



NEWSLETTER
2024





...We are making a difference!

January 2025

Dear reader,

As we welcome 2025, we reflect on the profound changes and challenges that shaped the past year. In 2024, the global economic landscape remained volatile, with inflationary pressures, disruptions in energy markets, and evolving geopolitical tensions reshaping priorities worldwide. The push toward deglobalization in certain sectors, coupled with technological transformations like AI integration and clean energy advancements, highlighted the urgency of adapting to a rapidly changing world.

In North Macedonia, political uncertainties and fiscal challenges persisted, testing the resilience of public institutions and the broader economy. However, these difficulties have underscored the need for robust, transparent governance and effective public policies that prioritize sustainable development.

At CEA, we have worked diligently to analyze these complex dynamics and provide actionable insights. Over the past year, our focus has expanded to address not only the immediate risks in public finances but also the broader systemic vulnerabilities affecting the North Macedonian economy. From the inefficiencies in public sector operations to the critical need for green financing and investments, we have been at the forefront of identifying challenges and proposing solutions. Environmental concerns remain central to our agenda. As the global community races against time to mitigate climate change, we have prioritized green transition initiatives, recognizing the intersection of economic growth and environmental sustainability. In 2024 we deepened our research into sustainable practices, addressing critical issues such as renewable energy adoption, circular economies, and regional cooperation for shared environmental goals.

Looking ahead to 2025, 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 2024:

- ⇒ Initiating dialogue on key economic topics and policies.
- ⇒ Enhancing fiscal transparency and accountability.
- ⇒ Advocating for transparent budgeting & efficient public spending to strengthen trust in institutions.
- ⇒ Promoting tax responsibility and morale in North Macedonia.
- ⇒ Providing evidence-based research to support governance reforms and improved public services.
- ⇒ 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.

Looking ahead to 2025:

- ⇒ Strengthening policy dialogue on emerging economic challenges and policy solutions.
- ⇒ Promoting innovative approaches to enhance transparency and trust in public finance.
- ⇒ Advocating for participatory and results-driven budgeting processes at all government levels.
- ⇒ Support initiatives to increase public awareness and compliance with tax responsibilities.
- ⇒ Delivering high-quality research to guide governance reforms and improve public services.
- ⇒ Expanding research and advocacy for sustainable economic practices and renewable energy in Macedonia and the Western Balkans.
- ⇒ Projecting potential macro-effects from EU Cohesion Policies for North Macedonia.
- ⇒ Building regional and international partnerships.

⇒ Good Governance & public finance

Project: Partnering with USAID – 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.

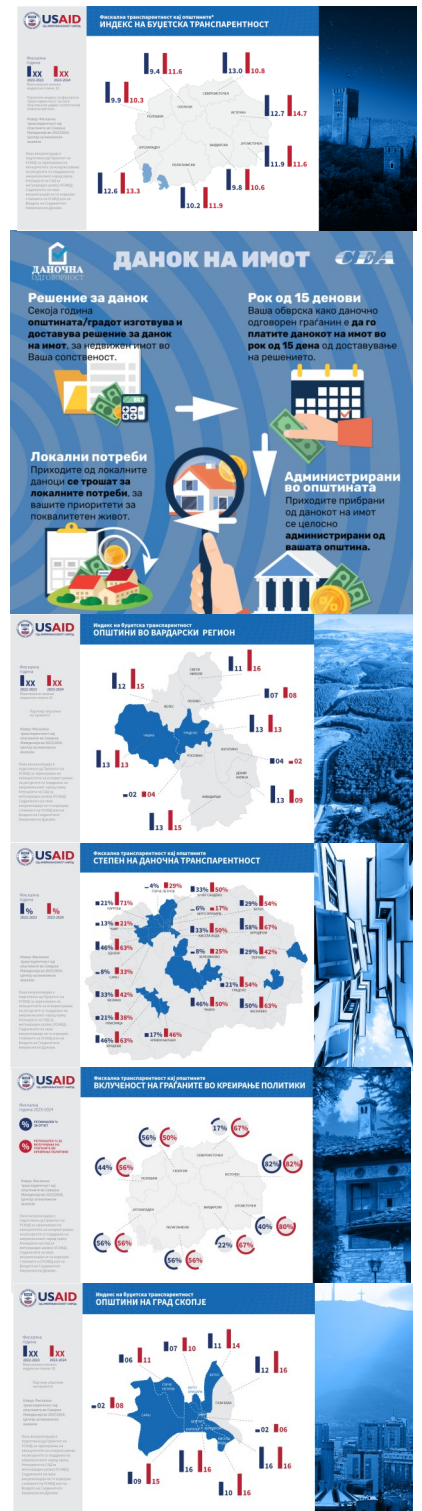
CEA as one of the several implementing partners of DT Global is contributing to the Project: Strengthening Resource Mobilization Activity. The project goals are to build the capacity of North Macedonia’s sub-national governments to generate, access, and effectively manage revenues to fund services and 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.

