



Integrated Country Strategy

North Macedonia

FOR PUBLIC RELEASE

Approved: July 27, 2022

Table of Contents

1. Chief of Mission Priorities	1
2. Mission Strategic Framework	4
3. Mission Goals and Objectives	6
4. Management Objectives	19
5. Annex: Acronym List	21

1. Chief of Mission Priorities

North Macedonia is a strategic opportunity for U.S. government engagement in the Western Balkans. A centrally-located, multi-ethnic democracy and NATO Ally at the crossroads of major transportation corridors, the country can be a role model and stabilizing influence in the region. Stability in the Western Balkans enables stability in the rest of Europe. A Europe free, whole, prosperous, and at peace remains in the United States' vital interest and at the core of U.S. foreign policy for the past century. The Western Balkans is central to this vision, although its potential remains unfulfilled. The U.S. government recognizes this challenge and remains committed to this region, which is historically, politically, culturally, and geographically an indivisible part of Europe. A stronger Balkans, integrated in a stronger Europe, will undoubtedly establish a stronger Transatlantic Partnership. For North Macedonia, its ability to contribute to this vision will be closely tied to its own strength as a democracy. As such, the U.S. Mission in North Macedonia will prioritize two goals to guide our diplomatic, programmatic, and technical engagement from 2022 to 2025. First, we will deepen North Macedonia's democracy and implementation of reforms to improve its reliability and capability as a U.S. partner. Second, we will leverage that partnership to promote stability in the Western Balkans.

The U.S. Mission in North Macedonia will promote the country's full integration into Western and Euro-Atlantic institutions and practices as the best way to consolidate crucial reforms; thus making integration a key priority for Mission Skopje. We will continue to work closely with the Government of North Macedonia to pursue reform for its own sake. Foreign malign influences, including the governments of Russia and the People's Republic of China, actively oppose the region's Western integration, deploying disinformation and exploiting vulnerabilities to divert the countries of the Western Balkans from their democratically chosen paths while gaining economic and political footholds in Europe. We will counter by partnering with government and civil society to foster unity, economic opportunity, and good governance. We seek to support North Macedonia as it actively engages in local, regional, and global challenges and builds momentum to serve as a leader and capable partner promoting stability in the Western Balkans.

Approved: July 27, 2022

The principal challenges before the country are rooted in the events of the three decades since independence. Interethnic tensions following the breakup of Yugoslavia culminated in an armed conflict in 2001; the resulting peace agreement laid the foundation for the current political landscape. A historical dispute with Greece closed the door on rapid advancement in either EU accession or NATO membership and stymied domestic will for reform. Corruption, weak democratic governance, and poor adherence to the rule of law eventually precipitated a political crisis that began in 2015 and led to a change of government in 2017. This proved a turning point for the country.

Since then, North Macedonia has advanced in its democratic development, resolved the naming dispute with Greece, joined NATO, and received a green light to begin EU accession talks. The coalition government of the Social Democratic Union of Macedonia and the Democratic Union for Integration, which was reelected in July 2021, continues to endorse liberal-democratic principles and Euro-Atlantic integration. As NATO Allies our relationship is transitioning, with the United States challenging and empowering North Macedonia to take responsibility for leading the reforms required for sustained stability and growth while remaining resilient to malign influences that seek to pull the country in another direction. Still, progress on this path remains fragile. External challenges—Bulgaria’s blockage of EU accession negotiations, the COVID-19 pandemic, the energy crisis, and Russia’s invasion of Ukraine—are testing government capability and citizen commitment toward the envisioned Euro-Atlantic path. Many of the country’s reforms remain limited in effect, and the country must make progress in the rule of law and the fight against corruption and impunity. Mission Skopje recognizes the coming years as a critical period for maintaining North Macedonia’s trajectory toward full stability as a Western-aligned democracy.

