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PROJECT APPRAISAL DOCUMENT EVALUATION REPORT

April 2018

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PROJECT APPRAISAL DOCUMENT EVALUATION

Evaluation Report

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EXECUTIVE SUMMARY

The U.S. Agency for International Development (USAID) Mission in Macedonia contracted with IMPAQ International, LLC, to conduct an evaluation of the six-year (2015-2020) strategic project appraisal document (PAD). This evaluation included a critical assessment of the Mission's democracy and governance activities and provides recommendations to inform the development of a new strategic program, as USAID/Macedonia prepares for its next program funding cycle and a new Country Development Cooperation Strategy.

This evaluation was not intended to be a traditional performance evaluation of distinct activities. Rather, it was designed to analyze how the PAD's assumptions, theories of change, and activities have contributed to achieving the PAD's democracy and governance development objective – *Improved Democratic Participation and Processes* – and associated intermediate results, *More Inclusive Citizen Engagement* and *Functioning Checks on Executive Authority*. The primary objective of this effort is to produce insights into how USAID activities might be recalibrated to align with and support current political realities in Macedonia with a focus on gaining momentum toward enhanced cooperation with the Government of Macedonia (GOM) and advancing Macedonia's Euro-Atlantic integration. The evaluation centered on four key evaluation questions, which are listed below in turn, along with a summary of the evidence collected by the evaluation team for each one.

Question #1 - To what extent has USAID's support under the PAD promoted more inclusive citizen engagement and functioning checks on executive authority? Activities reviewed under this evaluation included support for civil society and independent media in Macedonia, as well as support for political parties, parliament, and the State Election Commission (SEC). The previous administration under Prime Minister Gruevski heavily influenced the media and cracked down on civil society groups. USAID support enabled civil society and media organizations to more effectively monitor the government's policies and actions and provided alternatives for Macedonians to consider. USAID activities successfully included: 1) support for monitoring- and advocacy-oriented civil society organizations (CSOs), 2) significant investment in high-profile media investigative journalism programs that encouraged debate and a critical view of the Macedonian political landscape, and 3) greater social cohesion through ethnic integration of schools and youth-based organizations. USAID support to parliament, while useful in strengthening institutional capacity, did not result in parliament playing an effective oversight role to provide actual checks on executive authority. However, assistance to the SEC contributed to voter education and updates to the voter list, facilitating fairer, more accurate 2016 parliamentary elections.

Three distinctions set USAID's support apart from that of other donors: timely responses to changing circumstances, flexibility of funding, and alignment with urgent citizen needs. This combination, which enabled a nimble response in the midst of a mounting political crisis, was understood by respondents to have been indispensable to the democratic transition. The results are evident in the reform agenda of Prime Minister Zaev, who seems to have taken the election victory as a mandate to push forward on bold pro-European "3-6-9" reforms to be accomplished within three, six, and nine months of assuming power. He has also shown willingness to risk political capital by choosing as immediate focal points the contested name issue, public administration reform, and education reform.

“[The] US Embassy and UK Embassy played a huge role. Between us, I think these two did a better job than the EU. You would think the opposite given the scope of EU investment in Macedonia. The US Ambassador and his staff had more impact.” – Multilateral representative

Question #2 - Given the changed political context, is the PAD’s Development Problem Statement still valid? The PAD’s Development Problem Statement declares that: “A progressive constriction of competitive space in Macedonia is leading to a decline in voice, participation, inclusion and accountability; worsening ethnic divisions; and the erosion of basic rights.” In light of the changed political environment, which, as of writing this report, indicates a government that has opened the political space for an array of voices, encourages inclusion and participation in policy development, and has thus far shown respect for basic rights, the PAD’s problem statement is no longer valid and should be adjusted to reflect the new political reality. The PAD’s new development problem statement should support the government maintaining the ‘open political space’ for inclusive and accountable governance by focusing on improved delivery of public services and creation of an enabling environment for employment creation, especially outside of Skopje. A rephrased problem statement to

consider would be: “As the development of strong democratic institutions is still in its infancy, citizens remain wary of the new government’s capacity to deliver services and to stimulate an enabling environment for employment creation, while continued ethnic divisions remain perilous to national unity.”

Moving forward, the evaluation team recommends that the PAD include more direct support to the GOM, focusing on public administration reform, judicial/rule of law, and ethnic integration, all of which are essential for EU accession. USAID should simultaneously maintain funding for CSOs and media to serve as watchdogs of the new government and to provide a venue for critical policy debate, while expanding the assistance to civil society groups outside of Skopje. Funding to the SEC and Parliament should be reduced to focus on reforming the electoral law and consideration should be given to funding local/municipal development concerns.

Question #3 - Given the changed political context, how should the existing implementing mechanisms (IMs) and overall approach pivot in order to advance Macedonia’s Euro-Atlantic integration? While the government may have changed, Macedonia still faces the challenge of Greece continuing to block formal EU accession negotiations over the name issue. In the meantime, in light of the changed political context, the greater willingness and interest of the new GOM to engage citizens and work with USAID and other donors provides new opportunities to develop and strengthen good governance practice and democratic values, which are instrumental to EU accession.

Our research indicates that CSOs remain the most noted, visible, and trusted institutions in terms of championing the democracy and the reform agenda. Additionally, multiple CSO leaders have joined the GOM, allowing for more direct channels of communication and cooperation between civil society and government, which USAID can leverage to influence key reforms in support of Euro-Atlantic integration at both the national and local levels. The evaluation team therefore recommends supporting engagement between civil society and the institutions of government through funding of public forums, dialogues, and town hall meetings. USAID should also consider increasing the size and geographical scope of its CSO support program. In this way, USAID can play an important role in closing the gap between GOM and citizens and encourage a more inclusive style of governance.

The evaluation team recommends greater investment in local development in order to restart the decentralization process that stalled under the Gruevski regime. USAID could target funding to local civil society groups outside of Skopje to support the spread of Euro-Atlantic values in rural areas, empowering them to become effective watchdogs of local governance and mitigating the potential spread of violent extremism. Support for community-based organizations should focus on local priorities to discourage out-migration, incentivize local economic growth, and improve provision of key services to the citizenry.

In terms of political processes, our research suggests that electoral reform is indispensable for full democratization of the electoral system. The “closed” voter list is perpetuating old patterns of patronage and timely and politically smart USAID investment in advocacy and dialogue on opening the list could help shift this power dynamic. USAID should also continue to focus on election-related issues, such as the autonomy of the SEC, while transitioning direct funding of the SEC to indirect support through the Swiss Agency for Development Cooperation, who will build the Commission’s capacity over the long-term.

Lastly, the evaluation team recommends continuing support for media-watchdog organizations and regulatory and institutional frameworks that promote media independence, as the interference of large business and political interests with media ownership and freedom remains a concern. Continued funding for media activities may help maintain the audience for balanced political debate won-over during the Gruevski era, but may be difficult to sustain given the industry’s business model. The team suggests an evaluation of the media portfolio focused on quantitative metrics to help USAID target content effectively, especially to rural audiences that might benefit most from it, as well as the creation of a channel such as the Public Broadcasting System in the U.S., devoted to a neutral presentation of political and other perspectives.

Question #4 - Given the changed political context, what are key government and non-government (such as, CSO, media and private sector), national and local institutions/organizations that the Mission and its IMs can leverage to advance Euro-Atlantic integration? USAID could leverage its relationship with the new government to promote its alignment with the key aspects of the European Commission’s Neighborhood Enlargement Policy/Chapters/Conditions, Chapter 23 of the Acquis, Judiciary and Fundamental Rights, and Chapter 24, Justice, Freedom, and Security, which are essential for EU accession. USAID can also serve as the lead convener of the new donor steering committee of Ministry of Information, Society, and Public Administration in order to quietly guide the process of public administration reform and ensure continued ministerial engagement.

It is unclear at this early stage if the new Minister of Information, Society, and Public Administration, will be an effective change agent, but he did list EU-NATO integration as a priority. Other potential government reform and integration champions that would be key to coopt include the Office of the Special Prosecutor, the new Minister of Labor and Social Policy, the Prime Minister, and the Minister of Defense. No particular civil society, media, or private sector groups stood out as individual champions of Euro-Atlantic integration, however, all of the interviewed stakeholders were striving to advance a more just, transparent, accountable, and democratic Macedonia that respects the rights of all its citizens regardless of ethnicity – values consistent with the principles of integration.

