



Financial Impact of USAID's Funding Termination on Macedonian Civil Society

ANALYSIS OF USAID'S FUNDING TERMINATION CONSEQUENCES

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Introduction

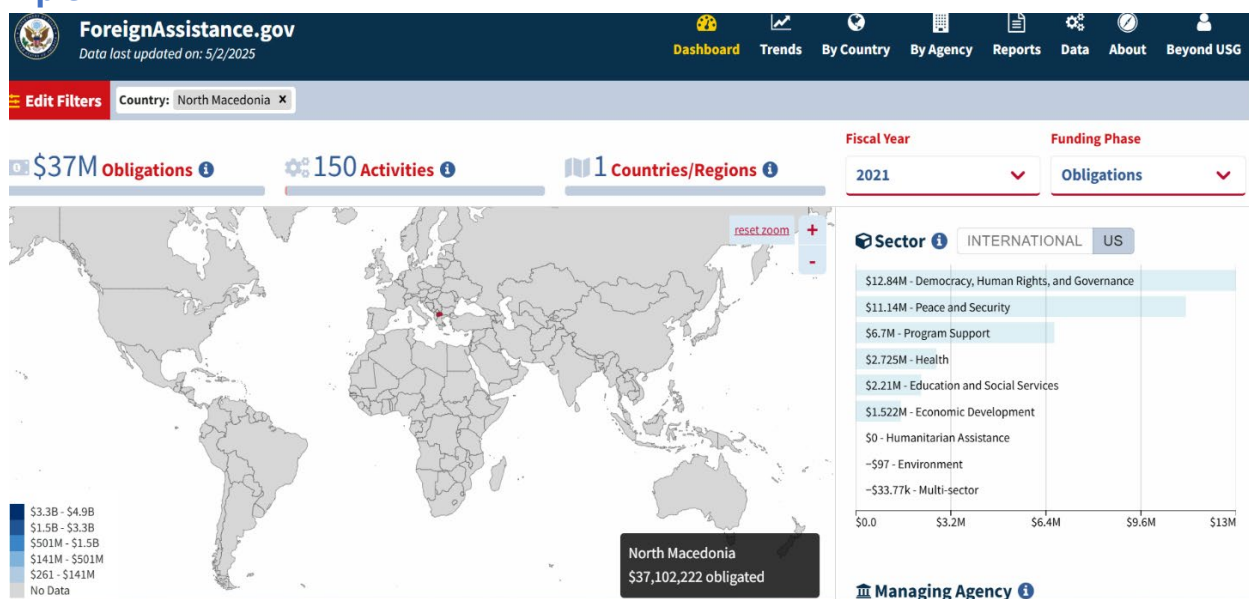
Starting from January 2025, United States Agency for International Development (USAID) funding to North Macedonia was significantly reduced, marking a critical point for the country's civil society sector. For over three decades, USAID has been a key partner in supporting democratic reforms, civil society growth, and private sector development. Between **2025 and 2028** alone, nearly **\$37 million** in support across multiple sectors were allocated. Key areas affected include **democracy and governance, rule of law, anti-corruption initiatives, youth engagement, and media freedom**. Many ongoing programs, previously driven by USAID support, now face an uncertain future unless new funding solutions are developed. The withdrawal of this vital assistance not only challenges the operational sustainability of civil society organizations and local companies, but also threatens to un-dermine progress in advancing transparency, accountability, human rights, and inclusive economic development in North Macedonia. Furthermore, the termination of USAID programs caused negative campaign including narratives and comments in the mass and social media, making some of the USAID's program implementers subject to accusations and misinformation.¹

With the termination of USAID's funding, the remaining key donors to North Macedonia's civil society sector include: European Union, Swiss Agency for Development and Cooperation, Norwegian Ministry of Foreign Affairs, British / Dutch / Swedish / German Embassies and others.

Methodology and approach

The data presented in this report were collected and processed through desk research and analysis from the official U.S. Foreign Assistance website: <https://foreignassistance.gov>. At the time of drafting this report, data directly from USAID were unavailable due to the inaccessibility of the Agency web-site. As a result, additional verification of certain data was conducted through approximations and direct communication with implementers of USAID-supported programs and projects. For some missing data, no alternative sources were available for confirmation. Following the announcement of the termination of USAID-supported programs, mass media, as well as social media narratives and discussions were monitored. The research was conducted between February and March 2025, focusing on active USAID-supported programs and activities in the Republic of North Macedonia for the period **2021–2028**.

