of youth civil organizations by teaching them new techniques for advocacy, particularly through new art and design tools.	2015	23,820
LGBTI Support Center	Support LGBTI people living under risk by developing national and local networks of trainers and peer-educators to strengthen the capacity for self-advocacy.	2015	23,995
Macedonian Institute for Media	Support a project focused on rights and responsibilities while communicating on the Internet.	2015	23,850
Macedonian Mentoring Network	Support the project “Be a mentor, change a life.”	2015	21,400

**Appendix IV: Department of State Democracy
Assistance in North Macedonia**

Recipient	Award purpose	Award start	Obligation amount (dollars)
Summer Work and Travel Alumni Association	Promote entrepreneurship and self-employment among youth.	2015	19,647
Transparency Macedonia	Develop protections, rights and procedures for whistleblowers to report corruption and to promote public awareness of the Institute Whistleblower.	2015	24,000
Youth Education Forum	Support the Skopje Open: International University Debate Tournament.	2015	5,000
Association for Citizen's Tolerance and Cooperation	Fund the "Demystifying the Interethnic Conflicts" project.	2016	23,604
CIVIL—Center for Freedom	Fund an election monitoring project, "We Are Watching."	2016	23,995
Eko-Svest	Fund the "Working Together for Clean Air" project.	2016	23,545
iVote Foundation	Restore trust and confidence in election processes in North Macedonia to promote the acceptance of the outcomes of elections.	2016	24,798
Konedu Global	Fund an anti-bullying project.	2016	21,110
LGBT United	Raise lesbian, gay, bisexual, transgender, and queer (LGBTQ) visibility and diversity on the local level in North Macedonia.	2016	13,732
Organization for Informatics Education Get Innovation Bitola	Train women in leadership to promote their participation in the distribution of IT solutions.	2016	23,771
OSTEN ART	Fund the "Dose of Satire for a Healthy Democracy" project.	2016	23,995
Roma Women and Youth Association—LULUDI	Fund the "Roma Women Power in Democracy" project.	2016	23,948
Youth Alliance—Krushevo	Train young unemployed people to acquire knowledge and skills about social entrepreneurship and social business ideas.	2016	15,367
Youth Empowerment Platform	Support the "Youth Up for Sustainable Civic Development" project.	2016	20,677
Youth Forum Bitola	Support the "ICT Youth Bitola" project.	2016	20,027
Association for Democratic Advancement Democracy Lab	Develop an interactive web platform to connect North Macedonia's civil society sector.	2017	23,720
Association of Citizens Youthcan	Fund the "Academy for Youth Activism" project.	2017	10,995
Center for Social Initiatives—Nadez	Raise awareness on the importance of education between Roma youth in Shuto Orizari.	2017	23,805
Confidence	Fund the "Balkan 3—Lessons in Democracy" project.	2017	17,772
Fondacija Goldiloks Stejt Skopje	Empower women and youth to develop skills for employability and self-employment.	2017	23,665
Foundation Info Centre	Fund the "Civic Watchdog of the Ombudsman" project.	2017	22,700
Inkluziva	Promote the participation of people with disabilities in politics and elections in North Macedonia.	2017	23,505
Institute for Research – Impact	Establish the Women Mentorship Network in North Macedonia and organize town hall discussions	2017	16,000
iVote Foundation	Produce election videos.	2017	23,948
iVote Foundation	Restore trust and confidence in elections.	2017	23,949

**Appendix IV: Department of State Democracy
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Recipient	Award purpose	Award start	Obligation amount (dollars)
Macedonian Academy of Sciences and Arts	Organize the Ohrid School of Natural Law.	2017	23,970
Macedonian Judges Association	Strengthen the role and independence of judges in North Macedonia.	2017	23,840
Sakam Da Kazam	Create a subdomain of www.sdk.mk that will adapt premium content on sdk.mk	2017	23,712

Legend: NA=not available

Source: GAO analysis of U.S. Department of State (State) data. | GAO-20-158

Note: Award information contained in this table is based on information provided by State and was not independently verified by GAO.

