



Newsletter *-2023-*



...We are making a difference!
December 2023

Dear reader,

As we step into 2023, we reflect on the challenges and triumphs of the preceding year. Much like 2022 and its predecessor, 2021, the past year presented formidable obstacles. The aftermath of the global pandemic persisted, compounded by an energy crisis and a prolonged political struggle in North Macedonia, necessitating concerted efforts to restore democratic principles and values. The emergence of a multipolar world is causing significant disruptions to the global economy, trade, and inflation, leading to heightened geopolitical instability and conflicts. This underscores the urgent need for increased coordination and cooperation, emphasizing unity over fragmentation within international institutions.

Our mission is to provide comprehensive insights into the risks inherent in the Macedonian economy. We place particular emphasis on the risks to public finances, recognizing their heightened intensity and likelihood of occurrence over an extended period spanning multiple Macedonian public institutions.

Throughout the past year, CEA has been addressing crucial issues and fostering collaboration in the region. Our dedication is evident in diligently raising awareness for public participation, enhancing public sector efficiency, and contributing to the development of a more competent civil society. We have also actively promoted a competitive business environment. Motivated by challenges like air pollution, limited water and waste management, unregulated construction, and other environmental concerns, we have embarked on new initiatives. This includes green transition research, emphasizing regional and international cooperation for a macro-regional approach. In these efforts, our goal is to provide valuable economic analyses and empirical research, contributing to environmental protection and facilitating a smooth transition toward sustainability.

Looking ahead to 2024, CEA remains steadfast in its commitment to scrutinize government policies and stimulate informed debates through rigorous research and analysis on crucial developmental issues. Our focus will be on promoting the green transition, addressing socio-economic challenges, and advocating for more efficient and effective public finance.

We invite you to look through the palette of our work in the past year.
CEA Team

Achievements & challenges in 2023:

- ⇒ Initiating dialogue on key economic topics and policies.
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- ⇒ Enhancing fiscal transparency and accountability nationally and locally.
- ⇒ Promoting tax responsibility and morale in North Macedonia.
- ⇒ Delivering high-quality analyses for improved public policies and governance.
- ⇒ Contributing to green transition research for a sustainable paradigm in North Macedonia and the wider Western Balkans region.
- ⇒ Addressing neglected border region dimensions, fostering ties between North Macedonia and Bulgaria.
- ⇒ Fostering regional cooperation within the Open Balkan Initiative, emphasizing mutual solidarity.

Highlights from 2023:

- ⇒ Improving fiscal transparency and accountability nationally and locally.
- ⇒ Building tax morale by motivating and promoting active and responsible citizenship and accountable local governments.
- ⇒ Identifying shortcomings in institutions overseeing environmental entities, advocating for heightened accountability.
- ⇒ Creating an enabling environment for the green transition through discussions and meetings with environmental stakeholders.
- ⇒ Tackling overlooked aspects in border regions and strengthening connections between North Macedonia and Bulgaria.
- ⇒ Projecting potential macro-effects from EU Cohesion Policies for North Macedonia.
- ⇒ Building regional and international partnerships.

⇒ Good Governance & Public Finance

Partnering in USAID's – STRENGTHENING RESOURCE MOBILIZATION ACTIVITY

USAID's Strengthening Resource Mobilization Activity is a 5-year project, assisting North Macedonia's municipalities to raise and independently manage the resources necessary to fund services demanded by its citizens.

CEA as one of the implementing partners led by DT Global contributing to the Project: Strengthening Resource Mobilization Activity. The project goals are to build the capacity of North Macedonia's subnational governments to generate, access, and effectively manage revenues to fund services and programs benefiting their citizens, by

- 1) enhanced quality of municipal tax and fee collection systems;
- 2) increased municipal capacity to access external resources from the national government, international organizations, capital markets, and banks;
- 3) improved the ability of municipalities to plan, manage, and implement public sector revenues in compliance with national regulations;
- 4) advancing the decentralization process.

The project is designed to collaborate directly with all 81 municipalities to build capacity and improve local government functions to bring greater accountability and decision-making responsibilities closer to citizens. Up until 2022, 39 partner municipalities received support where CEA contributed with its expertise, furthermore another three LSGUs received full guided support in implementing tax behaviour assessments for property tax collection enhancement.

Check the full report: [Assessment of the efficiency of the current system for administering property tax.](#)

More details and activities within the project can be found [here](#).



PROJECT: ECONOMIC ACTIVITIES IN THE NEAR BORDER REGIONS OF NORTH MACEDONIA WITH BULGARIA: A NEGLECTED DIMENSION

CEA has been implementing the project in the near border region between North Macedonia and Bulgaria with the goal to promote socio-economic cohesion, work with young people, strengthening good neighborly relations, regional stability and mutual cooperation.

