

...We are making a difference!

January 2017

Dear reader,

As we look toward 2017 with an enthusiasm and with a hope for improved civil society environment in Macedonia, we are looking back with inspiration to the fruitful 2016.

The 2016 was a year with an abundance of professional challenges mostly due to the political crisis and the violated democratic standards and values in Macedonia. Through our work we contribute to improved efficiency of the public sector, more competent and credible civil society and more competitive business environment. Through the research we conduct, which is 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 hopefully better governance, transparency and satisfactory rule of law.

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 2016:

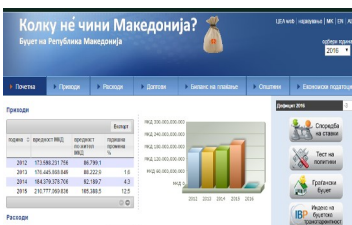
- ⇒ Detecting and fighting the lack of fiscal transparency in terms of making the authorities more accountable;
- ⇒ Advocating for social and labor market inclusion of different excluded target groups;
- ⇒ Working on regional development and strengthening of the civil society;
- ⇒ Providing quality analyses and recommendations relevant for improved public policies;
- ⇒ Building capacities of different stakeholders and target groups.

Highlights from 2016 :

- ⇒ 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.
- ⇒ Economic growth: FDI policy in Macedonia needs higher transparency and in-depth evaluation;
- ⇒ The social inclusion and employment are facing a serious challenge with continuous high rates of long-term unemployed, youth unemployed, lack of properly designed social care and unsatisfactory education level.
- ⇒ Continuous need for increased budget transparency, accountability and public participation.



Center for Economic Analyses



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



Калкулатор за лична инфлација

⇒ 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.

Monitoring of the Budget Expenditures in the Pre-election & Election Period

In order to achieve a long term effects of higher transparency of the central and local budget spending related to the pre electoral period and period of political campaigns, CEA in partnership with Transparency International– Macedonia, and with a support of The Embassy of the Kingdom of Netherlands in Skopje, monitored the budget expenditures and the reporting of the political parties in the period before the elections and during the official campaign.

The project was created to increase the public awareness and to prevent the misuses of public money for the purposes of political campaigns to initiate public debate regarding the actual costs of the elections. For that purpose, CEA developed monthly reports and made them publicly available. See more about the findings of the monitoring [here](#).

CEA also conducted a monitoring of the agriculture subsidies transparency in the pre-election period and in partnership with the Association MOST.



⇒ *Fiscal Transparency & Accountability*

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 Availability of Budget Documents Over Time

Document	2008	2010	2012	2015
Pre-Budget Statement	●	●	●	●
Executive's Budget Proposal	●	●	●	●
Enacted Budget	●	●	●	●
Citizens Budget	●	●	●	●
In-Year Reports	●	●	●	●
Mid-Year Review	●	●	●	●
Year-End Report	●	●	●	●
Audit Report	●	●	●	●

● Not produced/published late ● Produced for internal use ● Published

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](#).

Oversight for 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 2016, CEA prepared an assessment of the legislative provisions on the work of the State Audit Office and developed a Monitoring Matrix of the SAO work. In 2016, CEA started with the monitoring of the transparency of SAO.

Колку не чини Македонија

БУЏЕТ НА РЕПУБЛИКА МАКЕДОНИЈА

----- 2016 -----

Податок вредност

ОПШТИ ЈАВНИ СЛУЖБИ 21.876.067

ОДБРАНА 6.073.852

ЈАВЕН РЕД И МИР 14.952.859

ЕКОНОМСКИ РАБОТИ 45.510.574

ЗАШТИТА НА ЖИВОТНА СРЕДИНА 884.819

ЖИВЕАЛИШТА И РАЗВОЈ НА ЗАЕДНИЦАТА 3.653.309

ЗДРАВСТВО 6.554.081

РЕКРЕАЦИЈА, КУЛТУРА И РЕЛИГИЈА 4.861.169

ОБРАЗОВАНИЕ 23.644.401

ВКУПНО 128.011.131

ЦЕНАТА НА ДРЖАВАТА

www.mkbudget.org



ОЦЕНА НА ЗАКОНОДАВНИТЕ И РЕГУЛАТОРНИ ОДРЕДБИ ПОВРЗАНИ СО РАБОТАТА НА ДРЖАВНИОТ ЗАВОД ЗА РЕВИЗИЈА (ДЗР)





