

...We are making a difference!

***NEWSLETTER
2025***



Dear reader,

As we move through 2026, we take a moment to reflect on a year marked by continued uncertainty, but also by important opportunities for transformation. Globally, economic pressures have remained pronounced, shaped by persistent inflation, evolving energy markets, geopolitical instability, and rapid technological change. At the same time, the accelerating green transition and the growing role of digitalization and artificial intelligence have reinforced the need for forward-looking, adaptive economic and governance models.

In North Macedonia, fiscal sustainability, public sector efficiency, and political dynamics have continued to test institutional resilience. These challenges have once again highlighted the importance of transparent governance, responsible public finance management, and evidence-based policymaking as foundations for long-term socio-economic development.

CEA has remained focused on its core mission: analyzing complex economic and policy trends and contributing to informed public debate. Throughout 2025, our work has been guided by the need to better understand structural vulnerabilities, assess policy choices, and support reforms that strengthen accountability, efficiency, and inclusiveness in economic decision-making.

Environmental and climate-related challenges have remained central to these discussions. As the urgency of the green transition becomes increasingly evident, the intersection between economic growth, social equity, and environmental sustainability continues to shape both national and regional agendas. Addressing these interlinked challenges requires not only sound policies, but also careful analysis of their economic, fiscal, and social implications.

In 2025, USAID concluded its operations in North Macedonia, closing an important chapter of support for civil society and development. CEA acknowledges the constructive and impactful cooperation with USAID over the years, including the support received during CEA's establishment in **2003**, which contributed significantly to strengthening its analytical capacity and institutional foundations. CEA hopes that the European Union and other international donors will continue to invest in civil society organizations, ensuring sustained support for evidence-based policy work, accountability, and inclusive development.

Looking ahead, CEA remains committed to examining public policies, fostering informed dialogue, and providing research-based insights that support resilient and future-oriented policies.

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

CEA Team

Achievements & challenges in 2025:

- ⇒ Initiating and strengthening public dialogue on key economic and governance issues.
- ⇒ Advancing fiscal transparency and accountability at local level.
- ⇒ Promoting transparent budgeting and efficient public spending.
- ⇒ Delivering evidence-based analysis to improve governance and public services.
- ⇒ Exploring just green transition pathways through country case research.
- ⇒ Examining cross-border economic cooperation and regional linkages.
- ⇒ Supporting regional cooperation within the Open Balkan framework.

Looking ahead to 2026:

- ⇒ Strengthening Policy Dialogue on emerging economic challenges and solutions.
- ⇒ Promoting transparency, accountability, and trust in public and local finances, including climate financing.
- ⇒ Advancing participatory, evidence-driven budgeting and stronger fiscal governance.
- ⇒ Enhancing integrity and resilience to corruption risks in local and climate finance.
- ⇒ Delivering high-quality research to support governance reforms and public services.
- ⇒ Projecting potential macro-effects from EU Cohesion Policies for North Macedonia.
- ⇒ Strengthening regional and international partnerships for cooperation and knowledge exchange.

⇒ Good Governance & Public Finance

Project: Tax Transparency at local level

Tax transparency at the local level is a cornerstone of accountable governance, fiscal sustainability, and public trust. Through its own initiative, the Center for Economic Analyses has continued to monitor, assess, and promote budget and tax transparency across all municipalities in North Macedonia, with the aim of strengthening democratic oversight and improving the management of local public finances.

Building on a comprehensive analytical framework, the project examines the availability, quality, and accessibility of key tax information at the municipal level, as well as the extent to which citizens are informed and engaged in local fiscal processes.

Key improvements compared with previous year:

- **34 municipalities** improved their tax transparency compared to the previous year, indicating a positive trend in disclosure of local tax information.
- **62 municipalities** published explanatory information on local taxes (tax types, rates, and bases) on their websites, up from **59** in the previous year.
- **77 municipalities** published at least one public notice related to local taxes (e.g. reminders, revenue information, or rate changes).

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

ДАНОК НА ИМОТ CEA

Решение за данок
Секоја година општината/градот изготвува и доставува решение за данок на имот, за недвижен имот во Ваша сопственост.

Рок од 15 денови
Ваша обврска како даночно одговорен граѓанин е да го платите данокот на имот во рок од 15 дена од доставувањето на решението.