The Western Balkans is economically dynamic and full of promise, with its eyes set firmly on joining Europe’s single market. By working with regional partners, North Macedonia can position itself to raise living standards and secure the foundation for long-term development. North Macedonia will require increased economic growth to recover from the COVID-19 pandemic and, most importantly, keep its talented young people from emigrating. The country must do more to mitigate environmental degradation and pollution, which negatively impact

Approved: July 27, 2022

human health and economic growth, while also fulfilling its international obligations to combat climate change. Yet global challenges present local opportunities. Worldwide supply chain disruptions could drive interest for foreign companies to invest in the region. Energy shortages can motivate significant investments in renewables and regional energy connections, simultaneously reducing emissions and dependence on Russian natural gas. U.S. engagement in North Macedonia is committed to helping the country secure this integration and prioritize sustainable investments in critical infrastructure and clean energy. Initiatives like the Common Regional Market, Open Balkan, and Green Agenda show regional economic integration and cooperation are possible, beneficial, and indispensable for sustained growth. Mission Skopje will engage through diplomatic and assistance partnerships in North Macedonia and the region to promote bilateral and multilateral cooperation and integration.

Mission Skopje's integrated strategy for North Macedonia will support U.S. interests and core priorities in the Western Balkans by promoting a multi-ethnic, stable, and democratic country with the characteristics necessary to become a stronger U.S. ally and role model in the region. Mission Skopje will continue to work with government counterparts, civil society organizations, the private sector, and individual citizens through targeted programs and broader outreach aimed at catalyzing the impact of a government-led structural agenda; promotion of values and processes for greater accountability and ownership among all stakeholders; and addressing both capabilities and vulnerabilities posed by weak institutions. To succeed, we will draw upon our diverse, experienced staff, modeling a commitment to inclusion. Public trust in the United States remains high, and shared objectives and close working relationships with European allies will be a force multiplier for our efforts.

The outlined priorities reflect an integrated approach across and within agencies, ensuring that U.S. government diplomatic, military, and development investments have maximum impact and sustainability while strengthening North Macedonia's role as a stabilizing, democratically aligned model for the region.

2. Mission Strategic Framework

Mission Goal 1: Deepen North Macedonia's democracy and implementation of reforms to improve its reliability and capability as a U.S. partner.

- **Mission Objective 1.1:** Reduced public corruption and impunity bolster North Macedonia's rule of law and citizen-responsive governance. (Incorporates CDCS DO 3)
- **Mission Objective 1.2:** More youth are incentivized to actively contribute to a democratic and prosperous future for North Macedonia. (Incorporates CDCS DO 2)
- **Mission Objective 1.3:** Increased social cohesion and respect of human rights help North Macedonia reduce political tensions that threaten democracy.
- **Mission Objective 1.4:** An improved and diversified economy directly supports social stability and good governance in North Macedonia. (Incorporates CDCS DO 1)
- **Mission Objective 1.5:** North Macedonia serves as a modernization model and a confident member of the NATO Alliance.

Mission Goal 2: Leverage the U.S.-North Macedonia partnership to promote stability in the Western Balkans.

- **Mission Objective 2.1:** Strengthened partnerships on transnational issues establish North Macedonia as a regional leader.
- **Mission Objective 2.2:** North Macedonia's transition to diversified, sustainable, and renewable sources of energy accelerate regional energy independence.
- **Mission Objective 2.3:** Increased capability to counter malign foreign influences helps North Macedonia maintain regional progress toward Euro-Atlantic integration.

Management Objective 1: The management platform contributes to the successful achievement of interagency programmatic objectives.

Management Objective 2: Recruitment and retention of a diverse, skilled, and motivated workforce continues to position Embassy Skopje as a model employer in North Macedonia.

3. Mission Goals and Objectives

Mission Goal 1 | Deepen North Macedonia's democracy and implementation of reforms to improve its reliability and capability as a U.S. partner.

Description | Despite many positive developments in North Macedonia since 2017, much work remains to tackle North Macedonia's core bureaucratic challenges, which include a sharply increasing debt, cronyism, endemic corruption, a lack of a culture of accountability, and the required technical capacities to resolve these and other systemic deficiencies. Public commitments to implementing reforms to enhance democratic governance, the rule of law, and a free media must be paired with concrete actions. Looking ahead, accession negotiations with the EU are likely to continue to serve as the main engine for the macroeconomic and sectoral reforms needed to make North Macedonia competitive and help it close the gap in living standards with current EU member states. However, while the EU perspective is a key for positive change in public institutions and the economy, it is not by itself sufficient; core reforms can only happen if there is political will and a clear plan for reforms on the part of the government and its citizens.

