

# FINAL REPORT 2014

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Center for Economic Analyses (CEA)

Skopje  
January, 2015

General information about CEA

Logo:



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**COVER LETTER**

TO: CEA team  
DATE: January 2015

Dear CEA Team,

Please find attached the CEA final report for 2014. Please let me know if there is any additional information we can provide.

Yours sincerely,

Marjan Nikolov

President of CEA



Signed

## **CEA Organizational Setup**

### **Executive Board:**

Marjan Nikolov, President

Bryan Roberts, Vice President

Dimitar Bogov (on hold when he becomes Central Bank Vice Governor and Governor)

Igor Mitevski

Vesna Garvanlieva

Borce Trenovski

Gabriela Dimovska

Miso Nikolov (on hold when he becomes Director of JSP Skopje)

### **Assembly:**

Borce Smilevski, President of the Assembly

### **Management council:**

King Banaian, Prof. St. Cloud State University

Alex Mourmouras, IMF Institute

Giorgio Brosio, Prof. University of Torino

### **IT:**

Mile Naskovski

### **Financial accounting:**

Saso Bulevski

**USE OF THE CORE AND INSTITUTIONAL FUNDING PROVIDED  
BY OSI THINK TANK FUND AND THE EU PROJECTS**

Grant received in 2014 from OSI Think Tank Fund for enhancing institutional capacity and research agenda helped CEA structuring and **continuing achieving its third stage of sustainable development**. The allowed financial resources were used by CEA as a share for the two EU projects that CEA was awarded as a lead/coordinating organization:

- Implementing joint project with IDSCS (Institute for Democracy “Societas Civilis”- Skopje) for enhancing fiscal transparency and introduction of performance budgeting;
- Implementing joint project with FORUM-CSRD for enhancing capacities of local organization for monitoring local finances.

Apart from that CEA successfully raised leverage from commercial banking sector in Macedonia for earmarked cash flow purposes as a share for the awarded EU projects.

## **ACHIEVEMENTS IN 2014**

In 2014, the Center for Economic Analyses – CEA further developed its organizational structure and consolidated its five departments: Current economic trends, Socio-Economic and Local and regional development, Agricultural economics and Budget transparency into two departments: Fiscal policy, efficiency and transparency and Socio-economic prospects and challenges. Project ideas were developed based on the most current development in the policies in the country and areas which needed the biggest improvements.

Activities in the projects were developed in a way to support advocacy activities for improving policies in Republic of Macedonia. Furthermore, we continued cooperation and partnering with other organizations and size of the projects are significantly increased.

Based on that, we are providing overview of the realized projects and programs from each department of CEA. Moreover, the President of CEA, Mr. Marjan Nikolov was engaged by the FSVC to help the Jordanian Ministry of finance and General Budget Department of Jordan as well in their efforts to improve the OBI position, which speaks that CEA's work started to be recognized broader.

### **Department 2: Fiscal policy, efficiency and transparency**

In this department were implemented several projects. What's more important, this department starts implementing large projects in partnership with other organizations.

**Study:** Training for Syrian local politicians in Aleppo and Idlib on budgeting and project preparation, 2014.

**Discussion:** Training delivered in Gaziantep by Marjan Nikolov. Contractor was NDI.

**Study:** Training for Jordanian Ministry of finance and General Budget Department to prepare more accessible Citizen Budget and Mid Year Review, 2014.

**Discussion:** Training delivered in Amman by Marjan Nikolov. Contractor was FSVC.

**Study:** Study about increasing the budget process in Macedonia (NDI-National and Democratic Institute and NED- National Endowment for Democracy), 2014.

**Discussion:** Prepared and printed policy paper. For promotion of the paper will be organized 3 meetings with the main stakeholder in the country. The policy paper will be distributed in 100 copies.

**Study:** IBP training for CEA President Marjan Nikolov about the OBS and OBI implementation 2014.

**Discussion:** Training material presented to Katerina Bogoevska.

**Study:** **Good governance through better fiscal transparency** (SlovakAid and Pontis foundation)

**Discussion:** Working lunch with ex-ministers of finance in Macedonia and other experts in this field

**Outcome:** More transparent government, improved fiscal transparency, introduction of fiscal rules.

**Study: Invitations from the IMF and WB to join the Annual meeting at Washington DC and discuss the new draft fiscal transparency code of the IMF (IMF funded)**

**Stage:** Marjan Nikolov prepared discussion points about the new draft transparency code

**Press-release:** /

**Outcome:** Increased budget transparency. Increased citizen's participation. Increased government accountability.

**Study: CEA budget portal (ITF and IP Funded)**

**Stage:** Web portal is created. Organized public discussion about enhancing the evidence based advocacy for the Budget of Republic of Macedonia and presentation of the portal [www.mkbudget.org](http://www.mkbudget.org). Organized training about fiscal transparency for journalists. Developed grant application, in partnership with the Association of Journalists. Prepared seminar for journalists about budgetary process in Macedonia, in partnership with experts from Finland and Ministry of finance of Macedonia.