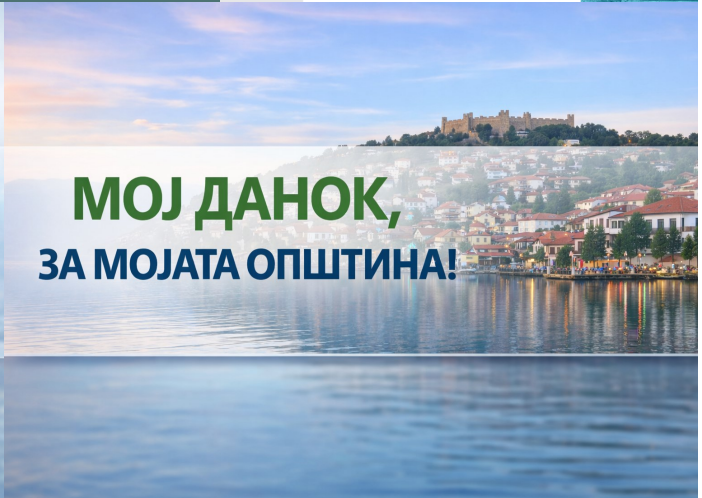
Локални потреби
Приходите од локалните даноци се трошат за локалните потреби, за вашите приоритети за поквалитетен живот.

Администрирани во општината
Приходите прибрани од данокот на имот се целосно администрирани од вашата општина.

Индекс на БУЏЕТСКА ТРАНСПАРЕНТНОСТ

ВКУПНОСТ НА ГРАЃАНИТЕ ВО КРЕИРАЊЕ ПОЛИТИКИ

Индекс на БУЏЕТСКА И ДАНОЧНА ТРАНСПАРЕНТНОСТ ОПШТИНИ НА ГРАД СКОПЈЕ





⇒ Good Governance & Public Finance

Project: Strengthening Integrity: Assessing Public Finance Management in Local Governments with focus on Corruption Risks

The "Integrity Driven Communities" project is an initiative aimed at strengthening corruption resilience and enhancing transparency across LSGUs in North Macedonia. As part of this effort, NDI, with the financial support of the Governments of Switzerland and Sweden, engaged the Center for Economic Analyses (CEA) to lead a comprehensive evaluation of municipal integrity in the local PFM.

CEA conducted in-depth assessments of Public Finance Management (PFM) across six pilot municipalities: Bitola, Bogovinje, Gazi Baba, Kumanovo, Shtip, and Strumica. To ensure the findings were both accurate and actionable, the project utilized a triangulation methodology, combining multiple data sources to eliminate bias. The assessment was executed in three phases: Assessment – Identifying current PFM practices and specific bottlenecks, Analysis – Evaluating corruption risks at the systemic, institutional, and individual levels and Formulation – Developing structured recommendations to mitigate risks.

The assessment combined stakeholder engagement through structured questionnaires covering the full budget cycle, on-site interviews with local governments, and verification of official documents and transparency tools. The process concluded with validation workshops to confirm findings and prioritize recommendations.

The findings identified systemic challenges, including gaps in planning and budgeting, fragmented risk management, weaknesses in internal oversight, and human resource constraints. These weaknesses place local public finances at risk, while also highlighting significant opportunities to strengthen public financial management through targeted reforms.



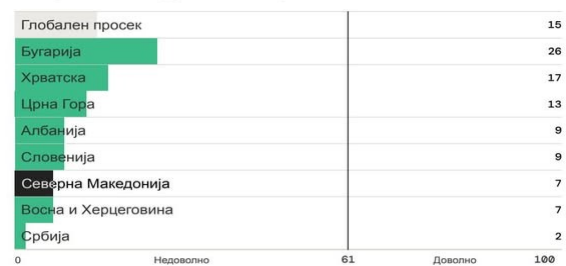
Open Budget Survey

CEA continues to be a partner with the world renowned International Budget Partnership-IBP in the process of implementing the [Open Budget Survey for North Macedonia](#). In that line, CEA monitored the government openness for the 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 the International Budget Partnership, 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.

