

ANNUAL REPORT

2017

Finance Think is the only research institute in Macedonia that acquired the HR Ex-cellece in Research logo, which is a form of accreditation by the European Commission.

60%

total increase in impact

2.4%

institutional growth

14%

more publications & visualisations



About Finance Think

Finance Think is a non-profit institute for economic research and policies, founded in 2012, with the aim to enhance the impact of economic and social trends and policies on citizens in Macedonia and the Western Balkans region.



HR EXCELLENCE IN RESEARCH

PROGRAM AREAS

In order to achieve our mission and vision, the focus of work is on six program areas:

- Poverty, employment and skills
- Fiscal transparency and accountability
- Gender and income inequalities
- Social entrepreneurship and women
- Migration and remittances
- Sectoral economic policies

PRINCIPLES AND VALUES

Finance Think is guided by these principles and values:

Outreach and Inclusiveness

- The results and findings of Finance Think's work are disseminated in a way that can be understood by the non-specialists, and thus lead to better public understanding of the economy, policies and reforms.
- The products of Finance Think are cutting-edge and innovative.
- The think tank provides cooperative and nurtured professional environment, recognition of all employees as professionals, and does not perform any kind of dis-

crimination.

Transparency and Efficiency

- Finance Think manages its operations in a cost-efficient manner, and focuses on outcomes and impact. It gratefully recognizes the support it receives and is keen on delivering value-for-money in the pursuit of its mission.

ers are aligned with the strategic objectives that guide the research environment and the funding mechanisms.

- The research is applied, innovative, oriented to the policies and high-qualified.
- The research is interdisciplinary, collaborative and peer-reviewed.

The mission of the institute is accomplished through economic research, advice and recommendations to the economic policies and steering critical debate about economic processes.

- The policies and procedures of Finance Think are transparent.
- The internal and external evaluation of the activities of Finance Think is permanent and transparent.

Research Application, Quality and Ethics

- The research agenda is linked and integrated with the mission of the think tank, and the research-

- The researchers are focused on their research for the good of the mankind and for expanding the borders of the scientific knowledge, while enjoying the freedom of the thought and expression, as well as the freedom to identify methods for addressing the identified problems, according to the recognized ethical principles and practices

***Our Vision
To steer economic thinking for increased well-being tomorrow***

Dear readers

2017 was a politically turbulent year. In such circumstances, which reflected onto the economy, Finance Think kept the course of stability, impartiality and expertise. The Institute continued to grow, both institutionally and in terms of the impact on policy-makers and public discourse, and in terms of creativity. Our work continued in the key areas of action and expertise: poverty and quality of life; gender and income inequalities; fiscal sustainability; migration and remittances, and sectoral economic policies. Overall, this resulted in institutional growth of 2.4% compared to the previous year.

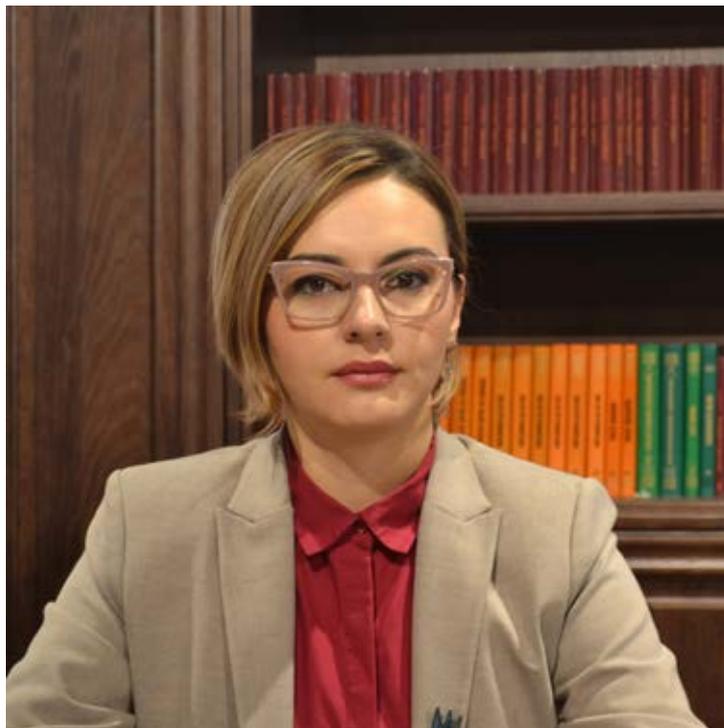
In 2017, we launched two new products in our analytical-visual portfolio: Let's Chat Economics, a graphic type of product representing a thought-out conversation between two people in order to bring to the fore a burning economic or social problem; and Quality of Life in Macedonia, analytical publication that performs a descriptive analysis of data on a particular economic topic. Many of the analytical and visual products have had a strong impact on policy makers and the general public. The accurate and balanced evaluation of economic trends, always based on evidence, remained the main ingredient in Finance Think's products. Our overall work - with immediate target groups, co-operation with policy makers and fostering public economic debate - brought an impressive increase in the impact of over 60% compared to the previous year.