ACRONYMS AND ABBREVIATIONS

CEPPS	Consortium for Elections and Political Processes Strengthening Mechanism
CSO	Civil Society Organization
DUI	Democratic Union for Integration
EU	European Union
GOM	Government of Macedonia
IFES	International Foundation for Electoral Systems
IM	Implementing Mechanism
IRI	International Republican Institute
NATO	North Atlantic Treaty Organization
NED	National Endowment for Democracy
NDI	National Democratic Institute
OSCE	Organization for Security and Co-operation in Europe
SDSM	Social Democratic Union of Macedonia
SEC	State Election Commission
SPO	Special Prosecutor Office
USAID	United States Agency for International Development
VMRO-DPMNE	Democratic Party for Macedonian National Unity
3-6-9 Reforms	Specific political reforms to be achieved in three, six, and nine months by Prime Minister Zaev and SDSM to accelerate EU integration

I. INTRODUCTION

I.1 PROJECT APPRAISAL DOCUMENT (PAD) EVALUATION DESCRIPTION

For the U.S. Agency for International Development (USAID) Mission in Macedonia, IMPAQ International conducted an evaluation of the six-year (2015-2020) strategic project appraisal document (PAD) “Improved Democratic Participation and Processes Project.” The PAD covers the Mission’s democracy and governance development objective – *Improved Democratic Participation and Processes* – and the activities that support the achievement of the associated intermediate results (IRs): IR1.1 – *More Inclusive Citizen Engagement*; and IR 1.2 – *Functioning Checks on Executive Authority*. The PAD’s primary development hypothesis is that, by increasing participation in and improving democratic processes, as well as promoting economic growth (covered under the E&E Bureau’s Balkan Regional Economic Development Initiative [B-REDI]), USAID’s assistance will contribute to a more responsive, accountable, and resilient political system, thus helping the country to meet the necessary requirements for Euro-Atlantic integration (EU and NATO membership).

The PAD is guided by the State-USAID Joint Regional Strategy (JRS) and the Embassy’s Integrated Country Strategy (ICS) and supports the JRS’s goals of advancing Euro-Atlantic integration, peace and stability, and efforts to expand and sustain democratic societies in the Balkans. It also aligns with USAID’s Democracy Rights and Governance strategy (2013) and its Local Systems Framework (2014). The PAD’s development problem statement declares that: “*a progressive constriction of competitive space in Macedonia is leading to a decline in voice, participation, inclusion and accountability; worsening ethnic divisions; and the erosion of basic rights.*” To effectively address these issues, the PAD focuses on four priority areas, including political processes, civil society, media, and ethnic integration.

IMPAQ’s evaluation of the PAD was not intended to be a traditional performance evaluation of distinct activities. Instead, it focused on four key evaluation questions designed to analyze how the PAD’s activities have contributed to achieving the Mission’s stated objectives for the USAID democracy and governance country portfolio to date, while producing insights into how the project and its activities might be recalibrated in the future to align with the current political reality in Macedonia.

This report is structured as follows: the present section contains a brief description of the PAD, the purpose of the evaluation, and the contextual background for the study. Section 2 discusses the evaluation methodology, the four key evaluation questions, and the study limitations. Section 3 responds to the first evaluation question, including a retrospective discussion of the main project activities and their effectiveness in achieving the intermediate results. Section 4 responds to the forward-looking evaluation questions 2, 3, and 4, and offers recommendations for future project and key activities in light of the changed political context and the larger goal of Euro-Atlantic integration. Lastly, Section 5 offers a conclusion for the evaluation.

I.2 CONTEXTUAL BACKGROUND

The authoritarian tendency of the Gruevski government emerged between 2008 and 2009 and became increasingly apparent from 2011 onward, when the executive government cracked down on forces of dissent in the country. The most visible targets of this process were the media (AI TV and several dailies run by the same company) and the Constitutional Court. The media controlled by Velija Ramkovski –

considered by the Gruevski regime as a supporter of the opposition Social Democratic Union of Macedonia (SDSM) party – was shut down and its owner imprisoned. The Constitutional Court, which was the staunchest opponent of the government’s policies, was suppressed over a period of several years, and Gruevski loyalists were installed in place of independent judges.

By 2014, verbal attacks in the Macedonian media targeted western diplomats, including ambassadors, program staff at USAID and other development agencies, and civil society organization (CSO) activists. Anti-civil-society rhetoric called for the restriction of foreign funding for civil society and the banning of certain CSOs, such as the Foundation Open Society Macedonia, commonly referred to as the Soros Foundation. CSOs were increasingly portrayed as spies and traitors, which intimidated the civil society overall. The Gruevski-led government also used both outright propaganda and subtle fake news circulated via nationalist digital platforms to stir “nativist” sentiments and to turn the Macedonian people against USAID and other western donors that took a critical view of the Government of Macedonia’s (GOM) rollback on democratic rights. During this period, the GOM continued to accept some direct forms of development assistance, such as EU assistance to ministries concerning compliance with EU accession requirements and USAID assistance for ethnic integration in education. However, the government became increasingly antagonistic toward support in the field of democracy and governance, especially as it related to support for a more free and open media and vibrant civil society.

In early 2015 the leader of the opposition SDSM party, Zoran Zaev released to the media evidence of illegal wiretaps and surveillance of over 20,000 Macedonian citizens that had been in place for years. The few wiretaps that were presented to the public indicated systemic high-level government corruption, grave human rights violations, possible involvement of government structures in a range of serious crimes, and metastatic merging of the state and the party in power. The political crisis that resulted from the release of the wiretaps led to the Przino talks, a process of protracted negotiations under strong pressure from the international community that resulted in the resignation of Gruevski, the formation of a transitional government to organize early national elections, and the creation of a Special Prosecutor (SJO) tasked with pursuing crimes related to the illegal wiretaps.

As the SJO pressure on the regime mounted, the president of the country, Georgi Ivanov, defended the regime and issued a mass-pardon of the major SJO indictees. This move sparked an immense public outrage and some of the strongest public demonstrations in recent Macedonian history. These demonstrations came to be termed the “colorful revolution” and, atypically for Macedonia, were multiethnic, involving Macedonians and Albanians side by side. In face of strong public resistance and pressure by the international community, President Ivanov retracted the pardons in early June 2016.

The Przino negotiations concluded on July 20th, 2016, closing remaining issues pertaining to the voter list and media reporting during elections and allowed for early national elections to be held on December 11th, 2016. The elections resulted in a tie, with Gruevski’s party, the Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO-DPMNE), winning a marginal advantage over SDSM. In the Albanian block, the Democratic Union for Integration (DUI) party saw a significant erosion of its electoral power-base, which was likely a strong incentive for DUI to decline partnership with its long-trusted partner VMRO-DPMNE in the subsequent negotiations to form a government. This was the key factor which prevented Gruevski from retaining power, as DUI decided to create a coalition with SDSM instead.

Procedural maneuvering also ensued in Parliament, where the election of a new President of the Assembly was a key step to legitimizing the new majority. On the evening of April 27th, 2017, the new majority elected Talat Xhaferi as President of the Assembly. Supporters of Gruevski’s regime orchestrated a “spontaneous” violent incursion into Parliament, leaving several members of parliament injured. Following the events of April 27th, after a final campaign of diplomatic pressure by the international community, particularly the United States, Gruevski relented and ceded power. The new government, led by SDSM’s Zoran Zaev, was sworn in on June 1st 2017 and since has been pushing forward with pro-European reforms.¹ Zaev has also shown willingness to risk political capital by choosing as immediate focal points the contested name issue with Greece; public administration reform; and education reform, an issue closely linked to the controversial law on language, which extends the official use of Albanian across Macedonia, and in turn to social cohesion.

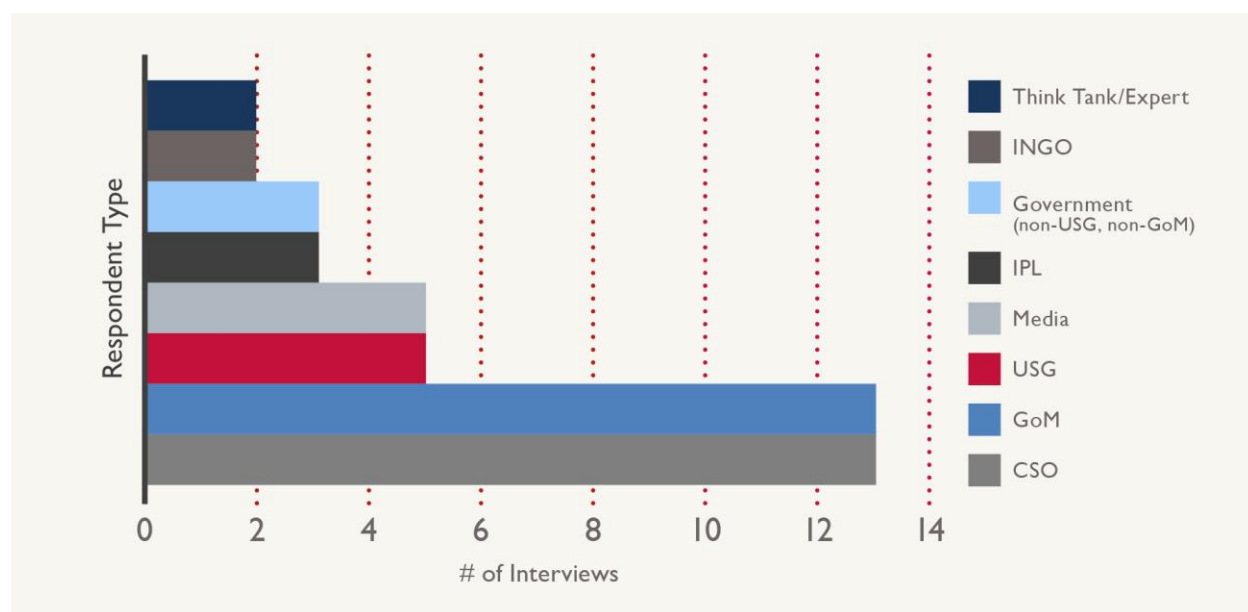
¹ Government of Macedonia. (2017). Plan 3-6-9. Retrieved from <http://vlada.mk/sites/default/files/Plan3-6-9ENG.pdf> on March 23, 2018.