⇒ *Socio-Economic Prospects and Challenges*

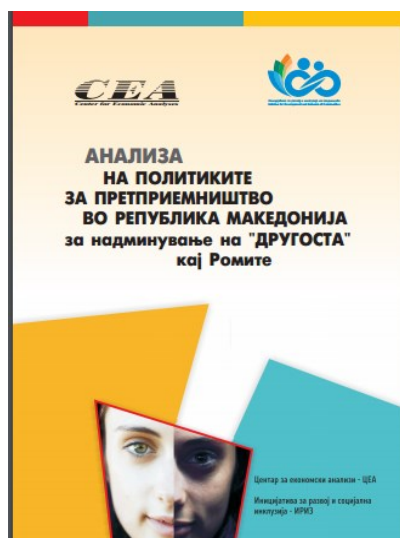


Creating employment pathways for rural youth

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

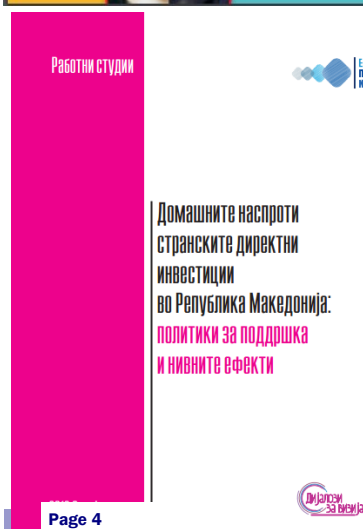
More about the project and the activities see [here](#).



Entrepreneurship policies in Macedonia for overcoming Roma "othering"

CEA in partnership with IRIZ are implementing the project Entrepreneurship policies in Macedonia for overcoming Roma othering. The project is focusing 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](#).



The effects of the Foreign Direct Investments in the Technological Industrial Development Zones

In cooperation with the European Policy Institute, and financial support of the British Embassy in Skopje, CEA developed a cost benefit analysis of the effects of the Foreign Direct Investments in the TIDZ.

The purpose of the research was to quantify the direct economic costs and benefits, to articulate the net benefits of the new employments and to calculate the added value of these investments, in order to give general recommendations on the public policies for attracting foreign direct investment in technological and industrial zones. The research and its presentation was a step to encourage and stimulate a public debate on key social and economic issues. The publication available [here](#).

⇒ 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.

Furthermore with a 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](#).

Blueprint for urgent democratic reforms

CEA joined the core group of civil society organizations and experts in the preparation of a unique and genuine civil society initiative for preparation of a 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. See more about the initiative [here](#).



Фискална децентрализација за подобар регионален развој на граѓанското општество



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).





Center for Economic Analyses

⇒ *Capacity Building Activities*

Conducted trainings in 2016

CEA contained with the activities for increasing capacities for different stakeholders. In 2016 CEA conducted trainings in:

⇒ Fiscal decentralization training for local government finance representatives of the West Balkan, as part of NALAS Summer School 2016;

⇒ Budget planning and forecast training for the local government representatives of the regions of Tunis and Hammamed, Tunisia, as part of the FSVC Program;

⇒ Financing of the political parties and their expenditures during the campaigns in pre election process – training for the members of the platform of civic organizations against the corruption.

⇒ Four trainings for Soft Skills, Communication, Job Seeking, Entrepreneurship and Fund Raising for the unemployed rural youth from the North-east Region for increasing their employability skills and capacities.



CEA's Internship Program—a rewarding & valuable experience

The internship program at CEA continues to provide value in at least three dimensions: 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.

During the 2016, two of three interns become part of the CEA team .

Interns in 2016:

Ana Marija Petrovska,
Deniz Selmani
Stefan Mioviski

Through the action Creating employment pathways for rural youth, there were 27 interns for two months in Job clubs opened for increasing the employability skills of rural youth.

⇒ *Current Economic Trends*

CEA Journal of Economics

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](#)



⇒ *Forthcoming activities*

In the forthcoming 2017, CEA continues toward achievement of its goals for improved of the environment for better and more efficient economic development in 2017.

Following its mission in the coming period CEA is:

- ⇒ Continuing with the 'Creating employment pathways for rural youth'; Decentralized civic initiatives for more efficient fiscal decentralization; Strengthening Financial Accountability and Transparency in Macedonia; Open budget tracker.
- ⇒ Starting the Regulatory Impact Assessment in the Shadow: Fostering evidence-based policy making in Macedonia;
- ⇒ Starting the initiatives: Employment for Roma youth;
- ⇒ Starting monitoring Transparency level of the budget process in municipalities in RM;
- ⇒ Starting Research analyses on the public policy of minimum wage.

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

Center for Economic Analyses

Tel/fax: +389 2 24 44 766

Cell: +389 71 310 974

Address: Jane Sandanski 63/3,
1000 Skopje, Macedonia

Web sites:

www.cea.org.mk

www.mkbudget.org

www.kbm.mk