**Discussion:** The portal and its opportunities were presented at the Faculty of Economic Skopje, UCIM (two groups of students).

**Conference/workshops:** Prepared conference/public discussion about the fiscal transparency and promotion of the portal [www.mkbudget.org](http://www.mkbudget.org). Alexander F. Tieman, IMF Resident Representative for Macedonia took part (made presentation about the budget transparency) at the conference as well. Together with the Journalist Association of Macedonia organized two day training, about the opportunities provided by the portal [www.mkbudget.org](http://www.mkbudget.org) and the budget process in the country.

**Policy briefs:** /

**Press-conference:** Organized press-conference for the media. Separate interviews by CEA's team involved in the project realization for number of media (Nova Makedonija, Utrinskivesnik, Sitel, Alfa etc).

**Legislation and by-laws to have impact on:** /

**Outcome:** Increased budget transparency. Increased citizens' participation. Increased government accountability.

**Study: Open Budget Initiative**

**Stage:** The research is finished and advocacy plan is developed. Developed presentation about the impact of the fiscal transparency in the economic development. Developed and distributed a press release. Developed policy brief for improving the transparency of the budgetary process in Macedonia.

**Discussion:** Shared with the Minister of finance and the Head of the budget Department. Presenting OBI's significance and results during the training organized together with the Journalist Association of Macedonia, about the [www.mkbudget.org](http://www.mkbudget.org) portal and the budget process in the country.

**Outcome:** Increased budget transparency. Increase of citizens' participation. Increased government accountability.

**Study: Citizens' Budget**

**Stage:** Citizens' Budget of RM for 2013 is developed. Printed in 3000 copies and distributed through the weekly magazine "Kapital". Electronic version published on CEA's web site and portal [www.mkbudget.org](http://www.mkbudget.org). Organized public discussion about "Fiscal transparency, fiscal future and economic growth", in partnership with IMF. Prepared manual for preparation of citizens' budgets in Republic of Macedonia. Cooperation with

twining project in the Ministry of Finance for introducing Citizens budget as part of the budgetary process.

**Outcome:** Ministry of finance started to prepare CB.

### Department 3: Socio-Economic prospects and challenges

**Study: PAD feasibility study for water supply system in Negotino**

**Stage:** Prepared documents: Needs assessment, risk analysis, economic and financial analyses as per WB guidelines.

**Outcome:** Better infrastructure in Negotino.

**Study: PAD feasibility study for local streets in Kocani**

**Stage:** Prepared documents: Needs assessment, risk analysis, economic and financial analyses as per WB guidelines.

**Outcome:** Better infrastructure in Kocani.

**Study: PPP feasibility study for parking zones in Kavadarci**

**Stage:** Prepared documents: Needs assessment, risk analysis, economic and financial analyses, legal aspects.

**Discussion: Presented in the City Council meeting**

**Press-conference: for the local media**

**Outcome:** Better parking services in Kavadarci.

**Study: PPP feasibility study for stadium in Bitola**

**Stage:** Prepared documents: Needs assessment, risk analysis, economic and financial analyses, legal aspects.

**Outcome:** Better sport services in Bitola.

**Training: PPP in Macedonia (USAID Funded)**

**Stage:** Done in April 2014.

**Discussion:** CEA helped the Ministry of economy to train administration in Macedonia.

**Conference/workshops: 8 trainings within the 8 regions in Macedonia**

**Outcome:** More private initiatives to assume delivery of public services. Private finance generation for providing public services.

**Study: Consensus in Macedonian economic policy making process (ITF Founded)**

**Stage:** Finished.

**Discussion:** Already discussed with key persons from the biggest political parties in Macedonia

**Conference/workshops:** Publication presented and promoted

**Policy briefs:** Draft prepared. NOTE: the study has been mentioned many times through the media.

**Press-conference:** Promotion done

**Legislation and by-laws to have impact on:** The programs of the political parties for the next elections are based on informed and quantified information.

**Outcome:** Efficient policies form the political parties. Raising awareness about the need of consensus about the main economic problems in Macedonia.

**Study: Monthly economic report – ongoing**



**Study: Feasibility study for industrial zone-Gazi Baba in Skopje region**

**Stage:** Study prepared and presented to the Center for development of the Skopje region.

**Discussion: During the presentation in the Skopje region and with the Mayor of the Gazi Baba municipality.** Prepared documents: environmental and legal aspects, tackling poverty and unemployment, strategic issues of the industrial zone, economic and financial analysis, regional competitive assessment.

**Legislation and by-laws to have impact on: expected amendments toward more efficient Industrial Zones Law**

**Outcome: More efficient LED in Gazi Baba and the wider Skopje Region.**

In 2014 we continued developing our regular publication CEA Journal of Economics

- **CEA Journal of Economics**

From 2012 CEA Journal of Economics become an international journal, indexed in EBSCO and EconLit databases of journals. With this journal we created an economic forum where economists were able to practice technical quantitative and qualitative analyses of economic problems and to enrich the public debate on economic issues in Macedonia.