Table 9: U.S. Embassy Skopje, Public Affairs Section Non–Democracy Commission Small Grants Program Awards for Democracy Assistance in North Macedonia, Fiscal Years 2012-2017

Recipient	Award purpose	Award start	Obligation amount (dollars)
American Chamber of Commerce	Cover the expenses for hosting a U.S. expert in the field of business motivation and innovation.	2012	7,036
Association of Architects of Macedonia	Cover the expenses for hosting U.S. experts in the fields of urban planning and green building.	2012	12,250
Association of Journalists of Macedonia	Cover the expenses for hosting a U.S. expert in building negotiating skills.	2012	6,375
Bagi Communication	Organize a concert in Skopje's City Square highlighting the theme of interethnic tolerance through the music and composition of performers.	2012	13,000
Center for Balkan Cooperation Loja	Enable eight young people from various ethnicities to participate in the Regional Youth Basketball Camp in Montenegro.	2012	5,033
Center for Balkan Cooperation Loja	Support a two-phase project to help young people develop strategies within their communities to build greater tolerance.	2012	25,897
Fashion Week Corporation	Cover expenses for hosting a U.S. expert in the field of brand development during the Fashion Weekend 2013.	2012	6,339
Futura 2/2 Advertising and Marketing	Support public awareness campaign on interethnic tolerance.	2012	92,000
Macedonian American Alumni Association—Bitola Branch	Support English teaching and student advising activities at American Corner and Educational Advising Center in Bitola.	2012	26,940
Macedonian American Alumni Association—Struga Branch	Support English teaching activities at American Corner Struga.	2012	21,155
Youth Association Aurora	Support student advising and American Studies activities at American Corner and Educational Advising Center Tetovo.	2012	12,440
Youth Education Forum	Support English teaching activities at American Corner Stip.	2012	16,870

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Recipient	Award purpose	Award start	Obligation amount (dollars)
American Chamber of Commerce	One-day workshop, "Exploring Opportunities to Advance Business University Cooperation," aimed at ensuring the business relevance of higher education programs and easing current restrictions on internships.	2013	6,370
Association of Agricultural Economists	NA	2013	20,400
Bagi Communication	Produce twelve episodes dedicated to changing popular opinions and attitudes towards lesbian, gay, bisexual, transgender, and queer (LGBTQ) issues, and promote LGBTQ rights through personal stories and commentaries.	2013	8,000
Interart Culture Center	Connect young people from Macedonia of different ethnicities and socioeconomic classes that do not have opportunities to learn dance, and give them the rare chance to connect with artists from the United States.	2013	16,151
Macedonian Mentoring Network	Host a U.S. expert in the field of social entrepreneurship at the conference "Invest for Future" in Struga	2013	7,160
Ohrid Institute for Economic Strategies and International Affairs	NA	2013	2,825
Independent Union of Journalists and Media Workers (SSNM)	Increase the solidarity among the journalists on national and local level and to encourage journalists to work in line with the professional and ethical standards.	2013	23,826
Youth Education Forum	Support English teaching and student advising activities at American Corner and Educational Advising Center in Bitola.	2013	33,670
Youth Education Forum	Support English teaching and student advising activities at American Corner and Educational Advising Center in Stip.	2013	23,156
Youth Education Forum	Support English teaching and student advising activities at American Corner and Educational Advising Center in Struga.	2013	18,110
Youth Education Forum	Support student advising and American studies activities at the American Corner and Educational Advising Center in Tetovo.	2013	10,356
Youth Education Forum	Support student advising and American studies activities at the American Corner and Educational Advising Center in Skopje.	2013	27,864
Youth Education Forum	Support English Teaching, American studies and student advising activities at the American Corner and Educational Advising Center in Skopje.	2013	22,595
Youth Educational Forum	NA	2013	23,400
American Chamber of Commerce	Promote the procurement profession in North Macedonia.	2014	8,611
Association of Journalists of Macedonia	Promote photo journalism in North Macedonia.	2014	15,000
Center for Civil Communications	Cover expenses to bring a U.S. speaker to North Macedonia to lecture on anti-corruption to representatives from government, media and nongovernmental organizations.	2014	9,091
Association-Center for investigative journalism SCOOP	Develop a manual for investigative journalists.	2014	22,550