The specific objectives included: Building the research capacities of young people; Mobilizing an evidence-based debate on economic activities in the border micro region Berovo, Pehchevo and Delchevo; Raising awareness of the need for a better infrastructure connection between North Macedonia and Bulgaria.

Target group: local population of Berovo, Pehchevo and Delchevo; state and local municipal administration of the three municipalities, with the greatest possible coverage of people for distributing the results of the implemented project.

By focusing on building the research capacities of young people, we aimed to not only empower the future workforce but also contribute to the long-term sustainability of the region. The initiation of an evidence-based debate on economic activities in the Delchevo, Pehchevo, and Berovo border region reflects our commitment to fostering informed decision-making and sustainable development practices.

CEA has produced three detailed quarterly survey reports on the status of the economic activities in the micro-region available on:

[NORTH MACEDONIA NEAR BORDER ECONOMIC ACTIVITIES WITH BULGARIA](#)—Survey results from October 2023

[NORTH MACEDONIA NEAR BORDER ECONOMIC ACTIVITIES WITH BULGARIA](#)—Survey results from July 2023

[NORTH MACEDONIA NEAR BORDER ECONOMIC ACTIVITIES WITH BULGARIA](#)—Survey results from May 2023



IGCOORD: Action CA20123

CEA, via its staff is a member of the **COST Action CA20123** “Intergovernmental Coordination from Local to European Governance” (IGCOORD). **IGCOORD** aims at connecting different strands of research to provide systematic and comparable insights in the institutions, mechanisms and processes of intergovernmental coordination in the horizontal and in the vertical direction, across levels of government, policy sectors and territorial units.

CEA participated and presented a research on the **Impact of Behavior Nudges for Tax** among the Municipalities in the Republic of North Macedonia, on the International Belgrade Contemporary Financial Management Conference. The article was published in the book of Conference proceedings available [here](#).

CEA has also published titled: [Uneven development and demographic \(dis\) opportunities design fiscal decentralization in the Western Balkans](#).

⇒ *Good Governance & Public Finance*

Why improved fiscal transparency?

Fiscal transparency especially among developing and emerging economies could make civil society groups more efficient and bring positive development results.

Budgets are the most powerful tool to meet the needs and priorities of the state and its citizens.

Open Budget Survey

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 2021. According to the most [recent OBI report](#) by the International Budget Partnership, the general conclusion is that North Macedonia has decreased the availability of budget information by: Failing to publish the Pre-Budget Statement online in a timely manner and has failed to prepare mid-year report. Read more [here](#).

Municipal Fiscal Transparency 2022/2023

This year as every year in the past decade, CEA prepared a detail analysis on the fiscal transparency in North Macedonia with special focus on budget and tax transparency. The report and rankings of all LSGUs, can be found [here](#).

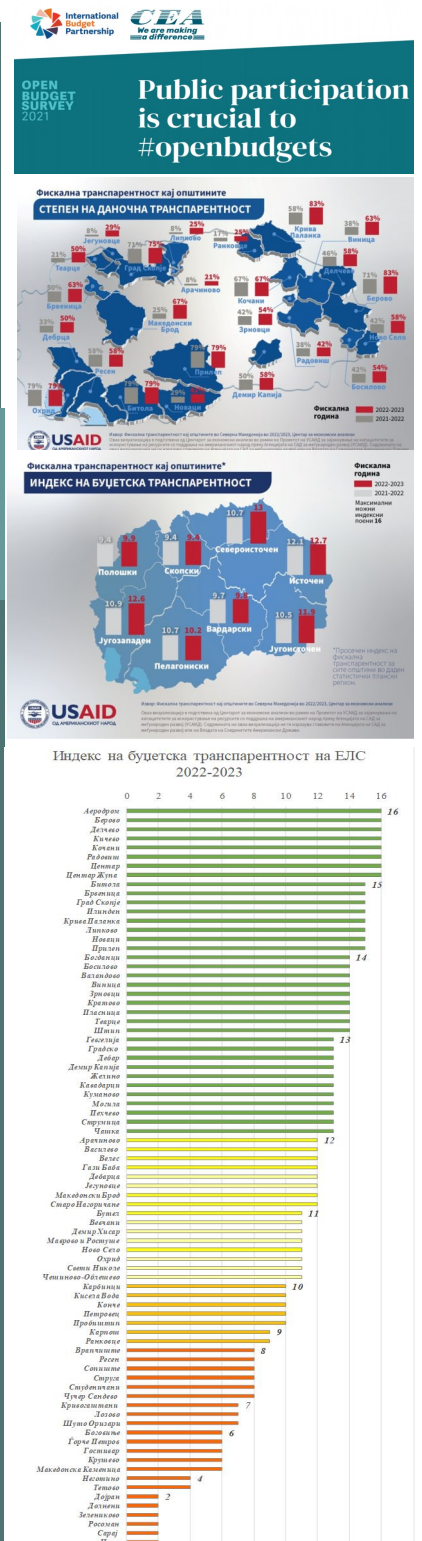
Budget Transparency of the LSGUs in North Macedonia