U.S. government engagement in North Macedonia will continue to support reinforcing democratic norms, strengthening institutions, and increasing accountability in governance. Mission Skopje will partner with North Macedonia to develop a more effective, accountable, and transparent justice sector to reduce corruption and impunity and restore citizens' trust in these institutions. Similarly, helping North Macedonia's government institutions implement laws and systems of transparency and accountability is essential to counter widespread corruption and regain the trust of its citizenry. The Mission will use diplomacy and assistance to augment the apolitical application of laws with functional checks and balances, effective criminal justice, and the fight against corruption. Failure to build a strong justice sector and anti-corruption institutions will increase North Macedonia's susceptibility to malign influences while decreasing citizens' support for the country's Euro-Atlantic aspirations.

North Macedonia needs to also focus on a long-term strategy to increase both productivity and inclusive opportunities for growth. While North Macedonia has made significant strides in stabilizing its economy, the key to accelerated economic growth is through improved private sector competitiveness. Entrepreneurship and workforce skills are not keeping pace with the evolving market, which further inhibits growth. Moreover, environmental degradation and pollution have hurt human health and economic growth and act as a drag on the country's ability to attract and retain talent. U.S. advocacy and assistance will be important to promote and capitalize on domestic and regional investments and policy reforms.

Additionally, economic development and inclusion are vital conditions to help mitigate the country's negative demographic outlook and high rate of outmigration. The World Economic Forum (2021) Global Competitiveness List ranks North Macedonia 127th in terms of its capacity to retain youth talent; it is estimated that half of young people would migrate out of the country given the chance. Mission Skopje will engage with various stakeholders to ensure that there are opportunities to incentivize young people to contribute and fully participate in the socio-economic development of the country. To advance equitable inclusion, the Mission will also promote social cohesion and respect for human rights across the various underserved social groups, including by advocating for diversity and tolerance in ethnic and religious affiliations.

In the defense sector, and even after obtaining NATO membership in March 2020 and serving as a steadfast contributor to international operations since 2002, U.S. assistance and military engagement will continue to provide vital support to the professionalization and interoperability of North Macedonia's armed forces. For North Macedonia to succeed, it must cement its role as a fully capable NATO ally. The Mission will work with North Macedonia's defense institutions so that the country can continue to meet NATO reform goals and become a stronger U.S ally and partner.

Objective 1.1 | Reduced public corruption and impunity bolster North Macedonia's rule of law and citizen-responsive governance.

- **Justification** | North Macedonia continues to make progress in justice-sector reform and increasing governmental transparency, but more work remains to be done, particularly as the country looks to open and close EU accession chapters. Fundamental democratic and rule of law reforms represent core objectives of the accession process and will help the country overcome one of its greatest obstacles – corruption. Endemic corruption remains the country’s greatest vulnerability, undermining the credibility of public institutions, political processes, and rule of law, as well as hindering economic growth and social cohesion. Continued momentum by the Government of North Macedonia at all levels is needed to increase anti-corruption efforts and reduce impunity of criminal and corrupt actors. In addition, poor provision of services, ineffective government, inconsistent application of the rule of law, and widespread corruption have eroded citizen trust in the government and judiciary.

To strengthen North Macedonia's capacity to effectively fight corruption, reduce impunity, and counter malign influence, the United States will continue to partner with government, civil society, and the private sector. U.S. government engagement with North Macedonia will mitigate and address corruption and increase the accountability and transparency of public institutions as they improve effectiveness and reduce vulnerabilities to corruption using a variety of approaches, including the expansion of digitalization and e-services. The United States will bolster North Macedonia’s capabilities to investigate and prosecute organized crime, corruption, and terrorism, including applying appropriate sentencing. U.S. assistance will enhance justice sector legislation to ensure timely justice and reduce impunity. Mission Skopje will work with institutions and oversight bodies to improve their coordination and for the government to act on their recommendations to increase transparency and accountability measures aimed at improving services and citizens' trust in institutions. To achieve this objective, the Mission will use both diplomacy and assistance to augment the apolitical application of laws with functional checks and balances, effective criminal justice, and the fight against corruption.

