



...We are making a difference!

January 2018

Dear reader,

The 2017 was a year filled with challenges and hope for restoration of democratic standards and values in Macedonia. The Center for Economic Analyses through its work contributed to improved efficiency of the public sector, more competent and credible civil society and more competitive business environment.

Through the research, monitoring and policy recommendations we provide, and in accordance with our mission, we commit to deliver timely, high-quality, and policy-relevant analyses that will be of social and economic benefit and will foster an environment that brings better governance, transparency and satisfactory rule of law.

In the coming 2018 we celebrate our 15 years Anniversary, and CEA will continue to question policies and inform debates through rigorous research and analysis on important developmental issues, with a strong emphasis on the socio-economic problems and more efficient and effective public finance.

It will continue to engage in capacity building efforts and contribute to a substantively vibrant and informed discourse on good governance, as well as strive to upgrade its communications and dissemination efforts in order to reach a much wider audience.

Please look through the palette of our work in the past year in the following pages.

We would be pleased to provide further information to clarify or deepen the scope of our work at your convenience.

CEA Team

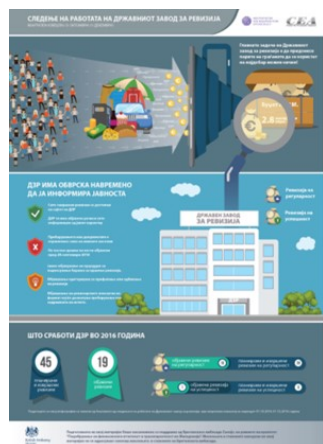
Achievements and challenges in

2017:

- ⇒ Initiating dialogue for key economic topics and policies;
- ⇒ Fighting against the lack of fiscal transparency on national and local level and active participation in its improvement.
- ⇒ Advocating for social and labor market inclusion of different target groups;
- ⇒ Strengthening the civil society and networking for greater civic causes;
- ⇒ Providing quality analyses and recommendations relevant for improved public policies;
- ⇒ Building capacities of different stakeholders and target groups.

Highlights from 2017 :

- ⇒ Urgent need for democratic reforms that aim to restore democratic standards and values in Macedonia and to restore and increase trust in key state institutions.
- ⇒ Need of greater public awareness about the work of the State Audit office, and the need for urgent action following the recommendations of this supreme institution.
- ⇒ Need of open expert discussion on key economic topics, such as topics that CEA initiated: Sustainability of the pension system; Foreign investments; the GDP fetish; Rule of Law debate; Emphasized the need for more efficient public finances and monitoring of the public finances fulfilment of actions from the Blueprint and from the Government 3-6-9 Plan.
- ⇒ The social inclusion and employment are facing a serious challenge with continuous high rates of long-term unemployed, youth unemployment, lack of properly designed social care and unsatisfactory education level.
- ⇒ Continuous need for increased budget and fiscal transparency, accountability and public participation.



What is fiscal transparency?

Openness to the public about the structure and the function of the local / central government, the intentions on the fiscal policies, the accounts of the public sector and the fiscal projections.



⇒ *Fiscal Transparency & Accountability*

Why improved fiscal transparency?

Budgets are the most powerful tool to meet the needs and priorities of the state and its citizens. The transparency of the budget is prerequisite for the participation of the citizens in making decisions on spending public funds and accountability of the authorities.

Strengthening Financial Accountability & Transparency in Macedonia

CEA in partnership with the Westminster Foundation for Democracy are working toward increasing the level and quality of financial and budgetary oversight in Republic of Macedonia by fostering cooperation between independent regulatory bodies and the Parliament.

During 2017, we built a solid partnership with the SAO and encouraged the public for greater interest in how their money are spent, and at the same time to encourage them to make pressure to the authorities by referring to the recommendations from the SAO's audit reports.

In the past year, we developed 4 quarterly reports based on the monitoring of SAO's work, and the awareness of the stakeholders about the SAO's work, which were publicly presented. Also, we were working on building the capacities of the media for understanding the audit reports. If interested for more, please follow the [link](#).

Analysis on the Proposed Budget 2018

Based on its expertise, CEA was invited by the Westminster Foundation for Democracy, to develop analysis on the [Proposed Budget 2018](#), compared with the Proposed Budget 2017. The analysis was developed to serve mainly the MPs, during the discussions in the Assembly before enacting the Budget, and further for the media and other interested stakeholders.