Finally, during 2017, we worked on our institutional strengthening, as well as on strengthening of our public image. Most of the year, we devoted to the strategic planning process for the period 2018-2022, and to the work-out of our Strategy for Monitoring and Evaluation for the period 2018-2020. The team participated in prestigious events in the global economy, including participation in the Annual Meetings of the IMF and the World Bank in Washington, and a visit to the European Parliament.

We continue this path, during the year that is in front of us.

Enjoy reading this Annual Report.

Trully yours,



Blagica Petreski, CEO

A handwritten signature in blue ink, which appears to read 'Blagica Petreski'. The signature is fluid and cursive, written over a white background.





Blagica Petreski

Chief Economist (Chief Executive Officer)

Blagica is the founder, Chief Economist (CEO) of Finance Think. Her research interest involves an array of development topics like poverty, unemployment, gender inequalities, social entrepreneurship for women. She is a committed advocate for better economic policies as well actively engaged in shaping the public debate on economic issues in the country and the region. She is a PhD candidate in Economics and an MSc graduate from the University Ss. Cyril and Methodius in Skopje. Blagica received the Award for a Young Researcher of the year granted by the National Bank of Macedonia, as well the Award for best paper on risks and insurance by the Insurance Supervision Agency.



Despina Tumanoska

Program Coordinator

Despina is the founder, a member of the Executive Board and a Program Coordinator at FT. Her research interest involves issues like macroeconomic policies, unemployment, sectoral economic policies, applied econometrics and the like. Despina is actively engaged in the public debate on current economic topics. She is a PhD candidate in Economics and an MSc graduate from the University American College Skopje. In 2012, she won the Annual award for Young Researcher conferred by the National Bank of the Republic of Macedonia.



Ivan Vchkov

Economic Analyst

Ivan works on issues related to fiscal transparency, participative budgeting, remittances and the gender wage gap. He graduated from the University of Oulu, Finland in the field of Finance and from University of Wales Institute, Cardiff in the field of Agribusiness management. He is a member of the Finnish Association of Business School Graduates. Ivan joined Finance Think in October 2015.

Our Mission

To enhance the impact of economic and social trends and policies on citizens in Macedonia and the Western Balkans region, through economic research, evidence-based and data-driven advocacy, and steering critical debate on economic processes

Tereza Kocovska

Organizational Coordinator

Tereza is in charge of all organizational and administrative matters at Finance Think. In small part of her time, she is involved in issues related to collection of primary data, analysis of unemployment, remittances and migration. She is a PhD candidate in Economics and a Master's graduate in Finance at the University American College Skopje. She joined Finance Think first as an intern in February 2015 and then as the Organizational Coordinator as of October 2015.