2. PAD EVALUATION METHODOLOGY AND LIMITATIONS

2.1 EVALUATION QUESTIONS AND METHODOLOGY

On behalf of IMPAQ International, LLC, an international research team conducted 48 key informant interviews (KIIs) and two focus group discussions (FGDs) over a three-week period between January 22nd 2018, and February 9th 2018, in four cities: Skopje, Tetovo, Gostivar, and Veles. The research team conducted key informant interviews and focus group discussions with representatives from the U.S. Embassy, USAID and its implementing partners, CSOs, international donors (both bilateral and multilateral), and media outlets, including a regional Albanian-language outlet. GOM respondents included members of parliament from the majority and minority parties, representatives of the State Election Commission (SEC) and the State Commission for Preventing Corruption, and ministers and other high-level officials from the Ministry of Labor and Social Policy, the Ministry of Information Society and Administration, and the Ministry of Education and Science. Exhibit I below provides a graphical breakdown of the interview respondents by type of affiliation.

Exhibit I. Interview Respondents by Type of Affiliation



This study employed a mixed-methods approach, including both qualitative and quantitative data sources. This approach enabled the team to analyze KII and FGD data in combination to gain a better understanding of participant responses than would have been possible using a single type of data source. The primary research instrument for the study was a structured questionnaire, developed based on the four key evaluation questions stipulated in the Statement of Work from USAID/Macedonia and listed in Exhibit 2 below.² In addition to key informant interviews, data sources included qualitative information gathered

² See Annex A for the complete Evaluation Statement of Work.

during two focus group discussions and secondary sources such as news and academic publications, selected GOM and donor reports, and project documents provided by USAID.

After completion of each interview, the team members uploaded responses to a secure database, and triangulated the main points of the interviews as they related to the four evaluation questions.

Exhibit 2. Key Evaluation Questions

Evaluation Category	Key Questions
Project Performance and Results Achieved:	<ol style="list-style-type: none"> 1. To what extent have USAID activities under this Project been able to address, and collectively contribute to, the democracy and governance priorities set forth in the Project’s intermediate results: More Inclusive Citizen Engagement and Functioning Checks on Executive Authority? - More or less relevant? - Too broad or too narrow?
Looking Forward:	<ol style="list-style-type: none"> 2. Given the changed political context, is the Mission's current PAD's Development Problem Statement still valid? Are the stated priority areas still appropriate: in target areas and relative level-of-effort? 3. Given the changed political context, and if deemed appropriate and/or necessary, how should (or could) the existing implementing mechanisms (IMs) and overall approach pivot in order to advance Macedonia's Euro-Atlantic integration? 4. Given the changed political context, what are key government and non-government (such as, CSO, media and private sector), national and local institutions/organizations that the Mission and its IMs can leverage to advance Euro-Atlantic integration? From a local systems approach, are there existing Macedonian structures/systems through which the Mission could better implement elements of the portfolio?

2.2 LIMITATIONS

Within the assigned time frame for field research, the team was able to conduct interviews and focus groups within Skopje, Tetovo, Gostivar, and Veles. The team notes the geographical limitation of the study and believes that initial findings could be further enhanced and verified with field research in additional locations to gain a broader national perspective. We note this limitation in particular, as respondents across stakeholder groups agreed that USAID funding is too concentrated on Skopje-based CSOs and the national government. Similarly, as social cohesion is a priority area for USAID, expanding the geographic scope of research is advisable for future studies, where feasible.

The evaluation team remained cognizant of the shared objective of USAID and the U.S. Embassy to support Macedonia’s integration into the European-Atlantic alliance. The research instrument was designed to address this set of considerations. During the data collection phase, however, it became clear that few

respondents could connect their own work to a broad foreign policy agenda in a detailed way – despite repeated probing and investigation by the research team. Where such thinking was present, respondents frequently elevated immediate domestic concerns over concern with accession to the EU. For many single-issue CSOs or IPs, their expertise was limited, and they did not feel qualified to talk about how what they were doing could impact Euro-Atlantic accession. For this reason, the report addresses implications for EU accession in a broad sense of the required standards, values, and norms, rather than as detailed technical requirements.

3. LOOKING BACK

This section focuses on responding to Evaluation Question 1: **To what extent have USAID activities under this Project been able to address, and collectively contribute to, the democracy and governance priorities set forth in the Project’s intermediate results: More Inclusive Citizen Engagement and Functioning Checks on Executive Authority? - More or less relevant? - Too broad or too narrow?**

In 2014 USAID/Macedonia commissioned a Democracy, Rights and Governance Assessment, which concluded that the fundamental and most immediate DRG problem in Macedonia was the inadequacy of mechanisms for competition and political accountability.³ The “state capture”⁴ of legislative, executive and judicial institutions had undermined the system of checks and balances and significantly constrained mechanisms for political pluralism. In particular, the ruling party, VMRO-DPMNE, had severely limited the space for critical media and civil society groups, who had been targeted for retaliation and selectively excluded from meaningful political dialogue. As a result, the assessment recommended that USAID focus its assistance on independent civil society and media organizations to enable them to continue to provide citizens with access to objective information on which to make informed decisions and monitor the work of their government.⁵

3.1 SUPPORT TO CIVIL SOCIETY

3.1.1 BACKGROUND AND USAID INTERVENTION

The period between 2015 and 2017 in Macedonia was marked by the rapid and alarming closing of political space for civil society, media, and other citizens who were not aligned with then Prime Minister Gruevski and his ruling party, VMRO-DPMNE. This period marked a time in which Macedonians witnessed a steady degradation of their civil rights, while oversight and the rule of law in key institutions severely deteriorated and state and private media were hijacked for largely propagandistic purposes.

In this difficult period of time USAID maintained its support to civil society and to a range of both relevant as well as urgent issues promoted by CSOs. The CEP project provided sub-grants for work including but not limited to good governance, anti-corruption, human rights, gender equality, civic participation, youth engagement and employment, and disability. In the critical time of the European refugee crisis, USAID responded promptly by supporting CSO work for protection of refugee and migrant rights. Support continued for LGBT rights in a period characterized by homophobia promoted by the government leadership and its associates in the media. The education and inclusion of persons with disability was

³ USAID. (2014). Democracy, Human Rights, and Governance Assessment of Macedonia – Final Report.

⁴ The term “state capture” emerged as early as 2007 in Serbia, after which the term appears with increasing frequency in political commentary on the Western Balkan region. Joel Hellman, governance specialist in the Europe and Central Asia Vice Presidency of the World Bank, defines “state capture” as the efforts of a small number of firms (or such groups as the military, ethnic groups, and kleptocratic politicians) to shape the “rules of the game” to their advantage through illicit, non-transparent provision of private gains to public officials. He notes that examples of such behavior include the private purchase of legislative votes, executive decrees, court decisions, and illicit political party funding. This concept links the problem of corruption with vested economic, social, and political interests—which in turn form key obstacles to economic and political reform.

⁵ USAID. (2014). Democracy, Human Rights, and Governance Assessment of Macedonia – Final Report (p. viii).

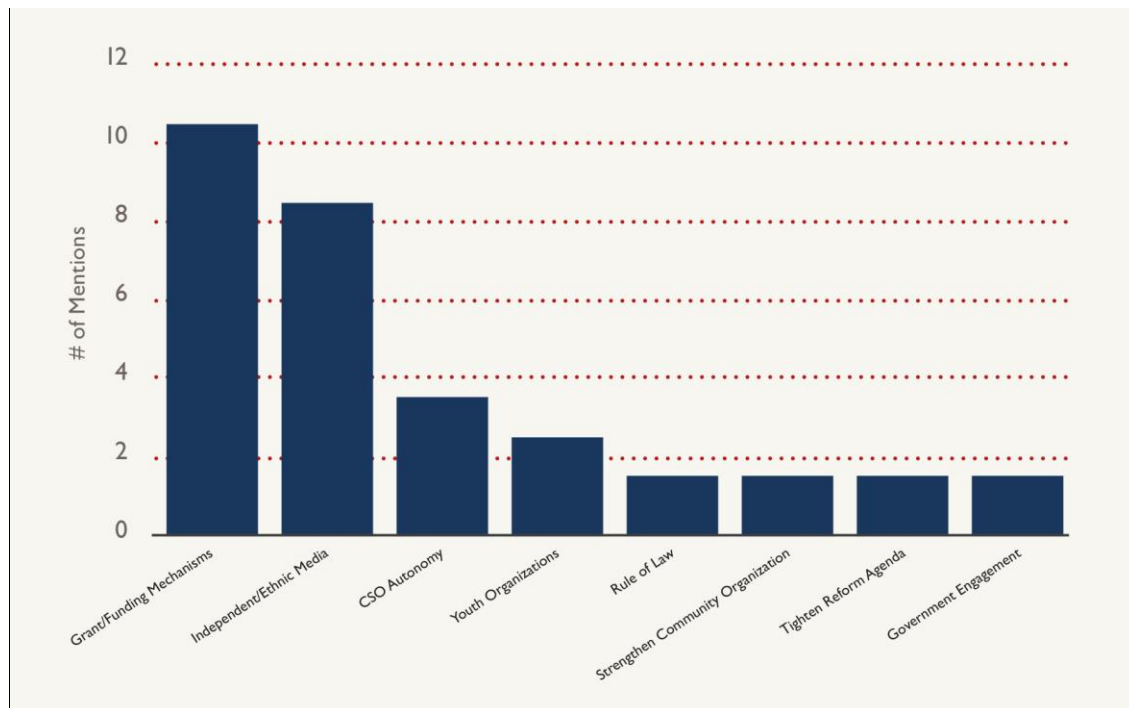
supported by USAID, as was ethnic integration in schools. In sum, during a time of political authoritarianism USAID managed to keep the attention on issues of critical relevance for the long-term stability of Macedonian society

According to interview respondents, three distinctions set USAID’s support apart from that of other donors during that period: timely responses to changing circumstances, flexibility of funding, and alignment with urgent citizen needs. This combination, which enabled a nimble response in the midst of a mounting political crisis, was understood by respondents to have been indispensable to the democratic transition.