Fiscal transparency on a local level is as important as it is at the national level. CEA monitors and produces the index of budget transparency on a local level for over a decade. The overall conclusion for the most recent ranking is that the LSGU continue to improve their fiscal transparency with enhanced availability of the budget documents for 2022-2023. (full data ranking and comparison with past periods can be accessed here [2014-2015](#); [2016-2017](#); [2017-2018](#); [2019-2020](#); [2020-2021](#); [2021-2022](#))

In an era of digitalization and openness as well as the opportunities offered by modern technology, the availability of documents including budget information needs to be easy and timely, in order to fulfill the right of citizens to receive relevant information. So one of the most relevant indicators of fiscal transparency of municipalities is the availability of budget documents on their official websites as most accessible platforms.

Tax Transparency of the LSGUs in North Macedonia

In 2021, CEA developed a methodology for LSGUs' tax transparency index and started the monitoring. Tax transparency or the availability of information related to the taxation process, local tax collection and tax spending is part of the fiscal transparency and accountability of local governments. The latest monitoring report on the tax transparency among the LSGUs in North Macedonia for [2022/2023](#) shows an improvement, but at the same time a considerable space for further improvement in regular and complete disclosure and availability of local tax related data and documents.



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⇒ *Green Transition & Regional Cooperation*



Project: GreenFORCE Twinning Project

CEA is partnering in implementing an EU Horizon 2020 supported project [GreenFORCE](#) with the goal of promoting excellence in scientific research and innovation related to the "green transition" in the Western Balkans region.

The project is led by Co-PLAN (Albania), CEA (North Macedonia), and UB GEF (Serbia), and also involves partnerships with POLITO (Italy) and Nordregio (Sweden). Through this 36 month project, the partner organizations aim to improve their research profile, strengthen the research and management capabilities of their staff, and facilitate convergence between Western Balkans and EU research capacities.

The ultimate aim is to promote institutional learning and ensure that research and research management practices are institutionalized within the recipient organizations.

Details on act of the activities and process in the past eighteen months with the results and outputs can be accessed fully and in details via the half-year project newsletters or the webpage:

[Newsletter vol.1](#) December 2022

[Newsletter vol.2](#) July 2023

[Newsletter vol.3](#) December 2023

FB: [Green Force Twinning Project](#).

<https://greenforcetwinning.net/>



Project number: 101059411
Project name: Foster Research Excellence for Green Transition in the Western Balkans
Project acronym: GreenFORCE
Call: HORIZON-WIDERA-2021-ACCESS-02
Topic: HORIZON-WIDERA-2021-ACCESS-02-08
Type of action: HORIZON Coordination and Support Actions
Granting authority: European Research Executive Agency
Project starting date: 1 July 2022
Project end date: 30 June 2025

Web: greenforcetwinning.net
Contact: info@greenforcetwinning.net

or SCAN QR CODE



Green
FORCE



⇒ *Initiating Dialogue - EU Integration and Networking*

Workshop on SRA process & Structure within GreenFORCE

As the host of the workshop, CEA organized the event, leading to the creation of the Shared Research Agenda document, establishing the foundation for partner organizations to develop future research projects and build research networks. It will serve as a platform for future collaborative sharing of knowledge, expertise, and best practices related to key Green Transition policy themes.

International Scientific Conference GREEN AGENDA FOR WESTERN BALKANS in Belgrade

CEA team was chairing the session for the Depollution of air, water and soil at the International Scientific Conference: Green Agenda for Western Balkans, and presented: the scientific paper: Hydrological monitoring and water quality monitoring of lakes and reservoirs in North Macedonia. Full book of abstracts available [here](#).

Two workshops on consolidating the scientific publication plan

The project partners from CEA (North Macedonia), Co-PLAN (Albania), Nordregio (Sweden), Politecnico di Torino (Italy), and UB-GEF (Serbia) have finalized the Scientific Publication Plan of GreenFORCE.

Annual Review for Territorial Governance in the Western Balkans

The project partners from Co-PLAN (Albania), CEA (North Macedonia), Nordregio (Sweden), Politecnico di Torino (Italy), UB-GEF (Serbia) and U_Polis (Albania) met the Editorial Board of the "Annual Review for Territorial Governance in the Western Balkans", to discuss possible improvements and consolidation strategies on the journal research profile and accessibility.