Highlights:

- * 15 first cohort partner municipalities increased their property tax collection by 40% thus contributing to the overall increase of ownsource revenue collection rate by around 46%.
- * 21 partner municipalities have enhanced civic engagement by preparing and publishing citizen budgets.
- * The second cohort of partner municipalities showed notable improvement, achieving gaining 2.5 index points in Fiscal Transparency on a scale from 1 to 16 compared to the previous year. The first cohort gained 2.5 index points in Fiscal Transparency

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



USAID'S
STRENGTHENING RESOURCE
MOBILIZATION ACTIVITY

**МОЈОТ ДАНОК,
ЗА МОЈАТА ОПШТИНА!**

До подобри општини, со навремено
подмирување данок на имот



⇒ *Good Governance & public finance*

Project: Economic activities in the border regions of North Macedonia and Bulgaria: A neglected dimension

CEA successfully completed a project aimed at promoting socio-economic cohesion, youth engagement, and regional cooperation between North Macedonia and Bulgaria in near-border regions. The project findings were shared during a final conference held in Berovo in February 2024. Key insights highlighted Delchevo's attractiveness to Bulgarian visitors, driven by its proximity to the border crossing, resulting in 20-40 times higher visitor rates compared to Berovo and Pehchevo, primarily at gas stations, pharmacies, and medical centers. To enhance tourism, the establishment of a micro-region encompassing the three municipalities was proposed, requiring improved road infrastructure, better coordination, and detailed analysis of Bulgarian tourists' profiles and preferences. The region also shows potential for health tourism, with medical facilities in Delchevo projecting a 20-30% business increase and hotels and restaurants anticipating a 20% revenue growth with enhanced road connectivity.

Project Highlights:

- * Delchevo receives the highest number of Bulgarian visitors due to its proximity to the border crossing, with 20 to 40 times more visitors compared to Berovo and Pehchevo, especially at gas stations, dental clinics, and medical centers.
- * A micro-region comprising Delchevo, Berovo, and Pehchevo could enhance Bulgarian guest visits by improving cooperation and coordination among the three municipalities. This initiative would require better road infrastructure, coordinated planning, and a detailed analysis of Bulgarian visitor profiles and preferences.
- * The region has strong potential for health tourism, with dental clinics and medical centers in Delchevo reporting a potential 20% increase in business (up to 30% in Berovo) if road infrastructure improves. Hotels and restaurants in the region anticipate a 20% increase in revenue with improved road connectivity.

See more [here](#).



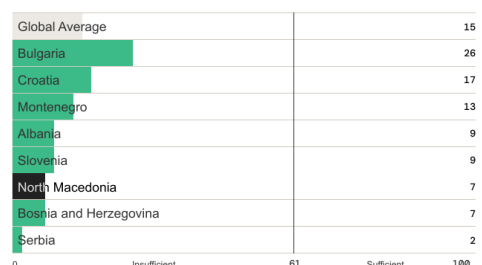
Open Budget Survey

CEA continues to be a partner with the world renowned International Budget Partnership-IBP in the process of preparation of the [Open Budget Survey for North Macedonia](#). CEA monitored the government openness for 2023. North Macedonia experienced a slight decline in its budget transparency ranking for 2023, dropping from 36 points in 2021 to 35 points in 2023.

According to a [recent study](#) by IBP, North Macedonia scored poorly, ranking second-worst in the region after Bosnia and Herzegovina. While global budget transparency and public participation saw modest gains, the availability of Citizen Budgets declined, missing a key opportunity to enhance budget accessibility for the public.

CEA, with support from the IBP, continued advocating for fiscal transparency in the Western Balkans by presenting OBI Survey findings and collaborating with North Macedonian think tanks to foster a network of stakeholders with a shared goal.