3.1.2 KEY FINDINGS

In response to the broad question of whether USAID support promotes a strong and engaged civil society in Macedonia, the result was overwhelmingly positive. When asked for specific examples of the ways in which civil society benefits from USAID, grant funding mechanisms, support for independent media, and CSO autonomy emerged among the top mentions, as shown in Exhibit 3.

Exhibit 3. How Activities Under USAID Promote a Strong Civil Society



Several key themes emerged from the interviews with regard to USAID’s recent support to civil society organizations:

- In the final period of the recent political crisis, USAID programs made a critical contribution to civil society by opening space for those working toward a democratic transition in Macedonia. The challenging situation in which this support was delivered, and the inability or reluctance of other donors to respond effectively to the rapid decay of the civic fabric of the country, made USAID support critical in the democratic change that ensued.

- Most interviewees regarded USAID as a clear champion of support for Macedonian civil society and media groups in promoting freedom of speech, democracy, and transparent and accountable governance during the “state capture” period.
- Among CSOs who had received funding from USAID and others who had not, there was near universal recognition of USAID as a trusted partner that is closely aligned to a general perception of the U.S. as a friend to Macedonia and a champion of its bid to join the Euro-Atlantic alliance.
- Civil society partners of USAID consistently cited the flexibility of funding, ability to adapt and respond to changing circumstances, and overall support as distinct advantages of partnering with USAID versus other donors, particularly the EU.
- Skopje-based civil society respondents strongly expressed the perception that USAID democracy and governance programming mainly benefits those in the center—Skopje-based CSOs and CSO networks, and the parliament—and that it has in recent years had less impact at the community level. While the interviewed CSO actors expressed the desire for continued support from USAID, they noted that much needs to be done to support local initiatives with regard to citizen education and advocacy on specific issues of local concern, such as environmental matters, education, inter-ethnic relations, and employment creation.
- Given the broad scope of the evaluation, only a small number of respondents were interviewed on issues of relevance to ethnic integration. Nonetheless, some evidence of USAID impact in this programming area emerged. The implementing partners and USAID are considered trusted partners by school principals and teachers, local community leaders, and senior officials at the Ministry of Education, regardless of the party in power. It would be difficult without USAID’s funding and support for another organization to organize joint activities for schools from Strumica and Tetovo, let alone receive a direct invitation from the MoE to help prepare a new textbook on civic education. Attitudinal and behavioral change of the beneficiaries, primarily young people (high school students) has also been reported, though the degree and prevalence of this change would require further investigation in a separate study.
- Ethnic relations remain an area of elevated risk. Specifically, there is the risk of interethnic communication ceasing after USAID funding ends. Public institutions, schools included, often only come together when funds are in place. The research team was not able to confirm whether public funding for ethnic integration was allocated in the national budget.
- The issue of youth out-migration from Macedonia was raised as a general concern, but few respondents could offer specific recommendations for reversing it, outside of agreement that youth, as one respondent noted, “lack sufficient employment opportunities in their communities.”

3.2 SUPPORT TO MEDIA

3.2.1 BACKGROUND AND USAID INTERVENTION

A clear tenet of Nikola Gruevski’s regime was the strict control of the media through a combination of repression, subjugation, and corruption. Following the abrupt shutdown in 2011 of AI TV, at the time one

of the most influential TV channels in the country, the regime acquired full control of the news editorial policies of two other major national TV channels, Kanal 5 and Sitel, followed by Alfa TV. The regime policy of media control included the production of severely distorted, propagandistically-biased news reports and an almost total ban on political debate, including dissenting views. Freedom House, speaking of the situation in 2016, said, “Macedonia’s media landscape is deeply polarized along political lines, with most influential outlets favoring the governing [...] VMRO-DPMNE, particularly in the broadcast sector.”⁶ The watchdog organization also noted that private media outlets were often tied to political or business interests that influenced their content.

From 2011 onward, a well-documented steady decline in a free and open media occurred in Macedonia. Only a scant amount of real political debate could be found in the media, however this debate did not include the views of the ruling VMRO-DPMNE party, as the party boycotted all genuine political debate. Instead, VMRO-DPMNE officials favored staged interviews and debates, conducted by rogue journalists that broadcasted during prime time on major TV channels and who often hosted Prime Minister Gruevski. Simultaneously, seasoned journalists who were previously in charge of the editorial policies for TV news were relegated to small web portals or ousted completely. The regime displayed overt disdain of independent journalists.⁷ Some independent news could be found on certain TV stations, such as Telma TV and subsequently 24 News, as well as in newspapers and on a few web portals. However, political debate, traditionally a form of political content well suited to TV, was rare.

Macedonia is not alone in its bid to fight corruption and media bias; the regional trend adds additional pressure to local programming. For example, Transparency International reports: “In 2017, authoritarianism rose across Eastern and South East Europe, hindering anti-corruption efforts and threatening civil liberties. Across the region, non-governmental organizations (NGOs) and independent media experienced challenges in their ability to monitor and criticize decision-makers.”⁸

USAID support for media content involved funding for debate programs including *Top Tema – Na Vashna Strana* (Top Theme – On Your Side) which airs three times a week (Monday, Wednesday, and Friday), and *360 Degrees* on Alsat TV. At the time of their launch, these balanced political talk shows addressed a critical gap in the media landscape by providing a neutral platform for public discourse that included diverse opinions and viewpoints. USAID was not the only donor that contributed to media content. The British Embassy and the Dutch Embassy provided support, as did the National Endowment for Democracy through the National Democratic Institute (NDI).

⁶ Freedom House. (2017). Freedom of the Press 2017: Macedonia. <https://freedomhouse.org/report/freedom-of-press/2017/macedonia>.

⁷ Further evidence of this mistrust and disdain is clear in the 2015 release of illegal surveillance tapes by the Zaev government. See Radio Free Europe/Radio Liberty. (June 30, 2017). More Than 90 Indicated in Macedonia Wire Tap Scandal. <https://www.rferl.org/a/macedonia-special-prosecutor-janeva-charge-94-illegal-wiretapping-scandal-abuse-of-power-gruevski-zaev/28587330.html>.

⁸ Transparency International. (2017). Europe and Central Asia: More Civil Engagement Needed. https://www.transparency.org/news/feature/europe_and_central_asia_more_civil_engagement.

3.2.2 KEY FINDINGS

- The research team posed the counterfactual question concerning media investment: “Without donor support to media content in this critical final phase of the political crisis, what would have taken place?” Nearly all responses suggest a strong likelihood that media would have remained closed and that the public would have been deprived of the critically needed debate and diversity of views proffered by USAID-funded content. Had USAID withdrawn support, the ensuing political transition could have been diluted, delayed, or even completely derailed. The conclusion is that USAID’s support for media content made a positive contribution to Macedonia’s progress on the path toward full democracy.
- Many respondents agreed that the high caliber of USAID-funded programs is a significant contribution to the broadcast media landscape in Macedonia. For example, most respondents expressed strong support for *360 Degrees* and its quality investigative journalism.
- Approximately half of the respondents (including many based in Skopje) expressed that TV shows are too narrowly focused on the concerns of urban elites and not as effective in reflecting the lives and challenges of those living outside of Skopje. In this regard, these TV programs may not be influencing rural communities who may significantly benefit from exposure to balanced political coverage and debate and teledramas that promote key democratic themes: inclusion, rights and responsibilities, and tolerance.
- The current media business model in Macedonia does not sufficiently incentivize production of high-quality, locally produced content. Media owners determine what is shown on their networks based on what is most popular and least expensive to buy or produce, which are imported soap operas and reality TV series, not political debate. Thus, the ability of the media to provide content that promotes democratic values and political debate in the post-VMRO era remains dependent on donor funding, despite a desire expressed by some respondents for a transition to a market-based approach.