⇒ *Fiscal Transparency & Accountability*

Fiscal transparency at local level

CEA implemented the project: "Degree of transparency of the municipal budget process in Macedonia", which the main aim was: Determining and improving the level of transparency of the budget process and accountability in the spending of public funds in the LSGU.

The general objective was reached through determining the degree of transparency through the availability of basic budget documents in all 80 LSGUs, and through increasing awareness and knowledge of the importance of transparency and accountability in the budget process and the spending of public funds among the citizens and the civil sector by presenting the situation.

The project was in partnership with Metamorphosis Foundation. More details for the project on the following [link](#).



*Калкулатор за
лична инфлација*

Partnership for Open Budget Survey & Budget Tracker

CEA continues to be a partner with the world renowned International Budget Partnership-IBP in the process of implementing the Open Budget Survey for Macedonia. In that line, CEA monitored the government openness for the period 2015-2017.

The results from the last Open Budget Survey were presented on a national conference for Open Government Partnership in Skopje. [Link](#) of the last OBI Report for 2015. The new OBI results will be published on January 30, 2018.

Web portal: www.mkbudget.org

CEA continuously and promptly updates the open budget platform since 2012. The platform presents From 2012, CEA designed a platform where all budget information and data making it are available and open for further data processing.

Open Government Partnership

In line with the CEA's mission to improve the accountability of the authorities, starting from 2016 CEA participates in the working groups of the Open Government Partnership. CEA proposed several measures for improving the transparency of the Government, and all of them were accepted in the OGP Action plan 2016-2018. CEA is actively involved in commenting, monitoring and evaluating the achievements of the proposed measures within the OGP action plan. Action plan available [here](#).

БЮДЖЕТ НА РЕПУБЛИКА МАКЕДОНИЈА	
----- 2017 -----	
Податок	вредност
ПЛАТИ И НАДОМЕСТОЦИ	25.963.781.000
РЕЗЕРВИ И НЕДЕФИНИРАНИ РАСХОДИ	150.000.000
СТОКИ И УСЛУГИ	19.024.417.000
ТЕКОВНИ ТРАНСФЕРИ ДО ВОНСУДЖЕТСКИ ФОНДОВИ	32.716.126.000
ТЕКОВНИ ТРАНСФЕРИ ДО ЕДИНИЦИТЕ НА ЛОКАЛНАТА САМОУПРАВА	17.117.035.000
КАПАЛНИ ПЛАЌАЊА	8.214.454.000
СУБВЕНЦИИ И ТРАНСФЕРИ	14.831.741.000
СОЦИЈАЛНИ БЕНЕФИЦИИ	7.872.202.000
КАПИТАЛНИ РАСХОДИ	26.871.195.000
ОТПЛАТА НА ГЛАВНИНА	18.526.354.000
ВКУПНО	171.287.305.000
ЦЕНАТА НА ДРЖАВАТА	
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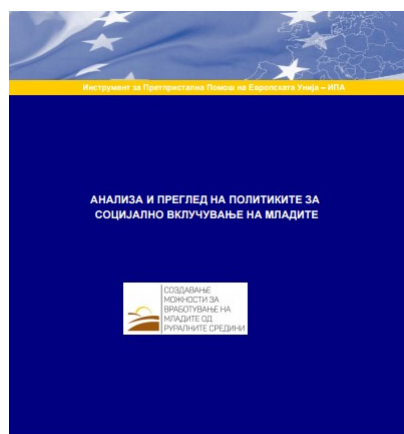
⇒ Socio-Economic Prospects and Challenges

Creating employment pathways for rural youth

"Creating employment pathways for rural youth" is a CEA and FFRM partnership undertaking. The project was supported by European Commission and its aim was to facilitate the social inclusion of rural youth through the labor market in the Northeast planning region of Macedonia. This overall objective was achieved through:

- 1) increasing the employability skills of rural youth,
- 2) establishing a regional workforce system and
- 3) developing a regional strategy for social inclusion through the labor market of the target groups.

More about the project and the activities see [here](#).



