



**USAID**  
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# PARTNERSHIPS FOR ECONOMIC GROWTH



## Goals

Increasing the productivity of MSMEs to spur economic growth

## Duration

January 2023 – January 2028

## USAID Funding

\$5.5 million

## Implementing Partner

Palladium International

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## BACKGROUND

Micro, small, and medium enterprises (MSMEs) in North Macedonia dominate the economy: 96 percent of all firms are MSMEs, accounting for 74 percent of all employment. However, MSME productivity is 80 percent below the European Union average and they struggle to innovate, modernize, and harness the productive talent that exists in the country.

Recognizing that MSMEs must play a major role in the country's rapid, sustainable, broad-based growth, USAID is investing in partnerships to boost MSME productivity and competitiveness, while better integrating businesses into regional markets.

## PROGRAM DESCRIPTION

The activity works with resource partners to unlock the growth, productivity, and employment potential of MSMEs by:

- a) coinvesting funds, expertise, and technology to modernize, improve management, and build workforce skills;
- b) increasing financing through available and alternative sources and improving investment readiness; and
- c) advocating and lobbying through the Public-Private Dialogue platform.

In partnership with a local organization, the activity will also address existing trade barriers and limitations to establish an environment conducive to regional economic trade and integration.

## EXPECTED RESULTS AND IMPACT

- The productivity of MSMEs will increase.
- MSMEs will have better financial management, enabling them to access finance.
- Public-private dialogue will be targeted to address MSME challenges and obstacles for growth.
- The business environment will be more conducive to regional economic integration.



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