3.3 SUPPORT TO THE STATE ELECTION COMMISSION

3.3.1 BACKGROUND AND USAID INTERVENTION

In the context of the closing political space, the State Election Commission (SEC) became a key focal point in the protracted negotiations to end the political crisis. Perhaps the most critical contention was the accuracy of the SEC’s voter list, which was regarded as suspect by the opposition. Mutual accord on the voter list was essential to the political negotiations known as the Przino talks. The cleansing of so-called phantom voters from the voter list was vital to the conduct of credible elections. During this contentious period, the SEC was exposed to significant public criticism, as it was portrayed as the culprit in various complications with the voter list. It came under intense political pressure from all sides and suffered internal partisan infighting among the appointed SEC commissioners. According to some stakeholders, these criticisms were at least partially unfair, as the SEC administration had only a modest capacity to operate, let alone address these critical issues.

The Priebe Report⁹ noted that partisan interference hampered the effectiveness of the SEC and eroded public trust in its work. The SEC thus was “regarded as politicized and incapable of acting independently due to the undue political influence from all parties.” Hence, the Priebe Report recommended that the SEC “should resist taking majority decisions according to political camps” and that “serious consideration should be given to appointing a substantial number of members of the Commission who are of proven independence and free of any political party connection.”¹⁰ This recommendation was the basis for the current “3 + 3 + 3” model that resulted from the Przino talks.¹¹ The solution unfortunately did not substantially change the reality of the SEC’s work, which continued to be dominated by the struggle between partisan interests, usually represented by the party-nominated commissioners. The final OSCE report on the December 2016 early national elections noted that the SEC “preparations for the elections were hampered by inefficient internal organization [and] politicized decision-making.”¹²

Because of USAID’s ability to field IFES through the Consortium for Elections and Political Process Strengthening (CEPPS) mechanism, it was able to rapidly respond to the SEC’s significant and urgent needs in the critical period leading up to the 2016 parliamentary elections. Through IFES, USAID provided technical support to the SEC, including training and help with urgent information and communication technology issues. For example, to address historical mistrust in the accuracy of voter lists, IFES assisted the SEC in reviewing the voter register using technical advisors funded by USAID. The ensuing political agreement on the voter list included specific technical requirements, such as the addition of a photo ID next to the name of each voter. The management of this task alone involved substantial technical assistance, including specialized software and expertise.

*“As SEC, we have not had direct USAID support but, as much as I understand, we use their funding through IFES.... So yes, it is useful, especially the cooperation with IFES in the past couple of years. They help us not only with project finance, but also with expertise. Especially in 2016, when we had to do this check of the voter list—we were required by law to do checks of the voter list to compare data in our list with various data in other lists. It was a big project, and we had funding from IFES.” -
Official*

IFES also assisted the SEC in the education and training for the Municipal Electoral Commissions (MEC) and the newly-elected Electoral Boards (EBs) and printing of the *Manuals for MECs and EBs*, which outlined their roles and responsibilities prior to what proved to be successful local government elections in 2017. Some additional smaller-scale cooperation with the SEC was funded by NDI and the Organization for

⁹ Priebe Report. (14 September 2017). The Former Yugoslav Republic of Macedonia: Assessment and Recommendations of the Senior Experts’ Group on Systemic Rule of Law Issues 2017.

¹⁰ Ibid.

¹¹ The Przino agreement, reached between June 2 and July 15, 2015, represents a key political agreement between the main political parties (VMRO-DPMNE and SDSM) in the Republic of Macedonia with the mediation of the EU. The agreement ended the Macedonian political and institutional crisis in the first half of 2015.

¹² “FYROM: Early Parliamentary Elections” Organization for Security and Co-operation in Europe, Office for Democratic Institutions and Human Rights, 2016. Source: <https://www.osce.org/odihr/elections/fyrom/302136?download=true>.

Security and Co-operation in Europe (OSCE), however, at the time of its assistance to the SEC, USAID was the key donor supporting the institution.

3.3.2 KEY FINDINGS

- All respondents indicated that without rapid assistance from USAID, the challenges described above would likely have proved insurmountable to the SEC, as there would have been no political agreement on the voter list and less technical support/capacity to address it. This could have jeopardized the critical 2016 national elections (whether they would take place or be postponed). These findings are strong evidence of the importance of USAID support to the SEC in the final period of the political crisis.
- Representatives of the SEC, IFES, and CSOs pointed to advances in expanding voter participation to include, for the first time in Macedonia, provisions for disabled voters to exercise their right to vote—a major achievement amidst many electoral difficulties.
- IFES support related to the MECs and EBs helped the SEC to improve its capacity to undertake more extensive local outreach activities and voter education for the early parliamentary and local elections.
- Both IFES and NDI collaboratively developed a comprehensive public awareness campaign with significant outreach on social media, broadcast, print, and in-person events throughout the country during the early parliamentary election. The SEC adopted the campaign and promoted it with their branding, in an effort to build confidence in the electoral process and encourage further citizen engagement in the political process. The relative success of the approach is evidenced by the fact that the same voters' education media campaign was re-tooled and re-broadcasted by SEC in advance of the local elections on national and local media.
- Despite this successful support from USAID, based on the evidence we gathered from the research team's interviews with the SEC and the informed opinions of staff from CSOs, think tanks, implementing partners, and donors familiar with the internal operations of the SEC, we concur with the findings of USAID's portfolio review that *"the SEC remains plagued by coordination and implementation challenges. The tarnished reputation of the SEC remains linked to that of its Commissioners; two of which are among those indicted by the Special Prosecutor Office (SPO), and two allegedly called as witnesses in SPO cases; SEC's President insisting to promote the need for unanimous decisions, which constantly slows the work of the SEC; weak administrative and human resource capacities; and lack of general responsibilities for the electoral process."*¹³

¹³ USAID Macedonia. USAID FY 2017 Strategic Level Portfolio Review: November 2017. Skopje, Macedonia.

3.4 SUPPORT TO PARLIAMENT AND POLITICAL PROCESSES

3.4.1 BACKGROUND AND USAID INTERVENTION

Macedonia's protracted political crisis, fomented by accusations of widespread government wiretapping of opponents and the public at-large; as well as abuse of government power over the judiciary, media, and election process; paralyzed the country's democratic transition. Intervention by the European Union (EU) led to several rounds of negotiations, resulting in the Przino Agreement in July 2015, which temporarily halted the political stalemate and provided a path toward the resolution of the crisis. The terms of the agreement included an independent investigation into the allegations, an end to the opposition's parliamentary boycott, near-term power-sharing of ministries between government and opposition parties, and early parliamentary elections in April 2016. However, resolution of the crisis did not resolve systemic challenges to the efficacy of the parliament.

USAID support to parliament and political parties under this project was channeled through the Consortium for Elections and Political Process Strengthening (CEPPS) mechanism. NDI was the main implementer and provided assistance to increase the ability of political parties to engage members, political supporters, and the public at-large on public policy issues. The objective of this funding was to ensure that political parties become more internally democratic and inclusive of Macedonia's diverse population, and to fashion public policy responses that addressed citizen needs. As part of the effort, NDI assistance aimed to improve CSO capacity for policy engagement and legislative advocacy to prepare civil society organizations to serve as watchdogs over government action. NDI also worked to enhance parliament's technical capacity and procedural operations to perform its constitutionally mandated legislative and oversight functions more effectively. At the same time, IRI focused on providing political parties, civil society, and media with independent, comparative and in-depth research and analysis of popular opinion on the quality of democracy and governance in Macedonia.

3.4.2 KEY FINDINGS

- CEPPS assistance contributed to strengthening the parliament's institutional technical capacity and procedural operations to carry out its representative, legislative, and oversight functions, but parliamentary committees and opposition political parties have not been effective checks on executive power. Parliament and opposition parties were unable to push back against the state capture during the Gruevski period and because the electoral law has not been amended to allow for an 'open voter list,' individual members of parliament still remain more beholden to political party leaders than to constituents' needs.
- CEPPS support for civil society groups was more successful in promoting citizen engagement than checking executive authority. Both IFES and NDI collaboratively developed a comprehensive public awareness campaign with significant outreach on social media, broadcast, print, and in-person events throughout the country during the early parliamentary election.
- The implementation of the seven initiatives by the ten CSOs that were selected in 2016 as a part of the two-year cycle on continuous assistance for advocacy and lobbying for legislative changes, made progress. For example, the representatives from CSO *Ajde Makedonia* successfully advocated for addressing food surpluses in the country. Three government ministers and Director

of the Food Safety Agency agreed to nominate their experts to participate in the legislative drafting group.

- In 2017, CEPPS/NDI organized three capacity building opportunities for women as part of its *Women in Politics: A Focus on the 2017 Local Elections* series. The series was co-funded by the Embassy of the Kingdom of the Netherlands and offers insight into the ways in which a nimble and well-networked Mission can amplify program impact through strategic partnerships with other donors. As a result of this effort, 113 women representing 23 political parties learned critical skills for emerging political leaders in a democratic system, such as campaign management, leadership, communications, as well as the principals of good governance. While the overall number of female mayoral candidates for the 2017 election was alarmingly low, 49 participants from the program were nominated as candidates, one for a mayoral position and 48 for municipal councilors. Out of this number, the mayor and thirty-three municipal councilors were elected during the first round of the local elections. In addition, three participants were appointed to ministerial positions within the new SDSM government.
- CEPPS support for a telephone poll and a series of focus groups on critical topics such as measuring public opinion of the political environment, particularly citizens' attitudes toward government formation, the role of the Special Prosecutor Office (SPO) was effective. The research findings were presented to the political parties in a neutral manner to help each prepare their platforms for the 2016 elections. SDSM subsequently utilized the findings to further redefine their party outreach and inclusiveness – allowing them to more effectively target Albanian voters and women. USAID support enabled SDSM to sustain the effort during the December's Parliamentary Elections, when they adopted a multi-ethnic discourse that peacefully promoted ethnic integration. An important outcome from the local elections was the election of an ethnic Albanian female SDSM mayoral candidate in Opstina Arachinovo – a historically conservative, predominantly Albanian municipality.