- **Linkages** | In This objective supports the FY 2022-2026 State/USAID Joint Strategic Plan for Goal 3. Objective 3.1 and 3.3, the State EUR/USAID Joint Regional Strategy (JRS) Goal 2. Objective 2.4 (in draft), and USAID/North Macedonia's CDCS (Objective 3), which are all aimed at preventing, exposing, and reducing corruption and promoting good governance. The priorities under this objective are directly responsive to the President's Interim National Security Strategic Guidance which places the fight against corruption at the center of U.S. foreign policy.
- **Risks** | North Macedonia continues to rank poorly on the World Bank's governance indicators as impunity and political interference in the judiciary remain in place. There is a critical need to strengthen the integrity of policies and the accountability and transparency of public institutions, including controls for public procurement, concessions, public/private partnerships, and the execution of public contracts. Failure to build a strong justice sector and anti-corruption institutions will increase North Macedonia's susceptibility to malign influences and compromise democratic development while decreasing citizens' support for the country's Euro-Atlantic aspirations.

Objective 1.2 | More youth are incentivized to actively contribute to a democratic and prosperous future for North Macedonia.

- **Justification** | Youth are critical to the stability and economic viability of North Macedonia; however, they face several challenges that are fueling their disenchantment and out-migration, including a rising cost of living, limited job opportunities, significant environmental degradation, and an education system that does not provide them with the knowledge and skills needed for the labor market. If North Macedonia wants to stop the hemorrhage of young people emigrating to find better economic and social opportunities, and to entice those who have left to return, it must invest in them. In parallel, the private sector can play a critical role by providing economic opportunities with competitive pay and work conditions, creating innovative career pathways in partnership with educational institutions, and leveraging youths' creativity to realize

increased dividends. The public sector and civil society have equally important roles to play, by stimulating youth engagement, developing policies and initiatives, ensuring that laws stimulate job creation, and that young people have opportunities to lead the country forward on issues of importance to them, including the fight against corruption, environmental protection, and ensuring the country's stable, inclusive, and diverse democracy. In response, U.S. government engagement will be used to empower youth to increase contributions in the society by maximizing youth input in the private sector, civil society, and government to address the issues youth face. The U.S. government will use a multifaceted approach to support economic opportunities attractive to youth; strengthen skill-sets for progressive careers and life; and promote civic values among youth, such as leadership, responsibility, lawfulness, and striving for independence and accomplishment. The U.S. government will partner with local stakeholders and institutions to increase local ownership and co-financing of activities, and to raise public awareness for the need to actively empower youth.

- **Linkages** | This objective links directly to the 2022-2026 JSP Goal 3. Objective 3.5 aimed at improving equitable development for youth. This objective is also informed by principles and practices articulated in the Interim National Security Strategic Guidance, U.S. Strategy on Women, Peace, and Security and USAID's Youth in Development Policy. It is also closely linked with USAID/North Macedonia's CDCS (Objective 2 – Youth Contributions to Society Increased).
- **Risks** | Mission Skopje will build on existing interest from the government, civil society, and the private sector to partner on youth engagement, taking into consideration that there are risks associated with the progress of education reforms, investments in youth stagnating, or that the public sector and civil society may not meaningfully embrace youth leadership and voice in decision-making. If these social and economic challenges impacting the young people in North Macedonia are not addressed, many youths will continue to become disillusioned and committed to emigrating.

Objective 1.3 | Increased social cohesion and respect of human rights help North Macedonia reduce political tensions that threaten democracy.

Approved: July 27, 2022

- **Justification** | Overall, North Macedonia is largely in line with European standards on the legal framework over the protection of fundamental rights. The Law on the Prevention and Protection against Discrimination and the Commission for the Prevention and Protection against Discrimination are in place. However, it is important for the country to address issues of underrepresentation affecting ethnic minorities and ensure that the rights enshrined in law are implemented in practice, including implementation of hate speech legislation. Civil society organizations continue to play the role of watchdog and participated in the decision-making process on key laws, including the laws on prevention and protection against discrimination. It is crucial to engage with civil society as they aim to advance human rights and fundamental freedoms, especially with respect to representing and empowering the most vulnerable groups. Mission Skopje will emphasize to host country counterparts how citizen-responsive governance and protection of rights is critical to their own security and prosperity. This includes working to strengthen the institutional framework and implementation for the promotion of human rights and communications and collaboration between governments and civil society. We will engage civil society and non-governmental organizations, along with the private sector, to maximize our ability to affect positive change, including empowering and ensuring the protection of ethnic and religious minorities and other marginalized populations; and promoting religious and ethnic tolerance.
- **Linkages** | This objective supports the State/USAID JSP and JRS under Goal 3. Objective 3.2 and Goal 2. Objective 2.1, respectively, both of which advocate and reinforce democratic values, norms, and principles aimed at advancing equal rights for all. This objective is directly responsive to the President's Interim National Security Strategic Guidance which focuses on defending and protecting human rights and address discrimination, inequity, and marginalization in all its forms. It is also responsive to Executive Order 13985 Advancing Racial Equity and Support for Underserved Communities, which aims to integrate equity and diversity into our foreign affairs work.
- **Risks** | According to Freedom House's political rights and civil liberties index (2021), North Macedonia ranks as a "partly free" country. Though the Constitution stipulates