Research Advisory Board (RAB) of the GreenFORCE EU Twinning project

The discussion emphasized enhancing stakeholder involvement, pointing out the "just" dimension of green transition, and adopting a holistic regional approach for more informed policymaking in individual counties and the wider WB region.



Knowledge exchange

CEA was part of the dynamic and polycentric model of knowledge exchange within the project partner organization of EU Horizon project. These visits included:

Albania:

- ◆ Discussions and brainstorming on Macro-regional Networks;
- ◆ Reviewing various topics and focuses of policy briefs;
- ◆ A workshop with young researchers on bridging the research and policy gap;
- ◆ Participating and providing input on the National Forum on Climate Change in Albania..

CEA expert conducted a lecture on Environmental Economics that covered some basics in this field. Environmental Economics is the part of economics that deals with the inter-relationship between the environment and economic development.



Workshop: Pathways towards Resilience: Harvesting talents to address demographic transformations that are shaping societies and economies in WB.

CEA hosted the 6th Annual Workshop of the **Western Balkans Network on Territorial Governance TG-WeB**.

The workshop focused on the demographic processes and their impact on planning and governance processes, aiming at identifying challenges and providing options and recommendations for reversing the situation through stimulating innovative processes and proper government policies.



RSA ANNUAL CONFERENCE 2023

Transforming Regions:
Policies and Planning for People and Places
14th-17th June 2023, University of Ljubljana, Slovenia



RSA Annual Conference 2023

CEA was participating on the RSA annual conference where the four-day [conference](#) was bringing together academics and policymakers to exchange news, views and research findings from the fields of regional studies and science, regional and economic development, policy and planning.

Nordregio Forum in Iceland

CEA representatives joined the annual meeting place for professionals and policymakers working with regional, rural and urban development in the Nordic countries and benefited of informal arenas for knowledge exchange on policy-relevant topics around regional development and spatial planning. The main purpose was to learn about the Nordic model of regional cooperation. The visit was organised by Nordregio who included Western Balkan partners in their annual conference, meetings and study visits for professionals and policymakers working with regional, rural, and urban development in Nordic countries.





⇒ *Initiating Dialogue - EU Integration and Networking*



Summer School in Turin

From September 18 – 22 in Turin, Italy the impactful in-person portion of the “Cities in Just Green Transitions. Towards a 2030 climate-neutral strategy for Turin” summer school unfolded.

CEA had a lecture for the students on the topic of Cost Benefit Analysis (CBA) as an instrument to assess, among others, the impact of green transition actions, through a specific case study example. Students were also introduced to an applied exercise with the aim to combine theory with an example of a practical perspective of what an input-output analysis is and how it may be used.



Seminar on Local Government Studies in Central and Eastern Europe

Invited by Zagreb Institute of Economics we at CEA with prof. Nikolov together with prof. Alibegovich from Institute of Economics in Zagreb, prof. Monastiriotis from London school of economics prepared and presented a paper on Mayor's political party affiliation and local fiscal outcomes in SEE.



Forum: China and the Western Balkans: Perspectives and Prospects in the New Era

CEA discussed the potential of the Western Balkans for possible Chinese investment through a regional approach on the event organized by the Global Changes Center.

The first forum on the topic: "China and the Western Balkans: Perspectives and Prospects in the New Era" is being organized by the Global Changes Center and the Albanian Institute for Globalization Studies, where the Ambassador of China, Mr. Zhang Zuo, was also present.



Intergovernmental Coordination from Local to European Governance, Meeting

The meeting of Working Group 4 took place on 12 October 2023, hosted by the Faculty of Organisational Sciences at the University of Belgrade, hosted by Prof. Sladjana Benkovic, WG4 vice-leader. Prof. Marjan Nikolov is MC member of this COST action and is active member of the WG4.



CEA & Chamber of Commerce: Findings from the mapping of cooperation and coordination between the countries of the Open Balkans

Within the framework of the project Assessment and direction of the potentials of the Open Balkan Initiative-OBI, CEA together with the Chamber of Commerce of RNM organized a working meeting. At the meeting, the results of the mapping of cooperation and coordination between the countries of the Open Balkans, as well as the analysis of the territorial challenges, needs and potentials of the countries of the Western Balkans, were presented. Also, a topic of research in the following period is the possible administrative gap that potentially reduces the efficiency of achieving the goals of the Open Balkans Initiative for the business community during the implementation of the agreements that resulted from the Open Balkans Initiative, which was discussed at the workshop a meeting.

⇒ *Future activities*

In the forthcoming 2024 CEA will continue towards achieving of its goals for improving the environment and contributing to more efficient economic development following its mission

Specific actions to be undertaken:

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



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

CEA TEAM



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