4. LOOKING FORWARD

This chapter focuses on looking towards the future of USAID's democracy, rights and governance portfolio and seeks to answer Evaluation Questions 2, 3 and 4.

The political crisis may formally be over, but the difficult work of restoring public trust in the GOM and its institutions is far from complete. Similarly, the recent trauma of intense scrutiny and harassment of the USAID-funded CSOs and the Soros Foundation remains palpable. The initial euphoria of the post-Gruevski era may have passed with the sobering awareness that the Zaev-led government might be mimicking some of the undemocratic practices of the former regime, such as partisan political appointments, or laws rushed through parliament with little opportunity for public comment. At the same time, a rising tide of public expectations for the 3-6-9 reforms among a wide range of opinion-makers in think tanks, the media, and CSOs is creating additional pressure on the government. Prime Minister Zaev's SDSM party is in need of "quick wins" to help bolster public support for the reform agenda and EU integration. Fairly or not, the same may be true for USAID's work, as many believe it to be aligned with the new government, an opinion which extends to well-established Skopje-based CSOs. The public's perception could again quickly turn against the new government if popular opinion is manipulated by the current government detractors, potentially leaving USAID/Macedonia exposed to criticism.

4.1 IS THE PAD'S DEVELOPMENT PROBLEM STILL VALID?

The PAD's current development problem statement declares that: *"A progressive constriction of competitive space in Macedonia is leading to a decline in voice, participation, inclusion and accountability; worsening ethnic divisions; and the erosion of basic rights."*

In response to the new political reality in Macedonia, the second key evaluation question therefore asked:

2) Given the changed political context, is the Mission's current PAD's Development Problem Statement still valid? Are the stated priority areas still appropriate: in target areas and relative level-of-effort?

In light of the changed political environment, which, at the time of this report, indicates a government that has opened the political space for an array of voices, encourages inclusion and participation in policy development, and shows greater respect for basic rights than the previous administration, the PAD's problem statement is no longer valid and should be adjusted to reflect the new political reality. The PAD's new development problem statement could focus on the government maintaining the 'open political space' for inclusive and accountable governance by focusing on improved delivery of public services and establishing an enabling environment for employment creation, especially outside of Skopje.

The evaluation team recommends consideration of the following rephrased problem statement: *"As the development of strong democratic institutions is still in its infancy, citizens remain wary of the new government's capacity to deliver services and stimulate an enabling environment for employment creation, while continued ethnic divisions remain perilous to national unity."*

As such, the PAD should now include more direct support to government. USAID could pivot its assistance to focus on public administration reform, judicial/rule of law, and ethnic integration, which are all essential for EU accession. USAID should simultaneously maintain funding for CSOs and media to serve

as watchdogs of the new government and to provide a venue for critical policy debate, but also expand the assistance to civil society groups outside of Skopje. Funding to the SEC and Parliament should be reduced to focus on reforming the electoral law, and consideration should be given to funding local/municipal development concerns.

4.2 MOVING FORWARD TOWARD EURO-ATLANTIC INTEGRATION

The following section presents the research findings on Evaluation Questions 3 and 4 and provides strategic recommendations and insights into how USAID-funded democracy and governance-related activities might be recalibrated in the future to align with the current political reality in Macedonia and to gain additional momentum toward enhanced cooperation with the GOM and advance Macedonia's Euro-Atlantic integration. Evaluation Questions 3 and 4 are as follows:

3) Given the changed political context, and if deemed appropriate and/or necessary, how should (or could) the existing implementing mechanisms (IMs) and overall approach pivot in order to advance Macedonia's Euro-Atlantic integration?

4) Given the changed political context, what are key government and non-government (such as, CSO, media and private sector), national and local institutions/organizations that the Mission and its IMs can leverage to advance Euro-Atlantic integration? From a local systems approach, are there existing Macedonian structures/systems through which the Mission could better implement elements of the portfolio?

4.2.1 SUPPORT TO THE MACEDONIAN GOVERNMENT

USAID is recognized as a friend to the Macedonian government and partner in developing and strengthening good governance practices and democratic values. The predominant perception among respondents was that, even though the EU is the key driver of the integration process, USAID remains an indirect supporter of the process through its democracy and governance activities.

The GOM is brimming with forward-looking and eager new reformers at the helm of key line ministries. Within government institutions, the most frequently cited champions of reform include the Office of the Special Prosecutor, the new Minister of Labor and Social Policy, the Prime Minister, and the Minister of Defense. However, a considerable gap still exists between legislation and practice. Whether reform-oriented policies will be effectively implemented remains to be seen. Perhaps more troubling, however, is the rank and file of the civil service. The consensus among respondents was that the public sector remains bloated with underworked and overemployed staff. Finally, an inadequate culture of accountability and transparency within state institutions endures despite the recent changes in leadership. Until rank-and-file civil servants embrace greater accountability and promote alignment between policy and action, it is difficult to envisage systemic change in the public administration sector.

Recommendations:

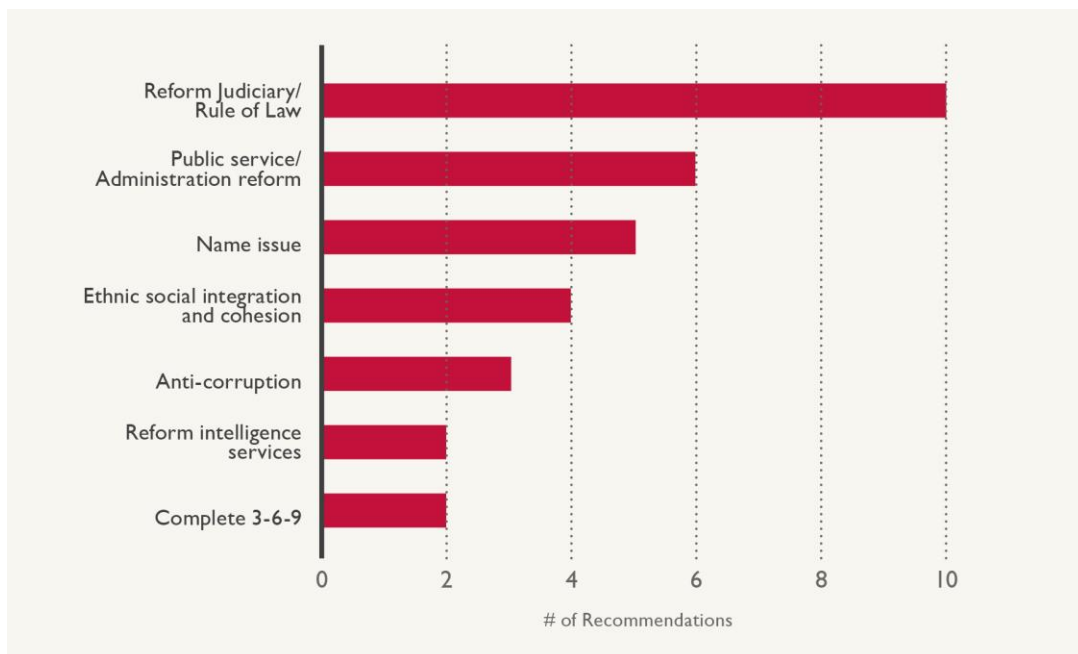
- Public administration reform emerged repeatedly as a key priority during the interviews. This view was not limited to government respondents but was also prevalent among CSO representatives who recognized that continued dysfunction within the public sector has downstream impact on citizens and could fuel dissatisfaction with the pace of reform if not addressed. It is unclear at this

early stage if the new Minister of Information, Society, and Public Administration, will be an effective change agent. Instead of direct investment in upgrading the ministry, USAID can play a significant role as trusted advisor and lead convener of the new donor steering committee. Quietly guiding what is likely to be a very challenging process of reform will ensure USAID’s continued engagement in a vital ministry, while allowing direct investment to be channeled to program areas where impact is likely to be greater and more visible. The EU and several bilateral donors will provide significant funding and will likely play a more important role in the months ahead.

- USAID could leverage its relationship with the GOM to close the EU Acquis Communautaire regarding enhancement of the judicial system. This includes technical support for the alignment of key aspects of the European Commission’s Neighborhood Enlargement Policy/Chapters/Conditions, Chapters of the Acquis 23, Judiciary and Fundamental Rights, and 24, Justice, Freedom, and Security, which is fundamental for EU accession.
- As one think tank representative respondent noted, the “window of opportunity” for systemic reform is now open, but for how long? The need for well-coordinated and strategic investment in these priority areas may now have greater urgency in light of the rising tide of citizen expectations for meaningful reform. Our research indicates a clear ranking of priorities respondents believe need to be addressed to move the formal accession process forward. Judiciary and public administration reform were referenced as the as the top two priorities, as shown in Exhibit 4 below.