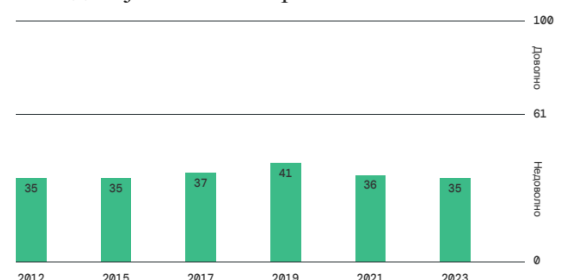
CEA, with support from the International Budget Partnership (IBP), continued advocating for fiscal transparency in the Western Balkans by presenting OBI Survey findings and collaborating with North Macedonian think tanks to foster a network of stakeholders with a shared goal.

See more [here](#).

Учеството на јавноста во Северна Македонија во споредба со другите земји



Како се менуваше транспарентноста на Северна Македонија со текот на времето?



⇒ Good Governance & Public Finance

Why improved fiscal transparency?

Fiscal transparency in developing countries 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.

In the previous couple of years, in addition to the regular monitoring of fiscal transparency at the national level and local level, CEA established a methodology for monitoring of the municipal s' tax transparency.

Municipal Fiscal Transparency

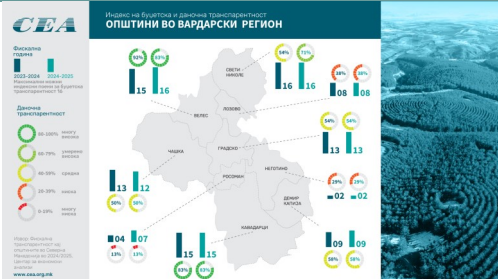
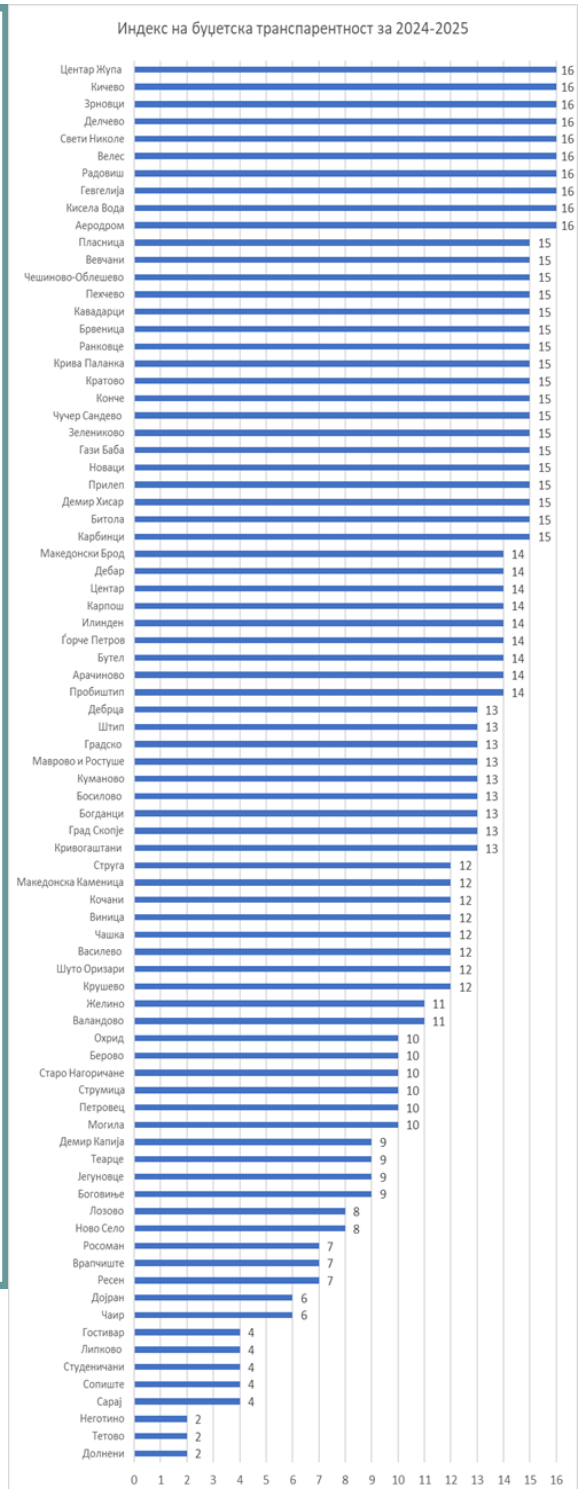
CEA has been continuously monitoring budget transparency at the municipal level in North Macedonia for over a decade, providing a consistent evidence base to track progress, identify gaps, and inform public debate on local public finance governance. See more [here](#).