Sample



1. <https://novamakedonija.com.mk/makedonija/politika/dlaboko-zasegnati-mediumi-i-institucii-vo-makedonija/>

FINDINGS

Project breakdown – Total number of projects

As of January 20, 2025, i.e. President Trump's Executive Order to review all USAID projects around the world, there were **23 active** USAID-funded projects/activities in North Macedonia.

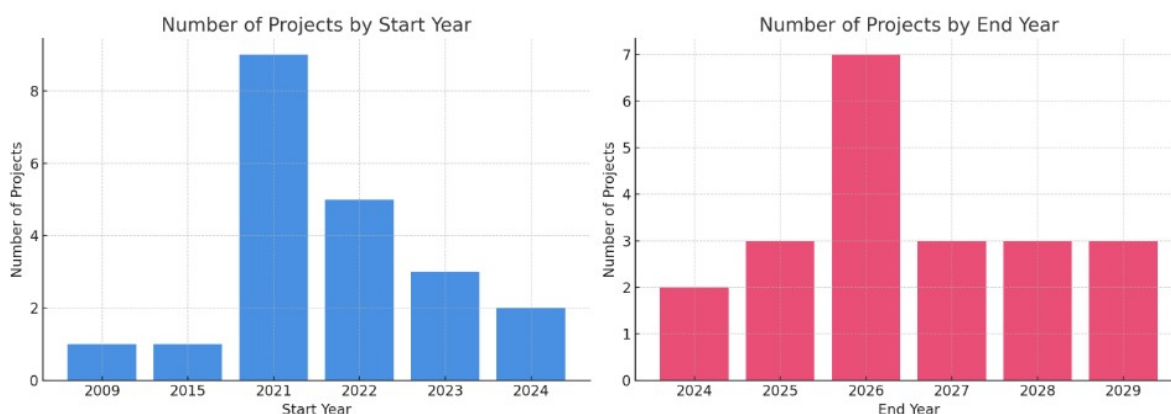
One of them DCA Micro Finance Facility implemented by Mozhnosti, FULM Savings House, had the project time period ending in December 2024, so the actual number of active projects is **22**.

Total Value and Timeline of Projects:

Total estimated value of the **23** projects: **\$74 million USD**

Estimated spending in 2024 and 2025: **~\$15 million** each year (aligned with data from ForeignAssistance.gov)

Projects Implementing Period:



- **11** projects started in 2021 or earlier (2 before 2021)
- **6** projects started in 2022, **4** in 2023 and **2** in 2024
- **5** projects were scheduled to end in 2025
- **8** projects were to end in 2026 (less severely impacted)
- **12** projects were scheduled to run beyond 2025.

Total number of affected organizations and companies:

- Local CSOs leads **10**
- Partners **26**
- Implementers **13**

Grand total: 49 unique entities from which:

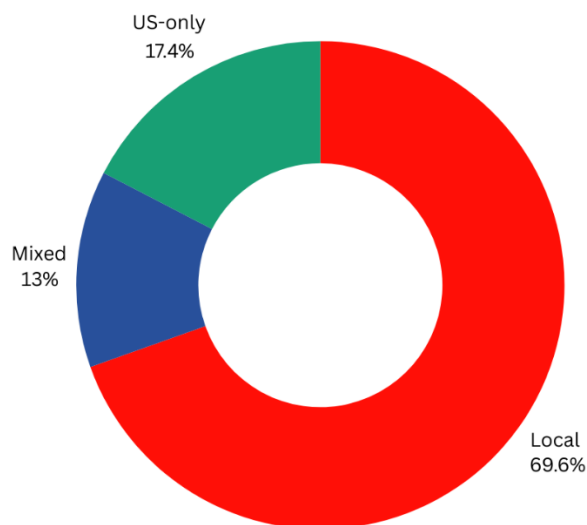
- **14** are companies (private sector entities)
- **35** civil society organizations.

Budget Execution and Cancellation Impact:

By the end of 2024, approximately **\$37** million of the total **\$74** million had been spent.

For the period 2025 to 2028 allocated funding amounted to **\$36,853,833** across all the programs, from which **2025**: \$14,604,209; **2026**: \$11,262,365 **2027**: \$8,744,50; **2028**: \$2,242,756.