basic rights and freedoms, and the country has ratified most international human rights treaties, the enforcement of human rights needs continued strengthening. If ethnic tensions are not acknowledged and addressed, inequitable representation within government and discriminatory practices that exclude equitable political and socio-economic participation will continue to compromise democratic stability.

Objective 1.4 | An improved and diversified economy directly supports social stability and good governance in North Macedonia.

- **Justification |** North Macedonia cannot be an effective and reliable long-term U.S. ally without an economy that reduces incentives for corruption and convinces the country's youth to stay. Endemic weaknesses—including low-quality infrastructure, high pollution, low productivity, and mismatches between the labor force and business needs—are exacerbated by complex government regulations, inefficient public procurement, and low-level corruption in licensing and permits. As a result, the economy continues to be poorly diversified, not very competitive, predominantly based on low value-added production processes, and highly influenced by politics and political turmoil. Foreign direct investment remains well below its potential and skilled workers frequently seek opportunities to emigrate.

Still, the country faces enormous economic opportunity in the decade ahead. Strategically situated at the crossroads of corridors VIII and X, North Macedonia is well-placed to be at the heart of trade in the Balkans and a hub for the flow of goods deeper into Europe. Regional economic cooperation initiatives are moving to take advantage of the redistribution of global supply chains as companies adjust operations post-pandemic. North Macedonia stands to gain when it works with its neighbors to jointly attract value chains.

Given these challenges and opportunities, Mission Skopje will focus efforts to accelerate inclusive economic growth by targeting opportunities to tackle political and legislative barriers, supporting robust investments in infrastructure, and encouraging regional economic integration. The Mission will support initiatives to reduce pollution and

improve waste management, improving quality of life and making the country more attractive for skilled workers and foreign investors. These interventions will require aggressive engagement from all stakeholders. The Mission will engage the private sector to build prosperity by strengthening competitiveness, improving access to finance and Western know-how, better preparing businesses to link to regional markets, and streamlining the business environment. Specifically, USAID will transition to a modality that will explicitly leverage resource partnerships that facilitate investment and stimulate/mobilize the country's public and private resources, while also promoting effective, transparent, and accountable expenditure of those resources. Opportunities will be explored that will foster the country's expansion to high-yield, high-tech production.

- **Linkages** | This objective supports the State EUR/USAID JSP Goal 2. Objective 2.1 and 2.2 and the JRS Goal 3. Objective 3.1. aimed at deepening economic cooperation with Europe to attract investment and build stronger, more resilient supply chains and trade ties. It also aligns directly with USAID/North Macedonia's CDCS (Objective 1) under Interim Results (IR) 1.1 Productivity Increased and IR 1.2 Integration in Euro-Atlantic Regional Markets Expanded.
- **Risks** | Reforms may be cosmetic, changing laws on the books without recruiting or building competent staff to oversee implementation. Small market size and non-diversification create real obstacles to significant short- and medium-term increases. Political instability, in the form of frequent elections or weak governing majorities, would stall reforms and strategic decision-making indefinitely. To overcome risks, Mission efforts must provide guidance and support while allowing partners to develop their own implementing capacities below the line minister level, enabling reform programs to outlast any given political administration.

Objective 1.5 | North Macedonia serves as a modernization model and a confident member of the NATO Alliance.