Employment for Roma Youth

CEA, together with the partner organizations Svetla Idnina, Sumnal and Sonce, during the 2017 implemented the project "Employment for Roma youth" funded by the European Union through the IPA Human Resources Development Program.

The main object was to facilitate the labor market inclusion of Roma youth living in the municipalities with significant Roma population facilitating the involvement of young Roma living in municipalities with significant Roma population. This goal was achieved through the project goals; 1) improving the skills and understanding of the employability of young Roma; 2) providing a local development system that will network the market needs; and 3) develop a strategic guide to social and market inclusion target groups.

If interested for more information, please follow the [link](#):





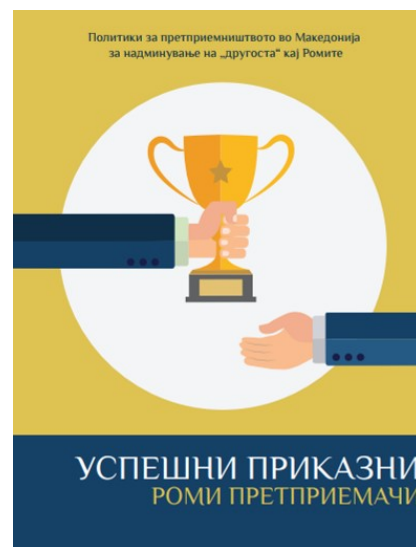
Center for Economic Analyses

⇒ *Socio-Economic Prospects and Challenges*

Entrepreneurship policies in Macedonia for overcoming Roma “othering”

CEA in partnership with IRIZ organized a conference based on the implemented project “Entrepreneurship policies in Macedonia for overcoming Roma othering.” The project was focused on three distinct levels where “fear, the security mindset and “othering” of Roma” happens: politics, policy and public discourses.

Through a fellowship and mentoring a young Roma researcher, the two partner organizations reviewed and analyzed the existing policies for socio-economic inclusion of Roma in Macedonia and conducted a unique situation analysis identifying the links between entrepreneurship and “othering” in Macedonia. More on the research see [here](#).



Civil Society for Roma Integration - In the Shadow

CEA and its partner organization Romalitico, supported by the TTF and RIO, are implementing the project “Civil Society for Roma Integration-In the Shadow” which aims to develop a shadow report as a review of progress noted by the country on implementation of the National Roma Strategy (and the NAPs), and to lead continuous evidence based advocacy for a change in the transition period from a “passive” job seeker to an active seeker and potential budget alteration.

The expected outcomes of the project are the following: External assessment of fulfillment of the obligations to promote Roma inclusion in the NRS for 2016; Potential alteration in the transition period from a “passive” job seeker to an active seeker and potential and budget alterations; Increased awareness of the potential users of the state measures.



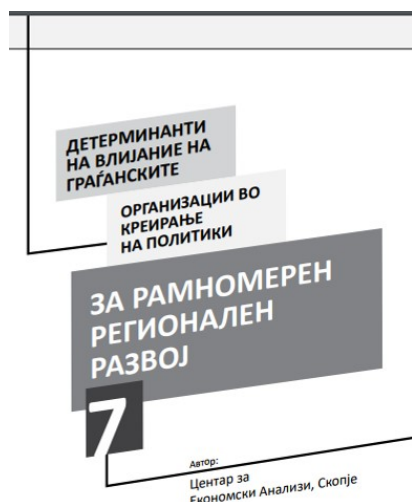
⇒ Improving Civil Society



Decentralized civic initiatives for more efficient fiscal decentralization

Focusing on the need for enhanced civil society with active and strong civil society organizations throughout the country with decentralized actions, CEA is working on decentralized civic initiatives for more efficient fiscal decentralization. Supported by the CIVICA Mobilitas Program the action aims to identify the causes and the extent of regional development of the civil initiatives in order to contribute to a more effective fiscal decentralization and balanced regional development of the civil society.

During the 2017, CEA conducted comprehensive research for identification of the needs and determinants of civil society necessary for an effective participation in local policy decision-making CEA believes it will contribute to a greater decentralized CSO impact on improved regional development of the CSO sector. More about the project see [here](#).



Determinants of influence of CSOs in creating policies for balanced regional development

Supported by the British Embassy and in partnership with FORUM CRSD, CEA developed analysis on the “Determinants of influence of CSOs in creating policies for balanced regional development”.