Budget transparency of the municipalities in North Macedonia

Fiscal transparency on a local level is as important as it is at the national level. From this aspect, CEA several years in a row measured the index of budget transparency on a local level. The general information is that the LSGU notice an improvement on the index of availability of budget documents in 2023-2024, compared to other fiscal years ([2014-2015](#); [2016-2017](#); [2017-2018](#); [2019-2020](#); [2020-2021](#); [2021-2022](#); [2022-2023](#); [2024-2025](#)).

The 2024–2025 assessment shows that the **average municipal budget transparency index increased to 11.88**, compared to **5.59 in the 2014–2015 period**, indicating a long-term improvement in the availability of budget information. Furthermore, 23 municipalities improved their budget transparency score, with several recording increases of up to 6 index points, indicating measurable progress in local budget openness .

Transparency practices vary significantly across municipalities. In the 2024–2025 cycle, **65 out of 81 municipalities** published a **Citizen Budget**, up from **55 municipalities** in the previous year. At the same time, **40% of municipalities** published accountability reports on implemented activities, while **80%** organized forums or other mechanisms for citizen participation in local policymaking.



Project: Strengthening Integrity in Climate Finance

The project “*Strengthening Integrity in Climate Finance: Transparent and Accountable Climate Finance for Corruption Prevention*” is an EU co-funded initiative implemented by the Center for Economic Analyses (CEA) for the period **December 2025 – May 2028**. The project aims to strengthen the integrity, transparency, and accountability of climate finance at the local level in North Macedonia, with a focus on reducing corruption risks and improving the effectiveness of climate-related investments.

CEA’s work will concentrate on analyzing climate finance flows and public financial management practices, identifying governance and corruption risks, and supporting the institutionalization of proactive disclosure of climate finance data within local self-government units. The project further focuses on strengthening institutional capacities, empowering civil society and citizens through monitoring tools and methodologies, and increasing public awareness to ensure that climate finance serves as a transparent and effective instrument for sustainable development.

The project is structured across four strategic work packages designed to provide a comprehensive framework for oversight and governance:

- ⇒ **Baseline Research and Risk Mapping:** The initiative will begin with an analytical assessment of climate finance and public financial management at both central and local levels. This phase includes the identification of specific corruption vulnerabilities and the development of a methodology to quantify governance standards.
- ⇒ **Institutional Capacity Building:** The project will provide technical assistance to eight pilot LSGUs. Focus areas will include acquaintance and introduction with climate budgeting into municipal workflows and the implementation of risk management protocols. A dedicated transparency e-tool will be developed to provide public access to climate finance data.
- ⇒ **Civil Society Monitoring and Advocacy:** To ensure external oversight, the project will provide sub-grants and specialized training to 8 CSOs. These organizations will be tasked with establishing formal monitoring mechanisms, utilizing evidence-based methodologies to track financial flows and advocate for institutional improvements.
- ⇒ **Public Awareness and Civic Participation:** This component will focus on engaging local media, businesses, and citizens, to increase public scrutiny of climate-related decision-making and collaborative environment for anti-corruption efforts.

See more [here](#).





⇒ *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.



Project: Green Force Twinning Project

CEA has successfully finalized the 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 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 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 three produced newsletters so far:

[Newsletter vol.1](#); [Newsletter vol.2](#); [Newsletter vol.3](#); [Newsletter vol.4](#)
[Newsletter vol.5](#); [Newsletter vol.6](#).

The CEA team has actively contributed to the development of the [Report on Western Balkans Just Green Transition Conceptualisation](#), [Comparative Report on green transition governance challenges](#), and the policy briefs: [Just Green Transition in the Western Balkans: Overcoming Transition Fatigue](#); [Waste to Energy: Unlocking the potential of waste as an alternative source of energy in the Western Balkans](#). In addition, CEA conducted an in-depth analysis of North Macedonia's case in the study [Building Pathways for Managing a Just Energy Transition](#) as well as the research study on [Implications of Transition in the Energy Sector at the Regional Level](#).