Public participation in North Macedonia compared to others



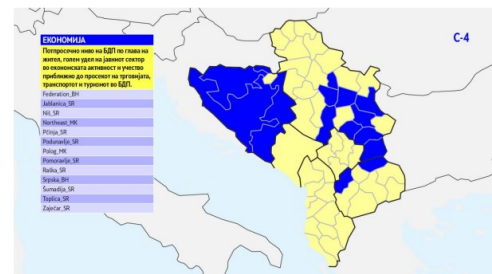


⇒ *Good Governance & public finance*

Project: Assessing & Streamlining the potentials of the Open Balkan Initiative

CEA has successfully finalized the project supported by the Open Society Foundations, which aimed to assess and enhance the potential of the Open Balkan Initiative. The project involved an independent pool of experts from the six Western Balkan countries who analyzed and addressed challenges to cooperation and coordination among the Open Balkan countries. Their findings aimed to build on the existing political will, paving the way for a more structured, priority-driven, and systematic approach to the initiative's development.

The materials, including analyses on alignment with ongoing processes, EU acquis, and the economic impacts of the initiative, are now available at the following [link](#).



⇒ *Regional Balanced Development and Decentralization*

Overview of balanced regional development and fiscal decentralization

Fiscal decentralization and balanced regional development are key components of sustainable governance and equitable economic growth. While fiscal decentralization focuses on empowering local governments with financial autonomy, balanced regional development aims to reduce disparities among regions, fostering equal opportunities across the country. Despite their interconnectedness, these strategies are often approached independently, creating a gap in understanding their mutual influence and potential synergies.

CEA's research study contributed to bridge this gap by examining the relationship between fiscal decentralization and balanced regional development. It was kindly asked by LPSA expert group for this study to be presented at their activities. Please see more [here](#). The study underscores the importance of integrating these strategies, particularly when designing second-generation legislative solutions for fiscal decentralization. Treating them as separate instruments can undermine their effectiveness and hinder the achievement of broader national development goals.

Findings show that higher density of local self-governments (LSGs) increases regional inequality by 2%-7%. Regions with higher population density and active labor markets experience slower convergence, while greater urbanization drives regional economic growth. These insights emphasize the complex dynamics between regional characteristics and their economic trajectories, offering valuable guidance for balanced regional development policies.



Overview of Balanced Regional Development and Fiscal Decentralization: Regional Disparities and Fiscal Decentralization

Public Policy Paper

USAID STRENGTHENING RESOURCE MOBILIZATION ACTIVITY (SRMA)

⇒ Green Transition



Green Force Twinning Project

CEA is partner in implementing an EU Horizon 2020 supported project.

GreenFORCE is a project funded by the EU Horizon 2020 program, with the goal of promoting excellence in scientific research and innovation related to the "green transition" in the Western Balkan region.

The project is partnership among Co-PLAN (Albania), CEA (North Macedonia), and UB GEF (Serbia), and also involves partnerships with POLITICO (Italy) and Nortregio (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.

You can find below the produced newsletters with details on many of the activities conducted and in progress:

[Newsletter vol.1](#)

[Newsletter vol.2](#)

[Newsletter vol.3](#)

[Newsletter vol.4](#)

[Newsletter vol.5](#)

The CEA team has actively contributed among other to the development of the [Report on Western Balkans Just Green Transition Conceptualisation](#) and the policy brief titled [Just Green Transition in the Western Balkans: Overcoming Transition Fatigue](#). In addition, CEA conducted an in-depth analysis of North Macedonia's case in the study [Building Pathways for Managing a Just Energy Transition](#).

This concise document explores energy transition policies and evaluates how governance processes and stakeholder engagement can deliver socially and spatially equitable outcomes. Using the Republic of North Macedonia (RNM) as a case study, it identifies key challenges in managing decarbonization and achieving a just energy transition.

Facebook page: [Green Force Twinning Project](#).

Website: <https://greenforcetwinning.net/>





⇒ *Initiating Dialogue - EU Integration and Networking*



Macro-Regional Collaboration: Nordregio Experts visit North Macedonia for just green transition discussions

As part of the *Greenforce Twinning Project*, Nordregio experts researchers visited CEA and North Macedonia to engage in discussions on advancing macro-regional collaboration for a just green transition. This visit highlighted the importance of regional cooperation in addressing shared environmental challenges and fostering sustainable development across the Western Balkans. The initiative aimed to strengthen partnerships and develop innovative solutions for a greener future.