In this analysis, CEA covered one important segment of functional parliamentary democracy, and it is the cooperation of civil society in the regions and regional characteristics of civil society. Relatively larger regional differences between the civil society organizations. For more follow the [link](#).



Manual for Mayors and Members of the Municipal Councils

Supported by Civica Mobilitas program, CEA is implementing a project which aims to: Increase the capacities of the new leading structures in the municipalities for efficient and effective implementation of the competences and increase the awareness of the citizens for monitoring the work of the municipalities.

More details about the project activities, find [here](#).



⇒ *Improving Civil Society*

Blueprint for urgent democratic reforms

CEA was one of the initiators of the core group of civil society organizations and experts for preparation of the Proposal for urgent democratic reforms with an aim to return to democratic standards and values in Macedonia, and restoring trust in key state institutions.

CEA contributed in the section for public finances and economy for restoring fiscal discipline and establishing the fiscal transparency.

Public Finance and Economy - GENERAL PRINCIPLES

- ⇒ Restoring fiscal discipline;
- ⇒ Increasing fiscal transparency;
- ⇒ Prioritizing ongoing public projects;
- ⇒ No changes in the public finance system structure (any changes in the public finance system should be left for the future government that received its mandate through elections).

CEA also, monitored the implementation of the recommendations contained in the Blueprint, and the implementation of the governmental plan 3-6-9, and publicly presented its views. See more about the initiative [here](#). The review of the implementation of the recommendations are available [here](#).



Regulatory Impact Assessment - In shadow

CEA in partnership with IDSCS is implementing a project, supported by the EU, which aims to analyze how the process of RIA is being implemented while drafting the laws and what are the possibility for civil society organizations to be engaged in creation of public policies in Macedonia.

We are working toward increasing the possibility for active involvement of CSOs in the RIA process and in public policy reforms through networking, inclusive consultations and trainings. The project pays particular attention to creating links between civil society actors and state institutions. Good implementation of RIA will contribute to higher quality of legislation, increased citizen involvement, increased level of legal certainty, better financial planning and increased transparency of political processes. See more information [here](#).





⇒ *Initiating Dialogue - Current Economic Trends*



International event -Rule of law, Where are we heading?

CEA organized international event “Rule of law, Where are we heading?” that brought together representatives from academia, think tanks, civil society and policy-making to take stock of where we are today and we are heading when it comes to the Rule of Law in Europe.

The Event was co-organized by the Centre for European Policy Studies (CEPS) in Brussels, with the full involvement of the five selected members of the ENGAGE Fellowship.

The various debates underlined the importance for the EU to have a clear, value-based and frank strategy in the Western Balkans. Various participants, including high level government representatives, highlighted their willingness to make the EU accession process more concrete and political. The discussions concluded that the needed changes in one country, will always have to be achieved through a Rule of Law based approach, safeguarding the values of democratic and judicial accountability and human rights. For more information about the event, follow the [link](#).

Sustainability of the pension system in the country

The Center for Economic Analyses (CEA) held a presentation on the analysis of the sustainability of the pension system in Macedonia.

The analysis sparked considerable interest from the media, especially for the following conclusions:

“The first pillar of the pension fund by 2030 will not only crash as predicted by the IMF, but will itself be maintained and will create surpluses. So, it should be considered as a Pension Fund that anywhere from 2025 will begin to generate surpluses, and the state will not need to allocate money to fill the pension budget. It should be also considered whether the Fund will be sold or a special investment fund will be set up that will invest the money that will be redundant.”

More conclusions and recommendations can be found on the following [link](#).

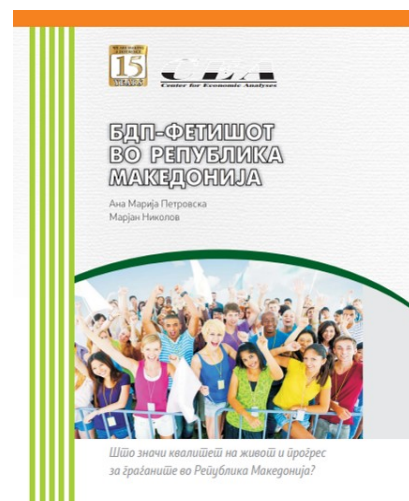
⇒ *Initiating Dialogue - Current Economic Trends*

Gross Domestic Product– GDP Fetish

In December, CEA conducted analysis on the current economic development in the country. The findings were publicly presented, with participation of public institutions' representatives.

