



30  **World Bank**
North Macedonia
1993–2023
Years of Partnership

**30th ANNIVERSARY
OF THE PARTNERSHIP
BETWEEN**

**NORTH MACEDONIA
AND THE WORLD BANK**



1993

Since the first project to support North Macedonia's robust economic program was approved in the early 90s, the World Bank has been helping the country in its economic and social development.

2023

Thousands of people have benefitted from the World Bank's international development knowledge and financing that has helped:

- strengthen public institutions
- upgrade school infrastructure
- improve connectivity
- attract private investment

Over the course of three decades, North Macedonia has experienced **the most stable economic growth in the Western Balkans**. The income per capita has increased multifold, poverty has decreased to below 20 percent, and the economy has become closely integrated with Europe and the rest of the developed world. Consequently, North Macedonia has moved **from a low to an upper-middle-income country status**.



BEGINNINGS

1993



On **February 25, 1993**, North Macedonia* signed the Articles of Agreement with three out of five organizations that make up the **World Bank Group** - the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA) and the International Finance Corporation (IFC).

1994



The first World Bank concessional loan of **\$80 million** for the country, which at that time was the poorest Republic in the former Yugoslavia, was signed in **February 1994** to assist the country in launching an ambitious economic reform program. The World Bank-financed project helped reduce inflation **from 230 percent in 1993 to 55 percent in 1994**.

**Economic Recovery
Loan Project
Loan Approved:
February 8, 1994
Loan Amount:
\$80m
Loan Closed:
March 31, 1995**

“FYR Macedonia is in a race against time. All members of the international community realize that if support to FYR Macedonia does not come soon, the result could be a further economic collapse and uncontrollable social tensions,”

said **Michel Noel, a then-chief for country operations in the World Bank’s Europe and Central Asia Region**, after the loan had been approved.

1995



The first World Bank **Country Assistance Strategy** was adopted in **1995**, after the **Economic Recovery Loan Project** was delivered which had stabilized the macroeconomic situation in the country and supported initial measures to launch reforms in key areas, including fiscal restructuring, banking sector reform, privatization, and freeing the labor market. The Government of North Macedonia and the World Bank focused on **implementating projects critical to the economic development** of the young country.



*According to Prespa Agreement and Constitutional changes made, in 2019, the country changed its name to The Republic of North Macedonia

1995

Transit Facilitation Project
Loan Approved: April 19, 1995
Loan Amount: \$24m
Loan Closed: June 30, 1999

This project helped address **the transport crisis caused by the closing of the Serbian and Greek borders**. It rehabilitated and upgraded roads along East-West highways in the country. It also facilitated exports and imports by reducing clearance delays and improving customs' enforcement capabilities.

1995



Financial and Enterprise Sector Adjustment Credit Project
Loan Approved: May 16, 1995
Loan Amount: \$85m
Loan Closed: September 30, 1996

Photo description: ©WBG. Credit signings for North Macedonia Financial and Enterprise Sector Adjustment Credit Project and Social Reform Project.

The project helped finance the costs associated with the restructuring of State Owned Enterprises and financial sectors. It **accelerated the privatization, enhanced public support for workers adversely impacted by the economic transition, and boosted the liquidity of the banking sector**, especially Stopanska, the then largest bank in the country.

The project established a social safety net for workers affected by major structural changes in the economy. It helped employees of the largest state-owned, loss-making enterprises, which were sold, closed, or liquidated, find new job opportunities. While the Macedonian society had inevitable difficulties in dealing with the fundamental economic transformation, the **Social Reform Project helped build consensus among citizens around major pending reforms towards greater prosperity in the country.**

1995

Social Reform Project
Loan Approved: May 16, 1995
Loan Amount: \$14m
Loan Closed: September 30, 1999

ECONOMIC TRANSFORMATION

Recognizing the importance of the economic recovery in the Balkans for the prosperity and stability of the South-Eastern Europe as a whole, the then **World Bank President James Wolfensohn** visited North Macedonia in July 1999. He met with President of North Macedonia Kiro Gligorov and Prime Minister Ljubco Georgievski, as well as other counterparts and stakeholders, to discuss the impact of the crisis in Kosovo on the region and the country's potential role for the economic recovery of the region.

1999



Photo description: ©WBG. President James Wolfensohn's meeting with Kiro Gligorov, President of North Macedonia

1999

“I feel profound respect for the great humanity shown by the people and government of FYR Macedonia in helping the Kosovar refugees. You have a critical role in securing the lasting peace and development of South-Eastern Europe,”

said **President James Wolfensohn** during his visit to the country.

In the three decades of partnership, the authorities of North Macedonia and the World Bank continued their efforts towards implementing the ambitious reform and investment program in the country. **Strengthening economic competitiveness, boosting human capital development, and facilitating the country's internal and external connectivity** have been the main areas of cooperation.

2005
-
Present
day

Business Environment Reform & Institution Strengthening Project
Loan Approved:
June 21, 2005
Loan Amount: \$11m
Loan Closed:
December 31, 2010

The project helped create a **one-stop shop for business registration**. The time required to register a business fell **from 40 days to 4 days** and various regulations were streamlined resulting in lower costs and time of doing business for entrepreneurs.



The project helped companies **market their prototypes and commercialize their innovative products**. Thanks to the project, **tens of new start-ups were opened**, boosting the competitiveness of the country's economy.

Skills Development and Innovation Support Project
Loan Approved:
January 28, 2014
Loan Amount: \$24m
Loan Closed:
May 31, 2019

2005
-
Present
day

National and Regional Roads Rehabilitation Project
Loan Approved:
September 23, 2014
Loan Amount: \$71m
Loan Closed:
September 30, 2019

The project helped **upgrade 280 kilometers of roads**, reducing travel time for passenger cars by more than 12 percent.



The project helped **build 12 modern and energy-efficient kindergartens** leading to an 8 percent increase in preschool enrollment. **1,500 teachers** received training to develop play-based learning approaches for children.

Social Services Improvement Project
Loan Approved:
September 13, 2018
Loan Amount: \$33m
Closing Date:
June 30, 2024

**SINCE 1994,
THE WORLD BANK
HAS APPROVED
100 PROJECTS
IN NORTH MACEDONIA
TOTALING \$2.2 BILLION**





Reflecting on **30 years of successful cooperation**, the World Bank and North Macedonia will continue working as trusted partners to **address the country's most pressing and complex development needs**.

Currently, the World Bank is finalizing a new **Country Partnership Framework** for North Macedonia, which will outline engagement priorities for the years 2024-28. The World Bank and North Macedonia are committed to working together to **improve the quality of public service delivery, create more productive private sector jobs, and increase the country's climate resilience**.

“North Macedonia has come a long way since its independence and we are honored to be a part of its journey in the last 30 years. The World Bank has worked hand in hand with the people and the authorities of North Macedonia to promote economic growth, reduce poverty, and boost prosperity on a livable planet.”



Antonella Bassani,
Vice President
Europe and Central Asia
The World Bank

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