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

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



⇒ *Green Transition*



Project: Green Force Twinning Project

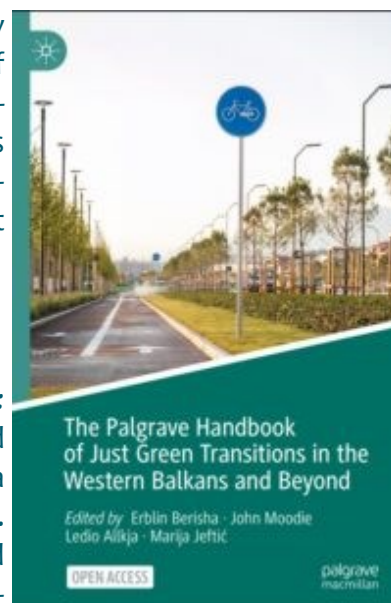
Through this work, CEA supported the development of evidence-based insights on green transition pathways, emphasizing the need for context-sensitive approaches that balance environmental objectives with socio-economic realities. The initiative reinforces the importance of integrating local perspectives into national and regional green transition frameworks, particularly in economies facing structural transformation challenges.

[Edited Volume on Green Transitions and Sustainability](#)

In 2025, CEA contributed to the publication of the edited volume *Green Transitions and Sustainability*, which brings together multidisciplinary perspectives on the economic, social, and governance dimensions of green transformation. The volume explores policy trade-offs, institutional readiness, and the distributional impacts of green reforms across different regions. By contributing to this publication, CEA aimed to enrich the regional and European discourse on sustainable development with empirical research and policy-relevant analysis.

Chapter 13: North Macedonia – A Place-Based Perspective

Chapter 13 of the handbook, *Just Green Transitions in North Macedonia: A Place-Based Case Study from the Southwest Planning Region*, authored by CEA researchers, focuses on the country's energy transition within a coal-dependent region facing significant socio-economic challenges. The chapter highlights the mismatch between financial instruments and local socio-economic needs, underscoring that a successful just transition cannot rely solely on top-down policy measures. The key message is that achieving a just transition in North Macedonia requires place-based policy design, inclusive stakeholder engagement, cross-level political consensus, and targeted social protection measures that reflect the specific characteristics of the region.



[Research in North Macedonia : Implications of Transition in the Energy Sector at the Regional Level](#)

North Macedonia's green transition, particularly the coal phase-out, presents both environmental imperatives and significant socio-economic challenges. This case study examines the potential long-term impacts of closing **TPP Oslomej** in the **Southwest Planning Region**, focusing on the implications for the local economy and workforce. Using a mixed-method approach, the research assesses energy and climate policies through a territorial and just transition lens. The findings underline that successful decarbonization requires place-based policies, social protection measures, and stakeholder engagement to ensure a fair and sustainable transition for affected communities.





⇒ *Initiating Dialogue - EU Integration and Networking*



GreenFORCE Winter School in Tirana

The third International School kicked off in January 2025 and continued with online preparation lectures in February 2025. The theme of this winter school was **“Scaling Down Green Transition – Co-Creating Nature-Based Solutions at the Neighbourhood Level”**.

The in-person part of the school took place in Tirana, Albania, from February 17-21, 2025, where students from our partner universities engaged in an in-person dynamic program focused on scaling down the Green Transition emphasizing that localized, nature-based interventions can create visible improvements in quality of life.



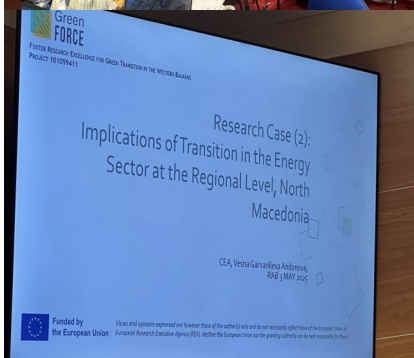
Presentation on the Research Case of North Macedonia

CEA team has presented the North Macedonia case study at the RAB meeting, within the framework of the EU Twinning project. The presentation focused on the regional-level implications of the energy sector transition, highlighting key socio-economic impacts and policy considerations relevant to a just and sustainable transition.