**NEW PROJECT/PROGRAMS APPROACH FOR THE NEXT PERIOD**

Our researches, studies and analyses prepared are widely recognized and incorporated in the documents and policies of the government (central and local) and NGOs. Since this has happened in 2014 we will continue to work in giving more visibility to what is done. These practices are also illustrated in the next table.

**Table. Activities toward advocacy for policy change**

Stages of development	First stage of development	Second stage of development	Third stage of development
<b>What do we do?</b>	Doing the research Field analyses Desk analyses Academic reports	Preparation of policy papers/studies, summary, and policy briefs of the research	Advocacy through policy briefs, presentation at meetings, media visibility, expert groups, policy change
<b>Who can really access CEA products</b>	Accessible only to limited number of specialized readers  Publishing on web	Accessible to wider population, journalists  Publishing in electronic and printed media	Follow up meetings, opinion making, general public Press conferences Policy change
<b>Characteristic</b>	Closed type only to experts and clients	More open to general public	Toward policy change

**In 2015 we will continue organizing low cost expert group's discussion, follow up meetings and press conferences** where we will invite representatives from the government and NGO with which CEA is partnering for example:

- Office of the International Monetary Fund in Skopje;
- Deputy Prime Minister for Economic Affairs, Vladimir Peshevski;

- IDSCS (Institute for Democracy “Societas Civilis”- Skopje);
- FORUM-CSRD;
- IPARD payment agency and FFRM related to agriculture economics;
- Roma NGOs and LSGs related to micro-financing to name few.

**In that way we will:**

- Promote CEA’s activities and OSI TTF support;
- Fulfil CEA's goals;
- Inform about contemporary problems and issues;
- Raise public awareness about problems and issues;
- Help design and/or at least redesign public policies, business and finance institutions behaviours and decision making.

All previously mentioned activities will be organized within CEA’s departments and CEA will continue to identify problems and forecast possible policy issues that need immediate attention in policy arenas. CEA's ways (tools) of influencing policy makers:

1. High quality publishing program (CEA Journal of Economics, reports, analyses, position papers);
2. Continues building sound media visibility on public relevant issues (presenting reports, analyses, position papers policy briefs in the public);
3. Columns and articles in printed and electronic media, and social networks (Facebook, LinkedIn and Twitter);
4. Outreach to university, college and school students (CEA’s products are used as teaching tools: Faculty of Economic – Skopje; International Slavic University, SEEU-Tetovo etc.);
5. Conferences, round-tables, expert discussions, seminars, workshops, direct meetings;
6. Direct meetings and close cooperation with policy makers.

## **MISSION STATEMENT, OBJECTIVES AND GOALS OF CEA**

The Mission of CEA is to continuously research economic development and public policy in the Republic of Macedonia and to offer recommendations, suggestions and measures to the government and non-governmental institutions.

CEA members share a common vision of the Republic of Macedonia as a new emerging economy integrated with regional and world markets. They devote their time, efforts and knowledge to help make this vision become a reality. CEA's code of ethics is available at: [www.cea.org.mk](http://www.cea.org.mk).

### **Goals of CEA:**

1. To provide quality policy analyses;
2. To support viable economic policy in Macedonia;
3. To help foster an environment that brings about higher investment, accelerated development and growth of the Macedonian economy, and EU accession;
4. To achieve financial sustainability;
5. To encourage regional cooperation and collaboration in the Balkans;
6. To strengthen civil society, social capital and trust.

### **These goals will be achieved through:**

1. Building the capacities of CEA's members to do quantitative analyses and be objective so that CEA becomes an institution with widely demanded products and services;
2. Transition to complete reliance on non-donor revenues as quickly as possible;
3. Active identification and recruitment of candidates for CEA's consultant pool;
4. Developing a network of relationships with think-tanks in the Balkans, European Union countries, and the United States.

### **Specific actions to be undertaken:**

1. Public promotion of CEA and its mission to the market;
2. Construction, maintenance, and further development of economic models;
3. Conducting unbiased and consistent analyses relying primarily on quantitative information;
4. Regular monitoring of the economic situation of the country;
5. Make recommendations on key policy issues facing the Macedonian economy;
6. Building links with think tanks and institutes in other Balkan countries, transition countries of central and eastern Europe, and western countries;
7. Close cooperation with international donors and financial institutions;
8. Enhancing public relations via publishing reports, analyses and other working papers

### **Outputs:**

1. Working Papers
2. Columns and articles in media
3. Databases
4. Economic and financial models
5. Seminars, workshops and training courses given

**Outcomes:**

1. A sustainable think tank
2. Significantly improved capacities in using economic models and conducting policy analysis
3. Demand from Government agencies, international organizations and donors, and the business community for CEA products