“I think the Mission had a huge success turning the country around. The goals were never under doubt. It is at present premature to assess the reforms.... There has been limited time to strengthen the institutions which have been weakened by the ten years under Gruevski.... There is now a window of opportunity, but it will not be open forever.”

Exhibit 4. Political Priorities to be Addressed for Successful EU Integration



4.2.2 CIVIL SOCIETY

The research team's findings indicate that CSOs remain the most noted, visible, and trusted institutions in terms of championing the government reform agenda. Throughout our research, the GOM's 3-6-9 reform package was cited as evidence of the new administration's commitment to the EU integration agenda. For CSOs, however, the Blueprint Proposal for Urgent Democratic Reforms¹⁴ or so-called "Blueprint Document" remains a central concern. As the outcome of consultation with civil society, these reforms remain urgent in terms of addressing immediate demands, including the desire for greater decentralization of grant funding so that smaller community-based organizations are able to access USAID funds.

Our data indicate that only 30 percent of CSO respondents regard their program activities as specifically aligned with EU accession priorities, however 70 percent recognize that their programs are aligned broadly with the EU accession agenda. For example, when respondents took into consideration that many of their activities focused on strengthening the rule of law and improving good governance through advocacy and monitoring of government institutions, they recognized alignment with the key aspects of European Commission's Neighbourhood Policy.

Recommendations

- Based on the feedback from the interviews and research team's triangulation of the findings, we recommend that USAID continue to support and promote civil society in playing an effective watchdog role of parliament and government ministries.
- Given that many key new government officials were former civil society leaders, USAID's civil society partners should take advantage of the opened political space to influence key reforms that will support Euro-Atlantic integration on both the national and local levels.
- A majority of respondents indicated that a greater investment in local development is needed now given the newly opened political space under the Zaev administration. For example, USAID could target support to local civil society groups outside of Skopje to support the spread of Euro-Atlantic values in rural areas, mitigate the potential spread of violent extremism and to empower them to become effective watchdogs of local governance in Macedonia.
- Ethnic relations are of critical importance to Macedonia. Support to ethnic integration needs to continue as there is a risk of interethnic communication ceasing after USAID funding ends. Public institutions, including schools, often come together only when specific funds are earmarked for it. Policy and advocacy work with the national and local governments to maintain and increase such funding could help the sustainability of program results. In addition, modes of communication and

¹⁴ On July 8th, 2016, a group of civil society organizations and experts presented the joint proposal – Blueprint for Urgent Democratic Reforms they prepared for the implementation of urgent democratic reforms. The aim of the Blueprint is to provide the necessary incentives, guidelines and actions that the relevant stakeholders shall take so as to restore the democratic standards and values in Macedonia, mark progress in key public policy areas and ultimately, create conditions for free, fair and credible elections. (Source: <http://www.balkancsd.net/blueprint-for-urgent-democratic-reforms-csos-and-experts-joint-proposal-for-the-implementation-of-the-urgent-democratic-reforms/>, retrieved March 23, 2018).

integration which do not require funding need to be given priority, as they are more likely to be sustained after funding ends.

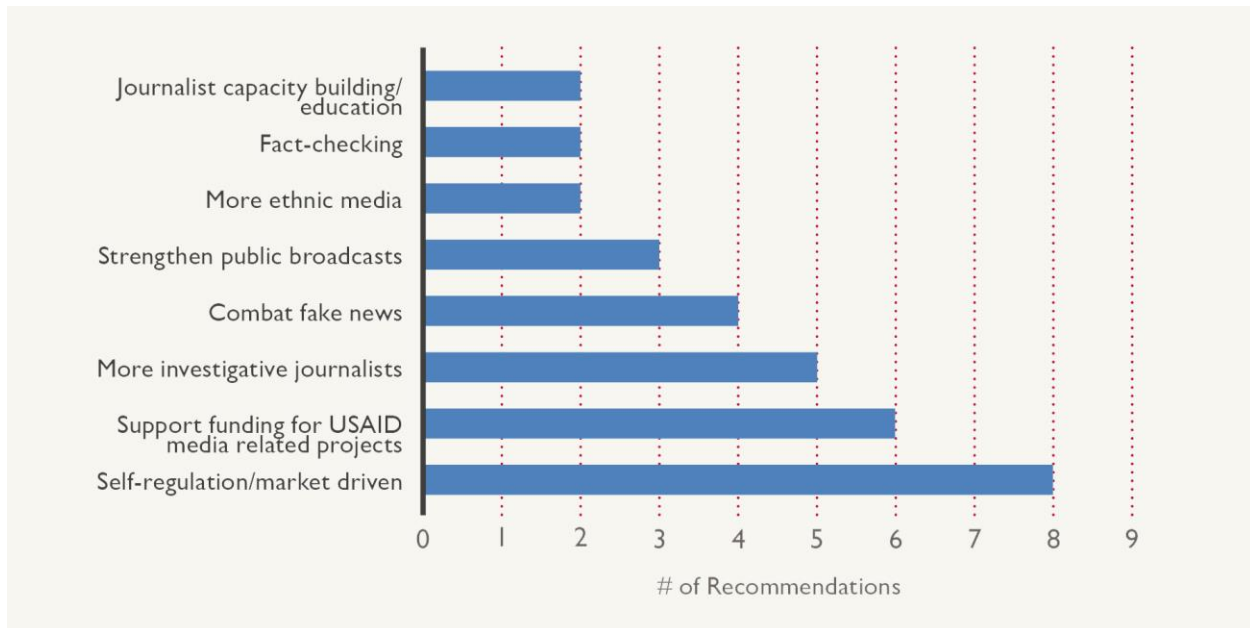
- In the past, USAID used to be a strong financial supporter of civil society in Macedonia. However, presently relatively fewer CSOs can access USAID support. This is in part due to the model of awarding fewer large multi-annual contracts, in combination with making smaller amounts of funding available for sub-granting through the CEPPS mechanism. In parts of civil society, this has created the impression of USAID funding being “closed” and/or reserved for a few selected, traditional partners. This comes at a time when other large donors to civil society are taking measures for ensuring broader reach of their CSO grant programs. USAID should consider increasing the size and geographic scope of its CSO support program for the next period.
- Support for locally-led community-based organizations should focus on local priorities, such as environmental concerns and stewardship, social welfare programs to address childcare and other immediate needs, youth programs to discourage out-migration and incentivize local economic growth, and local service provision. It should also emphasize support to civil society groups and local media to amplify democratic values and counter extremists (external and internal) and propaganda/fake news that can be used to stir ethnic and religious divisions in Macedonia

4.2.3 MEDIA

The interference of large business and political interests with media ownership and media freedom in the country remains a crucial issue of concern. The new government has shown some willingness to loosen the grip on the media. However, media freedom cannot be left to depend on the political will or whim of the government in power. Media organizations need stronger guarantees for their independence. The search for and the work of developing regulatory and institutional frameworks that guarantee media independence and freedom must continue and should be supported. Democracy in Macedonia needs robust safeguards against the possible return of the dark days of media bias and state capture. This includes issues related to media ownership, links between media and other large business interests, government advertisement and other subsidies to media, the role and the mandate of the media regulator, and journalist job security.

Exhibit 5 below shows the most frequently mentioned recommendations of respondents when asked about how to improve and support the media in Macedonia.

Exhibit 5. Recommendations for Supporting the Media



Recommendations:

- The case for continued USAID support for media content in the new political climate is complex. If the new freedom in the media landscape continues, the content may not have the same impact it had during the state capture period. Numerous respondents felt that if left to market forces, most of the donor-funded democracy-related programming would not be able to compete with inexpensive Turkish soap operas that can draw larger viewer audiences. However, the audience of some of the democracy shows could still grow over time, as the earlier work “seeded” new viewers and won audience for balanced political debate.¹⁵
- In the next funding period, stronger investment in measurement, including determination of market share, viewer preference, and demographic information is needed to target content more effectively. USAID also needs a clear understanding of the reach (market penetration) and impact (public perception, new CSO-led initiatives or reforms) resulting from its investment in Alt360 and Telma TV to assess next steps. The research team therefore recommends that USAID commission a neutral external evaluation that includes this type of quantitative data to help USAID determine whether its investments are reaching the target audience (especially in rural areas) and what effect, if any, they are having.
- Our research suggests that, in Macedonia’s largely rural municipalities, programs that amplify inclusion, tolerance, and good governance are most needed, but possibly least in demand. A

¹⁵ A broader but related issue is the type of vehicle that is best placed to address a particular need. For example, focus on very specific, but often not easily visible issues that have strong impact on society is very important. Such issues can be very diverse, from the work of the Judicial Council, which has primary responsibility for appointing judges, to the burning of toxic waste in Drisla. Journalists with strong investigative focus are best placed to monitor these issues. It is unlikely that CSOs can have the same investigative focus and produce the same impact in revealing these issues to the public.

change in demand could be achieved through media programming that involves non-Skopje-based audiences in debates and discussions of Euro-Atlantic democratic values and the pros and cons of Euro-Atlantic integration.