**Appendix IV: Department of State Democracy
Assistance in North Macedonia**

Recipient	Award purpose	Award start	Obligation amount (dollars)
International Research and Exchanges Board	Support the project Macedonia Media Leaders Program.	2014	97,374
Trading Radio Broadcasting Company Radio Kanal 77	Organize a seminar, "Survival Strategies for Broadcasters amidst Internet and Social Media Expansion."	2014	3,154
Macedonian Institute for Media	Fund a Broadcasting Board of Governors/Voice of America data journalism workshop.	2014	15,463
NOVA TV	Implement an eight-month project devoted to promoting public debate through social media and developing new media.	2014	20,000
Public Room	Use Design Practice, an innovative platform that stimulates and supports the production and presentation of the Macedonian design, to demonstrate the benefits of high-quality design for social development, to highlight the value of design for businesses purposes, and to promote design to a wide audience.	2014	6,853
Public Room	Bring a U.S. chef to North Macedonia to define a good and innovative food concept and develop healthy food habits based on the locally available food.	2014	10,267
Youth Association Aurora	Support activities in American Corner Tetovo.	2014	10,000
Youth Education Forum	Support activities in American Corner Bitola.	2014	29,220
Youth Education Forum	Support activities in American Corner Struga.	2014	17,000
Youth Education Forum	Support activities in American Corner Stip.	2014	19,256
Youth Education Forum	Support activities in American Corner Skopje.	2014	23,697
Youth Education Forum	Purchase MAC Computers for American Corners.	2014	7,450
International cinematographers film festival Manaki Brothers	Bring a U.S. speaker to North Macedonia during the Festival for the Student Program.	2015	6,000
Macedonian American Alumni Association	Support "Mapping Macedonia," a project to create mountain bike trails that promote the discovery of North Macedonia's cultural heritage with expertise and support from U.S. Educational Exchange Program Alumni.	2015	8,748
Student Parliament of Law Faculty Iustinianus Primus Skopje	Create the website, TheJournalist.mk, to train journalism students in practical knowledge and skills.	2015	23,370
Summer Work and Travel Alumni Association	Organize "Human Library," an event that promotes respect for human rights and human dignity by challenging prejudice through fostering constructive dialogue about stereotypes and sharing life experiences of the alumni.	2015	2,930
Trading Radio Broadcasting Company Radio Kanal 77	Produce 24 two-hour radio shows over six months for a project called "Stadion-Multimedia."	2015	23,712
Youth Education Forum	Support activities in American Corner Bitola.	2015	30,890
Youth Education Forum	Support activities in American Corner Tetovo.	2015	10,060
Youth Education Forum	Support activities in American Corner Struga.	2015	13,200
Youth Education Forum	Support activities in American Corner Stip.	2015	18,360
Youth Education Forum	Support activities in American Corner Skopje.	2015	25,890

