

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

January 2021–January 2026

Total Funding

\$6,500,000

Implementing Partner

DT Global, Incorporated

Key Counterparts

Ministry of Local Self-Government
Municipal Governments
Ministry of Finance

Contact

Sladjana Srbinoska
ssrbinoska@usaid.gov

CHALLENGES

As North Macedonia pursues necessary reforms and strengthens its Euro-Atlantic partnership, 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.

ACTIVITY 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.

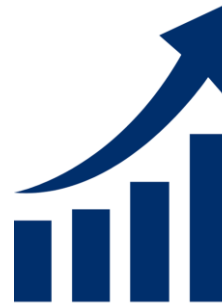
EXPECTED OUTCOMES

- Improved management of local budgeting processes and own-source revenues.
- Increased ability of local government access to external funding.
- Improved public reporting and use of transparent accounting tools.

KEY RESULTS

Increased Capacity

Local governments significantly increased capacities for planning, managing, and implementing public financial resources. A 10% increase in budget utilization rate for both 2022 and 2023 reflects improved financial management at the local level. 240 municipal officers enhanced their capacity to secure external funds. Specific training resulted in 84 successful project applications; 11 received critical funding.



ACCOMPLISHMENTS

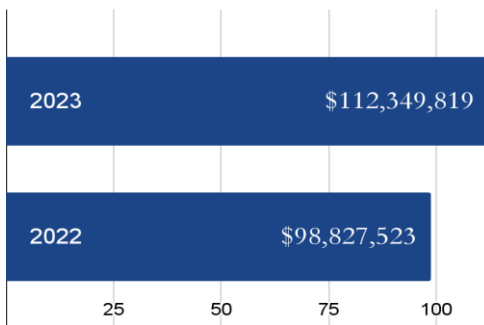
Official **partnership** with all **municipalities** in North Macedonia completed via signed Memorandum of Understanding.

Over **630** municipal staff members were engaged in enhancing organizational capacities, including **tax administration**, property database updates, and enforcement, resulting in **improved financial management** practices.

Budget utilization improvement is attributed to **154** mentoring and **on-the-job** training activities involving **926** participants from **63** local municipalities.

Accountability processes enhance active, fiscal, and tax transparency, thereby **reducing opportunities** for corruption.

Own Source Revenue



Partner municipalities reported a 22.32% average increase in total own source revenue in 2023 compared to 2022, surpassing the reported 10.26% growth from the previous year.

Transparency



Twenty-one municipalities published citizen budgets; the budgets foster transparency and accountability to their local constituents. Twelve local government municipalities established internal communication procedures, streamlining processes and enhancing collaboration.