International Summer School “Communicating Just Green Transitions” - Navigating the path to a sustainable future, Belgrade

The International Summer School titled “Communicating Just Green Transitions” - Navigating the Path to a Sustainable Future, was held 13-17 May 2024. CEA presented a lecture on Just Transition Policy and Governance: The Case of North Macedonia status and assessment and the importance of communication and public participation in the path towards decarbonization. CEA team was also involved in providing practical guideline lectures on conducting Cost Benefit Analysis (CBA) and the Social Environmental Cost Benefit Analysis (SE-CBA) as an instrument to assess, the impact of green transition actions.



7th Annual Workshop of TG-WeB in Sofia

Vesna Garvanlieva was participating on the 7th annual workshop: Reflecting on the progress in transitioning to sustainability in the Balkans: The aim of the 7th Annual Workshop of TG-WeB was to discuss green transition and sustainable development, focusing on how the efforts of WB countries are monitored from an SDGs perspective. The workshop provided further insight into the changes needed in development models and the actions required to achieve the global sustainable development goals (SDGs).



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

CEA presented the research case Towards assessing the impacts of JGT in the Western Balkans – A Case Study Approach, Research Case: Implications of Transition in the Energy Sector at the Regional Level, North Macedonia preliminary findings on the 2nd GreenFORCE, RAB meeting in Belgrade where the RAB members provided insightful contributions on the Western Balkan countries' research progress.



Tirana Think Tank Forum, 2024

CEA participated on the regional three-day event Tirana Think Tank Forum, 2024 that brought together policymakers, civil society representatives, and academics for a public forum on think tanks and policy-making titled “Think Tanks in the Time of Hybrid Regimes – Challenges to Impact, Integrity, and Independence”. The program featured diverse range of topics, including the role of think tanks in evidence-based policy-making, their relevance in times of crisis, and the Agenda 2030. The event offered space for interactive discussions, plenary and parallel sessions, and much needed networking opportunities. Participants engaged with experts and leaders in the think tank sector, exploring strategies and a roadmap for advancing policy research and think tank growth in the Western Balkan.



Forum: State of the Nordic Region in Luleå

CEA actively participated in the Nordregio Forum and the seminar on the *State of the Nordic Region*. Additionally, CEA played a key role in secondments focused on *Pathways for Macro-Regional Cooperation in the Western Balkans*, contributing to discussions and initiatives aimed at strengthening collaboration and fostering sustainable development across the region.



RSA Annual Conference 2024 in Italy

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.

Decentralization & Regional Development: Measuring Impact & Designing Policy Options
 LPSA Europe & Central Asia Regional Working Group
 September 11, 2024

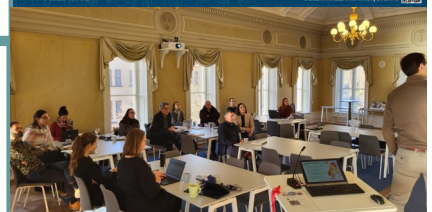


 Gabor Peter LPSA Co-Chair, ECA Working Group	 Marjan Nikolov President of Center of Economic Analyses, North Macedonia	 Marjan Plesovic Professor of University American College, North Macedonia	 Francesco Proietti University "Abo", Italy	 Veli Cerkez President of LPSA, Laboratory	 Izabela Kadijanovic Advisor to the Prime Minister of the R. of Ljubana, Regional policy and municipal development
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Knowledge exchange in Stockholm

As part of the GreenFORCE initiative, key project partners—including UB-GEF (Serbia), Co-PLAN (Albania), CEA (North Macedonia) - gathered in Stockholm to collaborate with esteemed experts from Nordregio. This meeting underscores the importance of knowledge exchange and joint efforts to address the pressing challenges of the green transition. By combining regional insights and expertise, the partnership aims to foster sustainable development and create innovative pathways for a greener, more resilient future.



LPSA Expert Working Group on Europe & Central Asia – Open meeting

Marjan Nikolov from the Center of Economic Analyses presented a [policy paper](#) on Balanced Regional Development and Fiscal Decentralization in North Macedonia.