This analysis was developed to indicate that the Government despite using the GDP, should start using another metrics for economic development and progress in order to more effectively adapt its agenda to the needs of the citizens.

Also, the analysis is developed to initiate expert discussion and to indicate the relateness of some indicators for economic development, such like GDP is. More information can be found [here](#).



Citizens discuss: How and why in EU?

CEA participated at the deliberative-polling of the Center for deliberative democracy at [Stanford University](#), in organization of European Policy Institute.

CEA participated at the Moderator's training, was part of the preparation of the Economics brief and was invited and participated at the expert plenary session.



CEA Journal of Economics

First CEA Journal was issued in 2006. Starting from 2012 CEA Journal of **Economics** become international journal, indexed in [EBSCO](#) and [EconLit](#) databases of journals.

The journal enables a platform for economic forum where economists practice technical quantitative and qualitative analyses of economic problems and to enrich the public debate on economic issues in Macedonia and the region. In 2015, CEA developed a new system for the journal for economics for better indexing. [Online CEA Journal](#).





Center for Economic Analyses

Regional Studies Association



⇒ International Activities

Regional Studies Association– RSA member

RSA is a premier body for promotion, publication and application of regional studies research. It is a community where experts can achieve their academic goals in economics, political science and spatial planning, but also to explore and share ideas and research through an interdisciplinary approach.

- ⇒ **[RSA Ambassador to Macedonia](#)– PhD Marjan Nikolov.** CEA is a corporate member of this prestigious platform, and all CEA researches are RSA Members. The President of CEA, Marjan Nikolov is appointed for Ambassador to Macedonia, with a three-years mandate.
- ⇒ **Second Western Balkans Forum on Regional and Local Economic Development.** The RSA Ambassador attended the: “Second Western Balkans Forum on Regional and Local Economic Development” organized by the Center for European Policy Studies for Regional and Local Development (CRLDS) Albania. The event took place in Valona at the University Ismail Qemali of Vlora .
- ⇒ **RSA Division for Central and Eastern Europe.** In September, 2017, in Romania under the Chair Ms. Sally Hardy -RSA CEO was formed RSA Division for Central and Eastern Europe with the following composition: Attila Korompai – RSA Ambassador to Hungary and Chair of the RSA Hungary Section, Daniela Carl – RSA Deputy Chief Executive Office, Jozsef Benedek – RSA Ambassador to Romania, Maciej Smetkowski – RSA Ambassador to Poland and Chair of the RSA Poland Section, and Marjan Nikolov – RSA Ambassador to Macedonia.
- ⇒ **Papers’ presentation at the International RSA Conference**

CEA attended and presented two papers on the International RSA Conference in Cluj-Napoca, Romania, RSA Central and Eastern Europe Conference 2017 Regional Polarization and Unequal development in CEE on the subjects of **“The policies and measures for self-employment and entrepreneurship in Macedonia among the Roma community,”** and the **“Macedonian Decentralization Case”**. The two papers were also presented on the 3rd Conference of the LSEE Research Network on Social Cohesion in SEE: "Social Cohesion & Economic Governance", organized by LSE, UACAS, NBRM on the subject of Entrepreneurship and othering analysis for Roma inclusion in Macedonia .

Membership in Research network on decentralization-EURAK

The [Network](#) aim bringing together researchers on decentralization from SEE for closer cooperation, internal and external networking, further development of their expertise, as well as pooling of their research capacities and efforts in order to put decentralization on the regional research and policy agenda, and finally, for increasing their joint research prospects, publishing potential, visibility, and policy impact

Membership in LSEE Research Network on Social Cohesion in SEE

The [Network](#) aims to promote fundamental independent research into issues of social cohesion in the SEE region. The promotion of regional cooperation in research activity and the investigation of the benefits of regional cooperation in policy proposals is a key motivation of the network.

