

STRENGTHENING RESOURCE MOBILIZATION ACTIVITY

Goals

Municipalities increase their own-source revenues, secure higher external funding, and increase their budget execution rate

Decentralization process enhanced

Duration

Jan 2021– Jan 2026

USAID Funding

\$6.5 million

Implementing Partner

Cardno Emerging Markets

Key National Partners

Municipal Governments

Ministry of Local Self-Government

Ministry of Finance

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BACKGROUND

As North Macedonia advances its European Union accession processes, it is focused on creating efficient and effective government institutions at the local and national levels. This includes the appropriate administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment, and control of its own resources to be able to provide efficient service delivery for its citizens. USAID contributes to this country's efforts to reduce corruption and increase government effectiveness and transparency.

PROGRAM DESCRIPTION

The aim of this program is to increase municipalities' own-source revenues and external funding and increase their budget execution rate in compliance with the central government's budgeting and reporting requirements. Through this program, we will work with local and central governments to

- 1) enhance the quality of municipal tax and fee collection systems;
- 2) increase municipal capacity to access external resources from the national government, international organizations, capital markets, and banks; and
- 3) improve the ability of municipalities to plan, manage, and implement public sector revenues in compliance with national regulations.

ACHIEVEMENTS AND IMPACT

This program will enable North Macedonia's local governments to support sustained and inclusive social and local economic development. Working with local and central governments, we will support their strong commitment to decentralize financing and increase municipal authorities. This will include enhancing the quality of tax systems, strengthening the operational capacity of the tax administration, and improving local governments' ability to plan, manage, and implement public sector revenues.