**Appendix IV: Department of State Democracy
Assistance in North Macedonia**

Recipient	Award purpose	Award start	Obligation amount (dollars)
International Debate Education Association (IDEA) Southeast Europe	Bring a U.S. speaker to North Macedonia to give lectures on preparing the customers of tomorrow to utilize the power of technology and marketing.	2016	3,850
Finance Think	Support the “Fostering Female Self-Sustainability through Embedding Traditional Values into Touristic Attraction” project.	2016	2,140
International Research and Exchanges Board	Support the “Macedonia Media Leaders Program” project.	2016	76,475
Macedonian Young Lawyers Association	Cover expenses to bring a U.S. Speaker to give lectures on the Hatch Act.	2016	3,751
SDK Mihajlovski	Fund the development of the I Want to Say WEB portal SDK.MK and the development of a special elections unit called “I Want to Say Freely.”	2016	23,175
Women without Borders	Fund a project to empower and equip mothers to address the threat of radicalization and recruitment of their children.	2016	100,000
Youth Association Aurora	Support program activities in American Corner Tetovo.	2016	6,140
Youth Educational Forum	Support program activities in American Corner Skopje.	2016	25,777
Youth Educational Forum	Support program activities in American Corner Bitola.	2016	29,832
Youth Educational Forum	Support program activities in American Corner Stip.	2016	16,104
Youth Educational Forum	Support program activities in American Corner Struga.	2016	11,760
(28 awards to individuals)	Fund a range of activities, including workshops, lectures, and events with speakers from the U.S.	2012-2016	79,308
Alfred Friendly Press Fellowship	Support a media internship program.	2017	99,998
International Research and Exchanges Board	Provide additional funds and extend the performance period for the “Macedonia Media Leaders Program.”	2017	70,936
Macedonian Judges Association	Strengthen the role and independence of judges in North Macedonia.	2017	47,130
Meridian International Center	Fund a speakers program.	2017	54,450
Peacetech Lab, Inc.	Fund the “Peace Tech Exchange Macedonia” project.	2017	200,000
TAKT—Together Advancing Common Trust	Fund the “United through Sport” project to empower women and girls.	2017	40,425
Youth Association Aurora	Support program activities in American Corner Tetovo.	2017	6,268
Youth Educational Forum	Support staff in four American Corners in North Macedonia.	2017	88,852
Association for a Critical Approach to Gender and Sexuality	Build tolerance and understanding towards lesbian, gay, bisexual, transgender, and intersex (LGBTI) people.	2017	25,000

Legend: NA=not available

Source: GAO analysis of U.S. Department of State (State) data. | GAO-20-158

Note: Award information contained in this table is based on information provided by State and was not independently verified by GAO.

Appendix V: Democracy Assistance Program Areas and Program Elements

Table 10 provides an overview of the program areas and program elements that fall into democracy, human rights, and governance assistance according to the Department of State (State). U.S. foreign assistance is categorized through a system called the Standardized Program Structure and Definitions, which comprises broadly agreed-on definitions for foreign assistance programs and provides a common language to describe programs. According to this system, democracy assistance includes the following six program areas.

Table 10: U.S. Democracy Assistance Program Areas and Program Elements

Program area ^a	Program elements
Rule of Law To promote accountability by all persons, institutions, and entities—public and private—including the State itself, to laws that are publically promulgated, independently adjudicated, equally applied and enforced, and consistent with international treaties and customary law.	<ul style="list-style-type: none"> • Constitutions, laws, and legal systems • Culture of lawfulness • Checks and balances with judicial independence and supremacy of law • Judicial systems and institutions • Fairness and access to justice
Good Governance To promote the exercise of political, economic, and administrative authority to manage a country’s affairs at all levels, including the capacity to formulate, implement, and enforce public policies and deliver services.	<ul style="list-style-type: none"> • Functions and processes of legislative authority • Functions and processes of nonsecurity executive authority • Local government and decentralization • Anticorruption reforms • Executive authority—civilian security institutions
Political Competition and Consensus Building To promote legitimate contestation for ideas and political power through democratic political processes that reflect the will of the people.	<ul style="list-style-type: none"> • Consensus-building processes • Elections and political processes • Political parties
Civil Society To support civil society as an effective arena that empowers citizens to advance the democratic values of citizen participation and governmental accountability.	<ul style="list-style-type: none"> • Enabling the environment for civil society • Civil society organizational capacity development • Civic education, citizen participation and public accountability • Civic education and democratic culture • Democratic labor and trade unions
Independent Media and Free Flow of Information To strengthen information and media-related legal and regulatory frameworks and associated freedom of expression protections, including self-regulatory mechanisms and access to and freedom of information legislation.	<ul style="list-style-type: none"> • Enabling environment for media and free flow of information • Professional and institutional capacities of media • Outlets and infrastructure
Human Rights To promote human rights that protect the inherent dignity of individuals and are enjoyed by all and without distinction as to race, color, sex, language, religion, national or social origin, property, birth, sexual orientation, gender identity, or other status.	<ul style="list-style-type: none"> • Human rights systems, policies, and protection • Transitional justice • Equal rights for marginalized communities