- **Justification** | North Macedonia achieved one of its longest standing strategic objectives when it became the 30th member of NATO in 2020. Since then, North Macedonia has proven to be a strategic partner that has consistently met NATO reform goals and contributed to multinational operations in Afghanistan, Iraq, and Bosnia and Herzegovina. North Macedonia and its armed forces are committed to NATO membership, and its Ministry of Defense (MoD) and Army have implemented significant reforms with the assistance of U.S. funds. Mission Skopje will support further development of North Macedonia's defense capabilities, especially to fulfill NATO Capability Target requirements and aligning with NATO standards. Our engagement will complement North Macedonia's efforts and will result in increased capacities to train with and fight alongside or in lieu of U.S. forces in NATO or the UN, or in coalition operations.
- **Linkages** | This objective directly supports the Interim National Security Strategic Guidance to reinvigorate and modernize our alliances and partnerships around the world. It supports the State EUR/USAID JSP Goal 1. Objective 1.4 and JRS Goal 1. Objective 1 and 2, directly aimed at revitalizing European alliances and partnerships. It also supports USEUCOM Theater Strategy priorities to Support NATO's Defense of the Euro-Atlantic Area, Counter Russian Malign Influence, Advance and Strengthen Strategic Relationships, and Enable U.S. Global Operations.
- **Risks** | If North Macedonia does not establish itself with NATO as an active and ready member of the alliance, it will undermine their position in the alliance, increase the country's vulnerability to malign influence at home, and ultimately weaken the alliance.

Mission Goal 2 | Leverage the U.S.-North Macedonia partnership to promote stability in the Western Balkans.

Description | For the entirety of our 30-year bilateral relationship with North Macedonia, our goal has been to anchor North Macedonia in Euro-Atlantic institutions and to enable it to act as a confident partner in addressing regional and global issues. North Macedonia is a strategic partner of the United States, and we share a common vision for the stability and prosperity of

Approved: July 27, 2022

the region. Hence, North Macedonia's support for universal values and a worldview sympathetic to U.S. policy goals in international fora strengthens U.S. efforts to foster transnational security, economic growth, health security, and leadership. Through diplomatic engagement, we will continue to strengthen the U.S.-North Macedonia partnership and promote our shared values and goals. Such engagement will counter those malign actors who still publicly oppose North Macedonia's alignment with Western democratic principles and attempt to sway broader policy choices.

The United States supports the full integration of North Macedonia into the European Union. A prolonged delay in the formal launch of EU accession negotiations due to bilateral disputes with Bulgaria has already undermined the EU's regional credibility and is gradually decreasing public conviction to support the country's EU future. Mission Skopje will advocate to maintain momentum for domestic reform and support for regional integration despite these political challenges and delays. U.S. engagement and support will ensure North Macedonia's positive trajectory continues. Moreover, as the COVID-19 pandemic continues to impact the country's health security, North Macedonia can leverage its membership in Euro-Atlantic institutions to mobilize resources to address the pandemic, including NATO, the EU, USEUCOM, the OSCE, and the WHO. Mission Skopje will continue engaging and supporting more resilient partnerships aimed at advancing North Macedonia's capabilities to confront cross-border challenges and contribute to collective security, enabling the country to be a stronger regional partner.

Another key component of improved economic competitiveness and regional integration is energy security. North Macedonia, as a signatory to the Paris Accord, tasked itself with carbon reduction goals in the energy sector, but will need to double down on those plans to both fulfill its international commitments and address the significant environmental degradation the country faces. The government passed a new energy law in mid-2018, as well as a new energy efficiency law in early 2020, adopting directives under the EU Energy Community's Third Energy Package. Full implementation of these new laws will be crucial to reforming the energy sector. U.S. support will make the energy sector more resilient to external shocks, including cybersecurity threats, and more sustainable while reducing its import and single supplier dependence.

Approved: July 27, 2022

Objective 2.1 | Strengthened partnerships on transnational issues establish North Macedonia as a regional leader.

- **Justification |** North Macedonia is a strategic partner of the United States and in this role, it can serve as a key regional leader anchoring itself to Euro-Atlantic institutions and principles. Under this context, Mission Skopje will identify strategic issues that showcase North Macedonia's capabilities to be an effective partner in the region, which may include transnational security, climate risks, and health security, among others. For example, as the COVID-19 pandemic continues to impact the country's health security, North Macedonia can leverage its membership in Euro-Atlantic institutions to mobilize resources to address the pandemic, including from NATO, the EU, USEUCOM, the OSCE, and the WHO. In the same manner, regional efforts to build capacities against climate risk are of extreme importance, as evidenced during the 2021 wildfires which engulfed large swaths of land across the Balkans. On the transnational security, North Macedonia is working more effectively with other countries to combat transnational crime and secure its borders. However, criminal organizations continue to exploit the permissive environments of the region, and North Macedonia serves as the crossroads of many transnational criminal organizations.