⇒ *Initiating Dialogue - EU Integration and Networking*



Closed-door event: Potentials of the Open Balkan Initiative in Berlin

CEA took part in the closed-door event co-organized by OSF and DGAP in Berlin to present the Potentials of the Open Balkan Initiative. This event was initiated by the DGAP following the results from the study on the economic benefits/loss of being/not being part of the Open Balkan Initiative for countries in the Western Balkan, individually and as a group (region) with full and partial integration, versus the Berlin Process, through the prism of medium to long-term forecast of key macroeconomic indicators.



Discussion on sustainable development and green diplomacy in Struga

As part of #GreenDiplomacyWeek, Europe House Struga, in collaboration with the Center for Social Development IMPACT Ohrid and the Center for Economic Analyses (CEA), organized a roundtable focused on sustainable development, green diplomacy, and the role of stakeholders in addressing these critical issues.



CEA presented key findings from its case study, *Green Transition in the Energy Sector of North Macedonia: Assessment of the Current State and Impact on the Process of Just Energy Transition*, with a territorial focus on the Southwestern Planning Region (SWPR).

BALKANS



**PERSPECTIVES
AND PROSPECTS
IN THE NEW ERA**

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

The civil sector is richer for the addition of one entity in the field of global challenges and changes: 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. The Ambassador of China, Mr. Zhang Zuo, was also present at the ceremony. CEA discussed the potential of the Western Balkans for possi-



Short term scientific mission in Porto

Marjan Nikolov was awarded a short term scientific mission in Porto in the Department of Social, Political and Territorial Sciences at the University of Aveiro. He studied with his colleagues from Portugal the fiscal decentralization impact on balanced regional development in North Macedonia and Portugal.



⇒ *Assessing and streamlining potentials of Open Balkan Initiative — Key findings*

- ⇒ **Administrative and structural challenges:** Significant gaps in administrative preparedness, coordination, and legislative alignment persist across participating countries, slowing the effective implementation of labor market agreements and other regional integration initiatives.
- ⇒ **Legislative and digital infrastructure needs:** Many countries have yet to adopt necessary legislative reforms or establish robust digital systems, such as e-services and interoperable platforms, which are essential for enhancing labor mobility and regional cooperation.
- ⇒ **Economic potential of regional integration:** Full participation in regional initiatives like the Open Balkan Initiative could lead to accelerated economic growth and increased investment opportunities. However, these benefits are contingent upon harmonized regulations, streamlined processes, and effective execution of agreements.
- ⇒ **Business community engagement:** Limited awareness and involvement of the business community highlight a need for greater communication, simplified administrative procedures, and the establishment of regional forums to address challenges and foster collaboration.
- ⇒ **EU Alignment and compliance:** A lack of alignment with EU standards in the design and implementation of regional agreements poses potential risks for countries on the path to EU accession, underscoring the need for careful planning and compliance assessments.
- ⇒ **Call for regional collaboration:** To address these challenges, there is a pressing need for collaborative platforms that bring together governments, businesses, and other stakeholders to ensure coordinated efforts, transparency, and mutual benefits across the region.



Economic Experts Survey (EES)

CEA continues to contribute to the *Economic Experts Survey (EES)*, a global initiative by the IFO Institute in Munich and the Institute for Economic Policy (IWP). This collaboration involves sharing insights and expertise to support the preparation of the comprehensive *Economic Experts Survey Report*. The EES collects valuable perspectives from economic professionals worldwide, providing an in-depth understanding of current global economic trends and challenges. CEA's ongoing involvement reflects its commitment to contributing to evidence-based policymaking and fostering informed discussions on key economic issues. More information about the survey can be found here: [Economic Experts Survey](#).

⇒ *Future activities*

In 2025, CEA remains dedicated to improving the socio-economic environment and driving sustainable economic development. Key priorities include:

- ⇒ Strengthening market presence through strategic outreach and engagement.
- ⇒ Refining economic models to support evidence-based decision-making.
- ⇒ Producing objective analyses grounded in robust data to address key challenges.
- ⇒ Monitoring North Macedonia's economic climate to identify trends and risks.
- ⇒ Delivering actionable policy recommendations for sustainable reforms.
- ⇒ Building partnerships with think tanks and institutes across the Balkans, Central and Eastern Europe, and beyond.
- ⇒ Collaborating with international donors and financial institutions for impactful projects.
- ⇒ Publishing reports and analyses to effectively share insights with the public and stakeholders.

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. Guidebook for internship program at CEA available [here](#).



CEA TEAM



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