- USAID should consider investment, perhaps with other donors, in a channel like the Public Broadcasting System in the U.S., that would develop its own programming content and maintain a neutral and balanced presentation of political and other perspectives with public support. A combination of state support and membership could be designed, to avoid complete dependence on the State for funding and to ensure alignment with public demand.
- USAID should continue investment in media-watchdog organizations, as well. They remain key stakeholders in the processes of monitoring media independence (and/or lack thereof), reforming the regulatory framework for media, promoting journalist and media ethics, tackling corruption in the media, and fighting government meddling with media freedom, such as the recent experience under the Gruevski regime.
- The proliferation of digital media platforms, including name brand social media such as Facebook, present clear challenges to striking balance among freedom of expression, privacy, and fake news that can be used to stir ethnic and religious divisions in Macedonia. USAID should consider promoting responsible use of social media, and actively monitoring and countering fake news promotion in Macedonia in its programming.

4.2.4 STATE ELECTION COMMISSION

USAID and IFES have invested in electoral reform through the SEC, with mixed results. IFES's close work with the SEC clearly facilitated the recent elections despite the restricted political space at the time. Actual reform of the SEC itself, however, remains unfinished. With the urgency of the election now behind and a more willing government in place, greater attention to reforming the appointment process is timely.

Recommendations:

- Based on the interviews with the SEC and the informed opinions of staff from CSOs, think tanks and donors familiar with the internal operations of the SEC, the research team concurs with the findings of USAID's internal report¹⁶ that "the SEC remains plagued by coordination and implementation challenges." As funding for IFES is scheduled to end in March 2018, USAID could now focus on transitioning its former support to the Swiss Agency for Development Cooperation who will work over the long term (with a 10-year grant of support) to build SEC capacity.
- In addition to indirect support through the Swiss Agency for Development Cooperation, USAID can continue to support election-related issues by promoting debate and policy thinking related to the organization. Issues such as the SEC model, the autonomy of the SEC administration, the management of the voter list, as well as quite a number of other election-related issues which fall under the SEC mandate, will remain critically important to address in the near future.

¹⁶ USAID Macedonia. USAID FY 2017 Strategic Level Portfolio Review: November 2017. Skopje, Macedonia.

4.2.5 PARLIAMENT AND POLITICAL PROCESSES

USAID implementing partners such as NDI and IRI recognize their contribution to European integration. In the case of these organizations, respondents noted close alignment between immediate, practical activities that can be felt in Macedonia (successful elections, dialogue with the opposition, mentoring of members of parliament on conduct of multi-stakeholder working groups, public hearings, and establishment of parliamentary coordination groups with the executive branch) and Euro-Atlantic accession, what is otherwise perceived as a somewhat distant foreign policy aim.

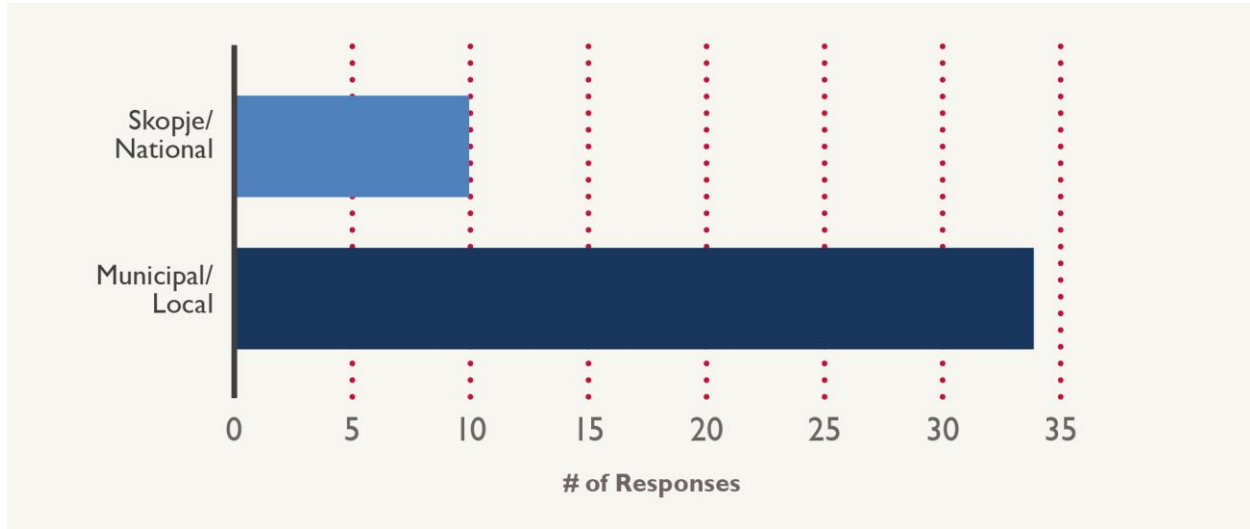
Recommendations:

- Partisan divisions are not the only hurdle to overcome if the parliament is to experience meaningful reform. Our research suggests that electoral reform is indispensable. The “closed” voter list is perpetuating old patterns of patronage and may introduce new ones as fresh party-affiliated appointments are made. The current incentive structure is anti-democratic and places too much distance between members of parliament and their constituents. Timely and politically smart USAID investment in advocacy and dialogue on opening the list could contribute to shifting this power dynamic. As part of this approach, members of the parliament and CSOs could participate in observation and or ‘peer-to-peer’ exchange activities with parliaments in countries that have a more open, consensus building, and debate-encouraging system.
- Parliament has been completely sidelined and turned into a rubber-stamp of the executive over the past years. Whereas the open voter lists are the key to Parliament integrity, they may be far off into the future. USAID should also stay actively involved in the debate on how to promote the autonomy of Parliament on a day to day basis for the foreseeable future.
- Work on internal party democratization needs to continue and perhaps be further scaled-up. Macedonian political parties remain leader-centered or in local parlance “sultanic.”

4.2.6 LOCAL DEVELOPMENT, MUNICIPAL GOVERNMENT, AND OTHER TOPIC AREAS

Exhibit 6 below shows that many respondents (including many based in Skopje) recommend local over national USAID investments moving forward. Recalibrating investments to locally-focused and -administered projects and offering technical assistance to municipal-level government, can strengthen capacity and improve local governments’ abilities to absorb new donor funding streams that are likely to emerge from enhanced cooperation with the EU. The change in government provides a renewed opportunity for such decentralization and local empowerment activities.

Exhibit 6. Where Should Future USAID Investments Be Directed To?



Other Recommendations:

- USAID should seize this moment to help rebuild public trust in institutions. There was widespread perception among respondents that decisions are politicized, that officials have conflicts of interest or hidden agendas that impede their capacity to reliably carry out their duties of office. The notion of “common good” or “public good” has been deeply tarnished. For this reason, future donor investment should include strategic confidence-building measures. For example, citizen-to-government engagement at the local level could be increased through public hearings, town hall meetings, and public forums, to debate issues of immediate concern, such as traffic regulations, local budgets, and environmental issues.
- USAID can extend its reach to more isolated communities in need of support and help ensure that the people who may be most vulnerable to external influence, either from undemocratic forces and extremist groups or from persistent nationalist sentiments that fuel ethnic conflict, are dissuaded from counter-democratic perspectives that could undermine the nascent reform process.
- Like other reforms under the former government, the decentralization process essentially came to a halt. Demand for restarting this process exists even among Skopje-based elites. Mayors were often mentioned as potential focal points and willing partners.

“I personally think USAID has great merit in the decentralization in Macedonia and think that if we didn't have this support we would have not made progress. In the past USAID was a major investor in decentralization and had many municipal-level activities in support of this. I think it is a pity that USAID withdrew from such a range of local self-government projects. Partially due to the last Government of Macedonia and USAID's withdrawal from this area, decentralization stalled. I told this to the new Prime Minister during our council and ministers meeting” –
Local Government Official

- Similarly, the team found that the rural-urban divide in Macedonia is a persistent challenge not adequately addressed by donors. A detailed study of where USAID investment can help reignite the stalled decentralization process is warranted.

5. CONCLUSION

The findings of this evaluation offer valuable insight into the ways in which a Mission, under strong leadership, can collaborate, learn, and adapt to take advantage of opportunities to promote democratic governance in Macedonia. Respondents repeatedly mentioned that, despite relatively modest funding levels compared with other bilateral and multilateral donors, USAID had greater impact. Its support provided protection that shielded vulnerable CSOs and activists and may well have prevented a further backslide in democratic reform. Although financial support is still needed to advance progress, USAID is well placed to “go beyond the dollars” and provide expert advice, coordination, and leadership to promote a stronger Macedonia.

“I think the volatility is quite high. It is because the Government of Macedonia is putting all eggs in one basket, the name issue. On this issue there are external drivers such as Greece that the government cannot control.... Failure in July on the name issue could derail the transition and trigger a backslide.”

We wish to underscore, however, that the rising tide of public expectation increases the vulnerability of the new government. On a cautionary note, we think it is premature to consider the political situation completely stable. We were surprised at the frequency with which respondents conceptualized progress on the GOM reforms and the related donor support in broader geopolitical terms, arguing that lack of engagement by the U.S. and the EU would open the way for stronger Russian or Turkish influence. In this regard, USAID may achieve more by working in synergy with the U.S. Embassy to leverage resources to counter these influences, with USAID focusing on municipal and community-level interventions while the embassy leads on the broader issue of EU accession.