Through diplomatic and assistance engagement, Mission Skopje we will continue to strengthen the U.S.-North Macedonia partnership and promote our shared values and goals. Such engagement will not only counter those malign actors who publicly oppose its alignment with Western democratic principles but also allow for stronger regional ties within the Balkans while reducing vulnerabilities and dependencies

- **Linkages |** This objective supports the State EUR/USAID JSP Goal 1. Objective 1.1 and JRS Goal 4. Objectives 1 and 2, which aim to leverage alliances and partnerships to address global and regional threats and challenges.
- **Risks |** If left unchecked, transnational crime can weaken North Macedonia's institutions, leaving the country vulnerable to poor governance, stagnation, and instability. North Macedonia also remains a potential transit country for flows of illegal migration due to conflicts in neighboring regions.

Approved: July 27, 2022

Objective 2.2 | North Macedonia's transition to diversified, sustainable, and renewable sources of energy accelerate regional energy independence.

- **Justification** | North Macedonia's energy sector suffers from a significant shortage of power generation due to its obsolete and poorly maintained thermal generation facilities and low-efficiency consumption. Between 70 and 80 percent of electricity generation is produced by coal-fired power plants and domestic electricity production covers 50 to 70 percent of the country's demand. Deteriorating energy infrastructure, inefficient energy use, and a lack of source diversity continue to lower the security and reliability of the energy supply. Diversification is imperative for ensuring the country's energy security and is a golden opportunity to reduce pollution by investing in solar and wind power production.

North Macedonia's government is committed to building a country-wide natural gas distribution network, as well as a new interconnector with Greece to reduce its dependency on Russian gas. Mission Skopje will advance energy sector reforms that comply with the EU and Energy Community requirements. It will also facilitate investments to develop new and upgrade old generation capacities (especially in renewables), as well as diversification of supply sources and better integration into regional energy markets. U.S. support will not only support regional energy market integration, but it will also make the energy sector more resilient to external shocks and hostile third-country influence while reducing pollution to improve quality of life and meet climate goals.

- **Linkages** | This objective supports the State EUR/USAID JSP Goal 2. Objective 2.3 and JRS Goal 3 under objective 3.4. Expand partnership with Europe to increase energy security.
- **Risks** | Without formal EU negotiations and the accompanying direct investments and engagements in energy infrastructure, North Macedonia may resort to alternative, untrusted sources of energy and investment.

Objective 2.3 | Increased capability to counter malign foreign influences helps North Macedonia maintain regional progress toward Euro-Atlantic integration.

- **Justification** | North Macedonia remains a significant target of malign Russian political influence as well as growing economic pressure from the People's Republic of China, as it joined NATO and seeks to advance formal EU accession negotiations. These external malign influences exploit weaknesses in North Macedonia's institutions to benefit Russian and Chinese interests, while undermining confidence in these institutions, North Macedonia's western alliances, and its continued path towards Euro-Atlantic integration. Systemic weaknesses, such as corruption and impunity, provide openings for malign influence directly from Moscow and Beijing, as well as their proxies in the region. Corruption enables malign investments that entrench corrupt practices and deter domestic and foreign investment and economic growth; it also creates openings for malign Russian-sponsored campaigns to undermine confidence in democratic and free-market systems as well as integration into Western organizations such as the EU.

U.S. diplomatic and assistance efforts will focus on focused on advancing and improving the host country, civil society and citizenry capabilities and capacities to resist malign influences and further build institutional resiliency.

- **Linkages** | This objective supports the State EUR/USAID JSP Goal 1. Objective 1.4 and Goal 3. Objective 3.1 which aim to increase the capacity and resilience of our partners and allies to deter aggression, coercion, and malign influence by state and non-state actors; and for JRS Goal 2 under Objective 2.3 aimed at bolstering the resilience of institutions to external malign influence and disinformation.
- **Risks** | Progress on a wide array of fronts—from increasing government transparency and combatting corruption – milestones on North Macedonia's path to EU accession – may be in jeopardy if the country remains unable to effectively identify and counter malign influence. This could further delay a process already stalled by Bulgaria's current stance objecting to the formal launch of accession negotiations.

