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Testimony of Mr. Metodija A. Koloski, the President of United Macedonian Diaspora, as submitted to the House Appropriations Subcommittee on Foreign Operations:

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Mr. Chairman and Members of the Subcommittee:

Thank you very much for the opportunity to address you. I am the President of the United Macedonian Diaspora (UMD). UMD is a leading international non-governmental organization addressing the interest and needs of Macedonian communities in the United States and throughout the world. On behalf of the close to 500,000 Macedonian-Americans, we work to foster unity, promote Macedonian culture and heritage, promote the interests of the Macedonian-American communities, and advance the U.S.-Macedonia bilateral relationship.

With the release of President Obama's proposed FY 2013 budget, the Republic of Macedonia is expected to receive \$14,975,000.00 in foreign aid investment from the United States, a dramatic decrease from \$27.5 million in FY 2011, and \$19.5 million in FY2012. The FY 2013 budget represents a 41.9 percent decrease from two years previously, meaning many projects vital to Macedonia's growth and development will no longer have sufficient funding. Our community is very concerned that the level of funding being offered to Macedonia does not accurately reflect the close relationship between the two allies.

Since formally recognizing Macedonia's independence in 1994, the United States has spurred tremendous development and growth in the country, providing over \$1 billion in foreign aid. This has helped Macedonia to overcome the economic legacy of a command economy, and the after-effects of Greece's three-year economic embargo.

Of the most important aspects of this aid has been in the educational sector. As a result of past USAID projects, a new teacher certification program has been enacted, which requires in-class experience before being granted certification, thus moving away from attendance-based certification. USAID provided over 6,000 computers to all primary and secondary schools in Macedonia, giving students an opportunity to gain experience with this necessary modern technology. As a result of these innovations, Macedonian teachers were awarded with the European Grand Prix for innovation in computer-assisted learning, at Microsoft's Innovative Education Forum in 2011. Much work remains to be done, however, especially in the ethnic integration of schools, improving youth employability, and education issues in the Roma community. Another project of note is the USAID Equal Access for Equal Opportunities, which provides assistive technologies for over 20 primary scholars in Macedonia so their students with disabilities can develop cognitive and motor skills through the use of specially adapted IT peripherals or software, and have better access to education opportunities.

USAID has also been active sponsor of the Macedonia Connects program. This program has resulted in the provision of broadband internet connectivity to almost 550 elementary and secondary schools, research institutions, and universities, allowing Macedonia to become the first all-wireless internet country in the world. The outcome of this has been lower cost internet for Macedonians, increased internet penetration, and an increased integration of the ICT sector in Macedonia. In 2005, as a result of USAID, Macedonia became the first fully wireless, or wi-fi, connected country in the world.

Funding from projects has also been used to improve the status of women and minorities in Macedonia. Due to USAID programs, women have seen their opportunities to succeed increase dramatically. From business reforms to the introduction of micro-financing, new doors have been opened to close both gender and ethnicity divides. Projects in the areas of economic growth, democracy and local government, education and anti-trafficking reforms have all seen the condition of minorities and women improve greatly. Macedonia is currently ranked tier 1 by the State Department's Human Trafficking Report. More needs to be done in regards to participation of women in local government, especially at the mayoral level.

In order for development to continue, business development is a necessary precursor. Business development had long been hindered in Macedonia due to the presence of the Yugoslav command economy, and the three-year long Greek economic embargo in the 90s, which caused unemployment to skyrocket to 70 percent. Numerous projects are ongoing in this area, and successes of past projects can be seen in Macedonia's growing economy and decreasing unemployment rates to about 32% at the moment. Currently, USAID projects are improving competitiveness, creating investment development, introducing agribusiness technology, enhancing microfinance development, and eliminating barriers to start businesses. These projects are vital to ensuring the future of Macedonia's development. For instance, due to funding from USAID projects, a profitable scrap recycling industry has developed in Macedonia, a tool company has used financing projects to expand its market share, and food safety standards have been improved across the board.

One of the biggest drivers of economic growth in Southeastern Europe has been tourism. Here too, aid money is of great importance. Aid allows for the improvement of domestic infrastructure networks, as well as the improvement of existing structures. Aid money has proved vital in the improvement of roads, as well as the modernization of Skopje's international airport. In addition to these improvements, aid money can be used to foster key sectors of the tourism market. For example, Macedonia is known for its bountiful harvests and venerable wine-making industry. Aid money has been vital in allowing this sector of the tourism and food industry to flourish. Another example, the Bovin Winery has been able to expand its oak-aging facilities and modernize the technology it uses to increase production. In 2005, USAID helped to establish Macedonia's first National Tourism Portal, <http://www.exploringmacedonia.com>.

Improving rule of law and the judicial system is another necessary precondition for continued growth. USAID has funded projects implementing judicial reform, strengthening civil society, and modernizing the Macedonian judicial system, while ensuring implementation of program to allow for citizenship for Macedonia's Roma population. However, work remains in the areas of

improving the functioning of the judicial branch, increasing transparency, fighting corruption, and improving the functioning of Parliament. Until these reforms are enacted, the progress that Macedonia has made will be incomplete.

As one of its first Parliamentary actions, Macedonia confirmed its desire to attain NATO membership. Macedonia has worked hard to complete the domestic reforms necessary for membership, and has demonstrated its firm commitment to the Alliance. Macedonia has hosted the logistics support center for the KFOR mission in Kosovo, and has provided the fourth most troops per capita to the ISAF mission in Afghanistan. This would not have been possible without the continued assistance of the United States. Aid money has driven military reforms forward, and partnership with the Vermont National Guard has allowed the Macedonian Army to be better-trained and better-equipped on the battlefield. In 2010, Macedonian troops were embedded within a Vermont National Guard deployment to Afghanistan – the first such joint deployment between the U.S. and a non-NATO member country in the history of the U.S. military. Military reforms have been impressive, and Macedonia's 7,000 strong Army has received praise from numerous United States military commanders. The importance of aid in this process should not be underestimated. Without contributions from the United States, Macedonia would still be lagging. As it is, Macedonia has completed all technical requirements for membership, and we hope the country will be invited to join the Alliance at the upcoming Chicago Summit in May, especially in light of the recent ruling by the International Court of Justice, which confirmed that Greece's veto of Macedonian NATO membership in 2008 was contrary its international legal obligations.

As has been evidenced by these success stories, aid has been a vital part of Macedonia's development and growth. Macedonia has promoted stability in the region, and worked diligently in spreading security in the world. Macedonia has been a staunch ally of the United States, and it is time for the United States to remember the contributions of its allies. It is only with restored aid, that Macedonia will continue its progress, and transition to a stage of innovation-led growth. Thanks to the support of the U.S., Macedonia has become a beacon of democracy in Southeast Europe, a role model for the region, and we believe further U.S. support will help U.S. interests in Southeast Europe. This will ensure a Europe, whole, free, and at peace, and very importantly political and socio-economic stability for Macedonia and Southeast Europe.

Thank you for the opportunity you have provided the United Macedonian Diaspora, on behalf of our nation's close to 500,000 Macedonian-American community, to submit this testimony. I would like to thank my Fellow Matthew Emery for his research assistance to put together this testimony.