Implementing Entities:

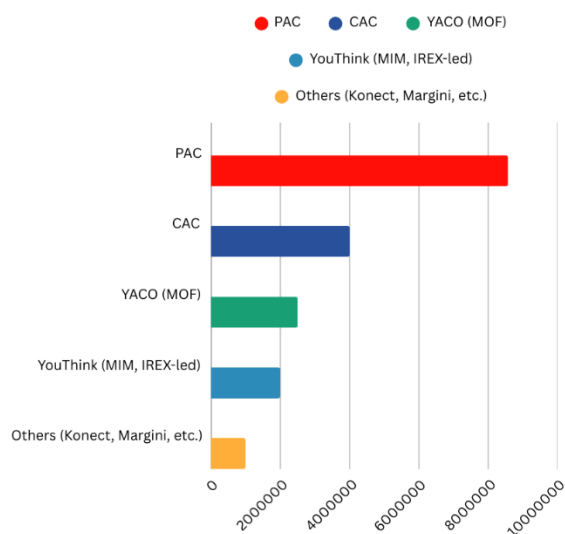


- 4 projects were likely implemented entirely by US-based organizations
- 3 projects led by US companies in partnership with Macedonian partners
- 16 projects were led by Macedonian entities, either as consortia or single organizations
- Out of those 16: 10 were led by a CSO, while 6 were led by private companies / businesses

Main areas impacted from the planned activities:

- **Civic Engagement & Anti-Corruption includes:** Citizens Against Corruption (CAC), Partnership Against Corruption (PAC), Together for a Prosperous Community, Partnership for Giving (P4G), and Building Infrastructure for an Engaged and Giving Society Activity;
- **Media, Literacy & Youth Empowerment encompasses:** USAID's Project on Media Literacy "YouThink," Youth Actively Create Opportunities (YACO), and Make a Difference;
- **Democracy, Justice & Human Rights features:** Access to Justice and Human Rights;
- **Economic Development & Private Sector Support includes:** Business Support Organizations – Champions, Private Sector Regional Integration Support Activity, Partnerships for Economic Growth, and Connect for Growth;
- **Social Inclusion & Community Development includes:** North Macedonia Strengthening Resource Mobilization Activity, Social Impact Investment in Communities (SIIC), and Community Development Program;
- **Agriculture & Financial Inclusion includes:** DCA Agriculture and DCA Microfinance Facility;
- **Digital & Cyber Resilience includes:** Cybersecurity Protection and Response Program and Critical Infrastructure Digitalization & Resilience;
- and two Monitoring, Evaluation and Learning (MEL) projects.

Top five most affected projects ranking by terminated funding per activity



- Partnership Against Corruption, (PAC) \$ approx. **8.5** million not realized
- Citizens Against Corruption (CAC) Activity– approx. **\$4** million
- YACO (MOF) – approx. **\$2.5** million
- YouThink (MIM, likely led by IREX) – approx. **\$2** million
- Others significantly affected (each approx. **\$1** million)

Total amount of affected projects due to termination is around: **\$18 million**

Local (North Macedonia) Stakeholder Share:

Macedonian organizations' total share breakdown: Estimated at \$40 million of the \$74 million.

Out of those \$40 million, \$36 were allocated to CSOs and \$4 million to local companies.

For the upcoming period (2025-2028) amounts were \$18 and \$16,5 million respectively.

Conclusions:

- USAID funding amounted for 10-20% of the total annual income of CSOs per year. A significant distortion has been created in the sector regarding the financing of already approved programs, impacting the financial stability of the Civil Society Organizations.
- Termination of all (but one) project in North Macedonia, result in a “loss” of around 37 million USD, out of which some 18 million may be attributed to Macedonian entities, most of them CSOs (some 16,5 million), with 13 million allocated for this (2025) year.
- Several thematic areas have been significantly impacted, including some that align with the country's most urgent priorities and challenges. These include: Civic Engagement and Anti-Corruption, Media, Literacy and Youth Empowerment, Democracy, Justice and Human Rights, Economic Development and Private Sector Support, Social Inclusion and Community Development, Agriculture and Financial Inclusion, and Digital and Cyber Resilience.
- In addition to worsened financial situation, the credibility of the sector has been undermined due to the narratives and misinformation disseminated through social media. Also, these significant funding cuts have resulted in numerous layoffs of professional staff within CSOs.