4. Management Objectives

Management Objective 1 | The management platform contributes to the successful achievement of interagency programmatic objectives.

- **Justification** | Mission North Macedonia's management platform is recognized as a regional leader in providing efficient and high-quality service in support of the personnel and agencies at post working to advance U.S. interests and mission goals. Within the management section itself there is a great deal of expertise and knowledge that can and should be leveraged to directly engage with the host-government to build their capacity and contribute to achieving bilateral strategic programmatic objectives.
- **Linkages** | This management objective is closely linked to the 2022-2026 State/USAID JSP Goal 4. Objective 4.2 and 4.3 and the 2022 EUR JRS Management Objectives 5.2 and 5.3.
- **Risks** | Failure to coordinate effectively with other offices and agencies at Post could lead to redundant or counterproductive efforts, as well as confusion and animosity between sections. Communication and collaboration throughout this process will be key to ensuring success and value-added.

Management Objective 2 | Recruitment and retention of a diverse, skilled, and motivated workforce continues to position Embassy Skopje as a model employer in North Macedonia.

- **Justification** | The U.S. Mission in North Macedonia benefits from an effective, productive, and highly competent staff. Due to the Mission's excellent reputation as an employer in a constrained local labor environment, staff turnover is very low. Consistent with this, few opportunities for advancement are available for LE staff. With 55 percent of LE staff working 20 years or more at the Mission, motivating them and modernizing their skills and professional vision is a core development goal. Therefore,

Post must improve its ability to create professional opportunities and rewards for strong performance. The Mission must also cultivate acceptance and support among all staff for equality and full inclusion for colleagues of all religions, ethnicities, gender identities, and disabilities.

- **Linkages** | This management objective is responsive to Executive Order 13985 Advancing Racial Equity and Support for Underserved Communities, which aims to integrate equity and diversity in both programmatic and operational embassy functions, as well JSP Goal 4. Objective 4.1 and the JRS Management Objective 5.1.
- **Risks** | Failure to create professional opportunities, rewards for strong performance, and a respect for diversity and inclusion could lead to low staff morale, a decline in productivity, and difficulties in recruiting well qualified USDH and LE staff. Frequent, open, and honest dialogue with key stakeholders will help guide the Mission's efforts and prevent grievances from festering.

5. Annex: Acronym List

BMTF – Balkan Medical Task Force

CDCS – Country Development Cooperation Strategy

CISA – Cybersecurity and Infrastructure Security Agency

CONS – Consular Section

DAO – Defense Attaché Office

DO – Development Objective

DUI – Democratic Union for Integration

EBRD – European Bank for Reconstruction and Development

ECON – Economic Section

EU – European Union

EXBS – Export Control and Related Border Security Assistance program

FAC – Facilities

FIU – Financial Investigative Unit

FMO – Financial Management Office

FWP – Federal Women's Program

GSO – General Services Office

HR – Human Resources

ICITAP – International Criminal Investigative Training Assistance Program (Department of Justice)

INL – Bureau of International Narcotics and Law Enforcement Affairs

JRS – Joint Regional Strategy

KTA – Krivolak Training Area

LE – Locally Employed

LIBG – Light Infantry Battalion Group

MACS – Management Assistance Center Skopje

MFA – Ministry of Foreign Affairs

MoD – Ministry of Defense

Approved: July 27, 2022

MOI – Ministry of Interior

NCT – NATO Capability Target

NER – National Energy Requirements

NSS – National Security Strategy

ODC – Office of Defense Cooperation

OPDAT – Overseas Prosecutorial Development, Assistance and Training (Department of Justice)

OSCE – Organization for Security and Co-operation in Europe

PAS – Public Affairs Section

POL – Political Section

PPO – Public Prosecutor's Office

PRC – People's Republic of China

SAO – State Audit Office

SCPC – State Commission to Prevent Corruption

SDSM – Social Democratic Union of Macedonia

SEEBRIG – South East Europe Brigade

SMEs – small and medium-sized enterprises

USAID – United States Agency for International Development

USEUCOM – United States European Command

WHO – World Health Organization