CEPS Engage Fellowship

CEA has been selected for the [CEPS Engage Fellowship](#) Open Society Initiative for Europe-OSIFE. CEA is preparing a policy brief about the Fiscal council in Macedonia within the Rule of law context .

⇒ Awarding in 2017

During the 2017, CEA was awarded for several achievements::

- ⇒ **Gratitude from MASA:** On the occasion of the 50th anniversary of the foundation of the Macedonian Science of Science and Art (MASA), the Center for Economic Analyses (CEA) received a Gratitude for longstanding cooperation. Center for Economic Analysis and the Center for Strategic Research, as a unit of MASA have signed a cooperation agreement on themes of common interest.
- ⇒ **Marjan Nikolov, President of CEA, was appointed for Ambassador of the Regional Studies Association (RSA)** for Macedonia in June 2017 in the next 3 years. RSA, with its international membership, works to facilitate the highest standards of theoretical development, empirical analyzes and policy debates, on questions of this type of sub national scale, including urban and rural as well as other different concepts of space as city regions.
- ⇒ **Leadership and Management Certificates as well as Certificate for Grants Management:** CEA, as an implementer of two projects from the grant scheme "Promoting social inclusion" during the past two years, participated in the project "Technical Assistance in Project Management and Monitoring" from the same grant scheme, supported by the European Union. After a series of trainings, two CEA members received Leadership and Management Certificates as well as Grants Management.
- ⇒ CEA received an ad hoc grant for the "**Manual for Mayors and Members of the Municipal Councils**". The goal of the project is: Increasing the capacities of the new leading structures in the municipalities for efficient and effective implementation of the competencies and increasing the citizens' awareness for monitoring the work of the municipalities





⇒ *Capacity Building Activities*

Conducted trainings in 2017

CEA through its activities contained with the activities for increasing capacities for different stakeholders. In 2017 CEA conducted trainings in:

- ⇒ **Fiscal decentralization** training for local government finance representatives of the Western Balkan, as part of World Bank's Austria-UPP project. CEA is part of this project since 2011 ;
- ⇒ **The role of the State Audit Office:** training for the media representatives for better understanding the audit reports and the work of SAO;
- ⇒ **Strategic planning for network leading:** – two trainings for the CSOs-members of the RIA network, for strategic planning.
- ⇒ **Four trainings** for Soft Skills, Communication, Job Seeking, Entrepreneurship and Fund Raising for the unemployed Roma youth from the municipalities with dominant Roma population.





⇒ *CEAs work in numbers and photos*

- ✓ **9** Projects implemented in parallel
- ✓ **25** (and over) Analysis and researches conducted
- ✓ **15** (and over) Public presentations and events organized
- ✓ **5** Promotional Fairs attended
- ✓ **10** (and over) Working groups attended
- ✓ **10** Trainings organized and conducted
- ✓ **15** (and over) International activities conducted
- ✓ **15** (and over) TV presence
- ✓ **50** (and over) Presence in media
- ✓ ... other



⇒ *Forthcoming activities*

In the forthcoming 2018 CEA continues toward achievement of its goals for improved of the environment for better and more efficient economic development in 2018. Following its mission in the coming period CEA is:

- ⇒ Continuing with the 'Civil Society for Roma Integration - In the Shadow'; Decentralized civic initiatives for more efficient fiscal decentralization; .
- ⇒ Continuing with the Regulatory Impact Assessment in the Shadow: Fostering evidence-based policy making in Macedonia;
- ⇒ Continuing with monitoring the work of the supreme Audit institution, and bringing its work to the public;
- ⇒ Building capacities for fiscal transparency on a national and local level. Monitoring the level and way of budget execution; Strengthening Financial Accountability and Transparency in Macedonia; Open budget tracker;
- ⇒ Continuous researches and analyses on current economic topics.



CEA's Internship Program—a rewarding & valuable experience

Three dimensions available:

- ⇒ knowledge building,
- ⇒ policy research and writing and
- ⇒ communication and team work experience.

It offers an incredible amount of knowledge of economics, computer science, political science etc., but it also provides a significant amount of new skills and abilities.

If you share the same goals with CEA we invite you to be our partner in the coming period.

Center for Economic Analyses

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www.mkbudget.org/calculator/main

www.kbm.mk

FB: Center for Economic Analyses-CEA