Kick-off Meeting for the Project “Strengthening Integrity in Climate Finance”

CEA held a kick-off meeting with the project team to officially launch the initiative **“Strengthening Integrity in Climate Finance: Transparent and Accountable Climate Finance for Corruption Prevention.”** The meeting marked the start of project implementation and focused on aligning objectives, methodology, and work packages aimed at strengthening transparency, accountability, and anti-corruption mechanisms in climate finance at the local level in North Macedonia.



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

We welcomed the Research Advisory Board of the GreenFORCE project, to discuss smoothly on all studies done so far by Co-PLAN, [Universiteti Polis](#), Nordregio, [Politecnico di Torino](#), UB-GEF, and [Center for Economic Analyses - CEA](#) on the Green and Right Transition in the Western Balkans. Part of the presented research was the joint document of all partner organisations, which highlights the role and contribution that academia and scientific research can have in the region’s Green Transition.





⇒ Initiating Dialogue - EU Integration and Networking

International Collaboration and Knowledge Exchange

CEA is fostering an emerging collaboration with **Tanzania Youth Es-pouse for Gender and Development (TYEGD)**, a Tanzanian youth-led non-profit organization focused on gender equality, social inclusion, environmental protection, and community empowerment through education and advocacy. This partnership has enabled a valuable exchange of experience and lessons learned on community-driven approaches to sustainable development, and lays the groundwork for even greater cooperation in the future to support inclusive and resilient policy solutions across regions.



RSA Annual Conference 2025 in Porto

CEA was participating on the RSA annual conference held at the University of Porto under the theme **“Navigating Regional Transformation”**. From May 6–9, 2025, the conference convened academics, policymakers, and practitioners from over 55 territories across Europe to explore sustainable regional transformation strategies. It featured an engaging program of special sessions, plenaries, and technical site tours.

RSA Annual Conference 2025

Navigating Regional Transformation

6th – Friday 9th May 2025, School of Economics and Management, University of Porto, Portugal.



Fiscal Decentralization Outlook in Europe

LPSA Sub-National Finance Thematic Working Group
Wednesday, November 5, 2025 - 9:00 EST/ 14:00 GMT/ 15:00 CET



CEA at the LPSA Subnational Finance Open Meeting – November 2025

Center for Economic Analyses (CEA), contributed to the 8th Open Meeting of the LPSA Thematic Working Group on Subnational Finance on 5 November 2025.

The session featured insightful presentations on key topics shaping subnational finance and multi-level governance in Europe and the Western Balkans. Vesna Garvanlieva Andonova, Senior Economist at the Center for Economic Analyses, presented key insights on fiscal decentralization and regional development in North Macedonia, highlighting persistent challenges such as central government dominance in fiscal authority, high reliance on transfers, and regional disparities. Read more about the meeting and key discussions [here](#).



TG-WeB Networking

CEA continues to be a committed member of the Western Balkan Network on Territorial Governance -TG-WeB network. By maintaining the partnership, CEA contributes to the network’s strategic objectives and participates in collaborative initiatives. This ongoing collaboration facilitates the exchange of expertise and strengthens CEA’s involvement in regional research frameworks.



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 2026, 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 independent, data-driven analyses to address key socio-economic, fiscal, and governance challenges.
- ⇒ Monitoring North Macedonia's economic climate to identify trends and risks.
- ⇒ Delivering actionable policy recommendations for sustainable reforms.
- ⇒ Advancing transparency and accountability in public and climate finance, with a focus on reducing governance and corruption risks at the local level.
- ⇒ Building partnerships with think tanks and institutes across the Balkans, Central and Eastern Europe, and Africa.
- ⇒ Collaborating with international donors and financial institutions for impactful projects, reform-oriented projects.



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



Center for Economic Analyses

Tel/fax: +389 2 24 44 766

Cell: +389 71 310 974

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

Web sites:

www.cea.org.mk

journal.cea.org.mk

www.tg-web.eu

www.igcoord.eu

www.greenforcetwinning.net

www.mkbudget.org

www.kbm.mk

FB: [Center for Economic Analyses-CEA](#)