Source: GAO analysis of Department of State documents. | GAO-20-158

**Appendix V: Democracy Assistance Program
Areas and Program Elements**

^aIn April 2016, the Department of State and the U.S. Agency for International Development updated their Foreign Assistance Standardized Program Structure and Definitions to include six program areas under Democracy, Human Rights, and Governance. The previous Rule of Law and Human Rights program area was divided into two separate program areas—one for Rule of Law and one for Human Rights. The previous Civil Society program area was also divided into two separate program areas—one for Civil Society and one for Independent Media and Free Flow of Information.

Appendix VI: Comments from the U.S. Agency for International Development



David Gootnick
Director, International Affairs and Trade
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20226

Dear Mr. Gootnick:

I am pleased to provide the formal response of the U.S. Agency for International Development (USAID) to the draft report produced by the U.S. Government Accountability Office (GAO) titled, *U.S. Democracy Assistance to Macedonia* (GAO-19-585). USAID appreciates the overall message of the draft report, and that the GAO has no recommendations for USAID.

As the draft report notes, USAID provided \$38 million in democracy assistance for North Macedonia in Fiscal Years 2012 through 2017. In 2015, the USAID Mission in Skopje also established a program in the country through the Office of Transition Initiatives (OTI) within the Agency's Bureau for Democracy, Conflict, and Human Rights to support the reform processes outlined in the Przino Agreement. DCHA/OTI advances U.S. foreign-policy objectives in North Macedonia and elsewhere by promoting stability, peace, and democracy through fast, flexible, short-term assistance targeted at key political transition and stabilization needs.

For all of the above funding, the USAID Mission in Skopje follows a clear strategic plan, which identifies three primary objectives for U.S. democracy assistance to the Government of North Macedonia and its people:

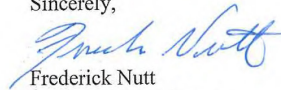
1. Promote greater checks and balances in democratic processes by empowering local governments, promoting greater equilibrium among the branches of government at the national level, and promoting political accountability;
2. Develop basic education programs that prepares youth for a modern economy and stable democracy by improving the basic skills of students, expanding workforce skills, and enhancing ethnic integration in the education sector; and
3. Promote citizens' ability to hold government accountable by increasing the legitimacy of independent media and boosting civil society's oversight and advocacy.

Since the initial entrance conference with the GAO on this engagement in 2017, the USAID Mission in North Macedonia has compiled and provided extensive documentation and information regarding its democracy-assistance awards, all of which demonstrate adherence to the Agency's rules, guidance, and legal parameters regarding planning, initializing, executing, and closing assistance programs. We are pleased that the draft report acknowledges that USAID

followed our policies in applying merit-review criteria in evaluating applicants in North Macedonia.

I am transmitting this letter for inclusion in the GAO's final report. Thank you for the opportunity to respond to the draft report, and for the courtesies extended by your staff while conducting this engagement. We appreciate the opportunity to participate in the complete and thorough evaluation of our democracy-assistance programs in North Macedonia.

Sincerely,



Frederick Nutt
Assistant Administrator
Bureau for Management

Appendix VII: GAO Contact and Staff Acknowledgments

GAO Contact

David B. Gootnick, (202) 512-3149 or gootnickd@gao.gov

Staff Acknowledgments

In addition to the contact named above, Rob Ball (Assistant Director), Cheryl Goodman (Assistant Director), Rachel Dunsmoor (Analyst-in-Charge), Parul Aggarwal, R. Gifford Howland, Ashley Alley, Justin Fisher, Christopher Keblitis, and Reid Lowe made key contributions to this report.

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