Blagoj Gjelevski

Economic Analyst

Blagoj joined Finance Think in June 2017 as a field coordinator of the FISCAS network. He has a Master degree in Political Management, from the University Cyril and Methodius in Skopje. Blagoj is a Founder of the NGO Kvantum Prima from Kavadarci. Other areas of his interest include statistics, data analysis, and web design. Blagoj was a scholarship student of the Konrad Adenauer Foundation. He is inventor of the "Priority Ranking Model" (Mathematical Model for DSS (Decision Support Software)) registered at the Macedonian Authors' Agency under the mark "mk 1074".



Natasha Pavikjevik Stojmenovska

Social Policy Analyst

Natasha joined Finance Think in September 2016. She is a graduated Social Worker from the Ss. Cyril and Methodius University, at the Institute for Social Work and Social Policy "Mother Theresa" in Skopje. Her areas of interest include: the social security system of Macedonia, social work in the community, social diversity and issues related to equal opportunities. In Finance Think, Natasha works on issues related to vulnerable populations, including current social policies in Macedonia.



Milosh Gjuroski

Visualization and Public Image

Milosh is responsible for the outlook of Finance Think in any occasion. He is a master's graduate in Industrial design and marketing from the Faculty of Mechanical Engineering at the Ss. Cyril and Methodius University in Skopje. His professional experience and education are a combination of design and marketing/business administration. He received a Golden medal at the international competition for innovation Econova 2011, while winning the second place at the international Eco Chair Competition 2013 for the product Cardbord Chair. Milosh joined Finance Think's team in September 2016.





Projects

Finance Think's projects are divided in six research programs:

POVERTY, EMPLOYMENT AND SKILLS

FISCAL TRANSPARENCY AND ACCOUNTABILITY

GENDER AND INCOME INEQUALITIES

SOCIAL ENTREPRENEURSHIP AND WOMEN

MIGRATION AND REMITTANCES

SECTORAL ECONOMIC POLICIES

Poverty, employment and skills

This research program refers to an array of development topics related to the quality of life of citizens and includes but is not limited to issues such as poverty, minimum wage, participation in the labor market, unemployment, informal economy, productivity, social protection, and the like.

Within this program, the following projects have been implemented:

Analysis of youth underemployment in Macedonia, Montenegro and Serbia

The objective of the study is to describe underemployment and investigate its effect on personal wellbeing in the three countries. Special reference to gender will be made. By so doing, it opts to bring the issue to policymakers' agenda and formulate ideas for policies tackling underemployment.

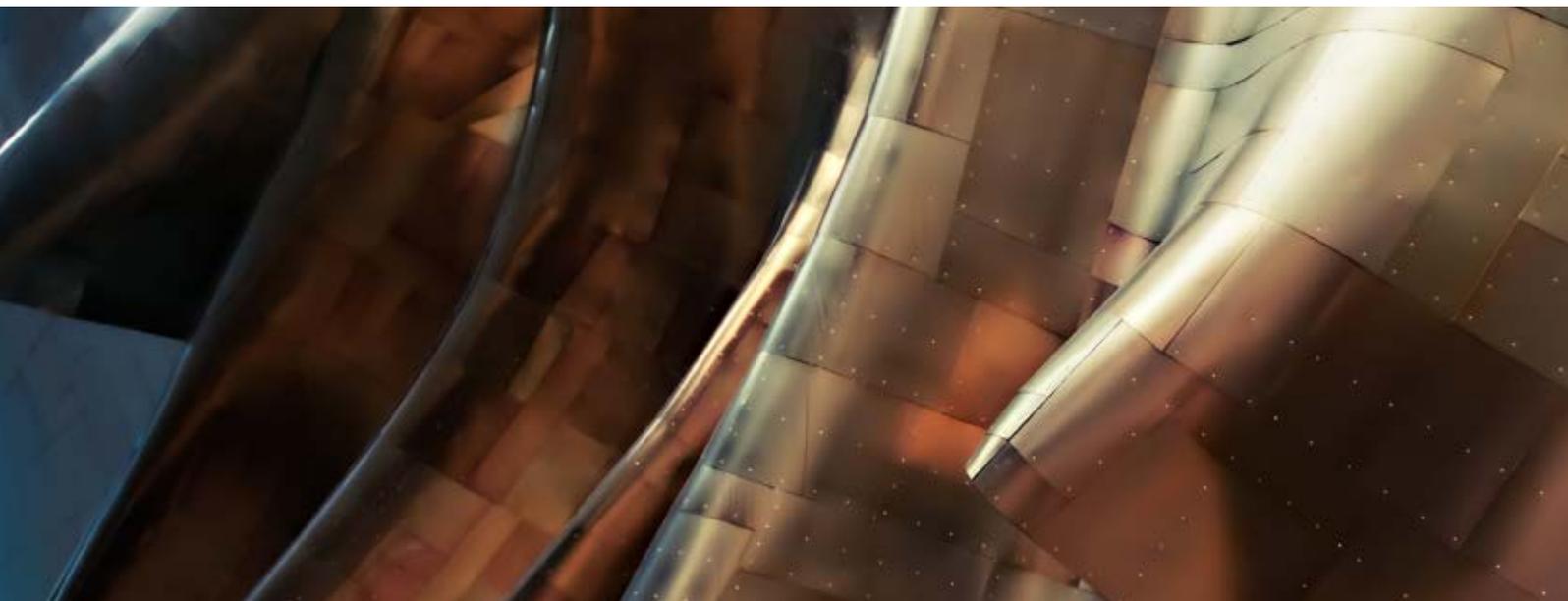
Activities: During 2017, the following activities were conducted:

1. The project team members participated at two-month course on Public Policy Evaluation and were appropriate by certified.
2. An econometric model for estimating the impact of the underemployment on personal wellbeing of youth was developed.

Achievements: The early draft with econometric calculations has been produced.

Donor: Partnership for Economic Policies

Duration: 2017-2019



Promoting active inclusion of disadvantaged persons excluded from the labor market

Overall objective of the project is to increase the activation of persons at risk of social exclusion in the labor market by improving their skills, education, qualification and facilitating their full integration into the society and the labor market.

Activities: This overarching objective is broken down into specific activities divided on three fronts:

1. Improve the efficiency of employment and social services as a way of promoting the social inclusion of vulnerable and disadvantaged groups by assisting professionals from the Employment Centres and the Centres for Social Work in developing new skills as 'Mentors for Social Inclusion', through: training, focus groups, networking with vulnerable groups and different stakeholders and introduction of the Mentoring Model (toolkit for self-evaluation/supervision methodology, Manual for Mentors)

2. Empower vulnerable and disadvantaged groups and give them the skills and experience required to breaking down the hurdles they encounter on their journeys into long-term work and independence through a pre-employment training program and work placements or internships in local businesses and social enterprises;

3. Foster improvements in service delivery by designing new family support services, raising public awareness, and developing effective partnerships among key

stakeholders (local self-government units, governmental institutions, non-governmental organizations involved in service delivery, social partners, education and training providers) to produce results on the ground.

Achievements: According to the mentioned activities, the following results were achieved during 2017:

1. At the 4 panel discussions titled "Everyone can and has right to be employed" organized in Ohrid, Kumanovo, Kavadarci and Tetovo, socially vulnerable categories face when accessing the labor market and the opportunities that stand on available to increase their employability were discussed.

2. At the round table "Employment for everyone" organized in Skopje on March 2, the results of the first year of the project implementation were presented.

3. Over 90 representatives of public institutions, civil society organizations and interested citizens attended the seminar Methods for encouraging new jobs, where the model of social mentoring was presented.

4. On May 29, 30 and 31, a Training for Social Mentorship was held, at-



tended by 60 professionals working in the Centers for Social Work and the Employment Centers throughout the country. The purpose of the training was to familiarize with the model of social mentoring, which was piloted for the first time within the project.

5. In order to increase public awareness on the issue of social inclusion, a video "Everyone can and has right to be employed" was produced and broadcasted on the national TV 24.

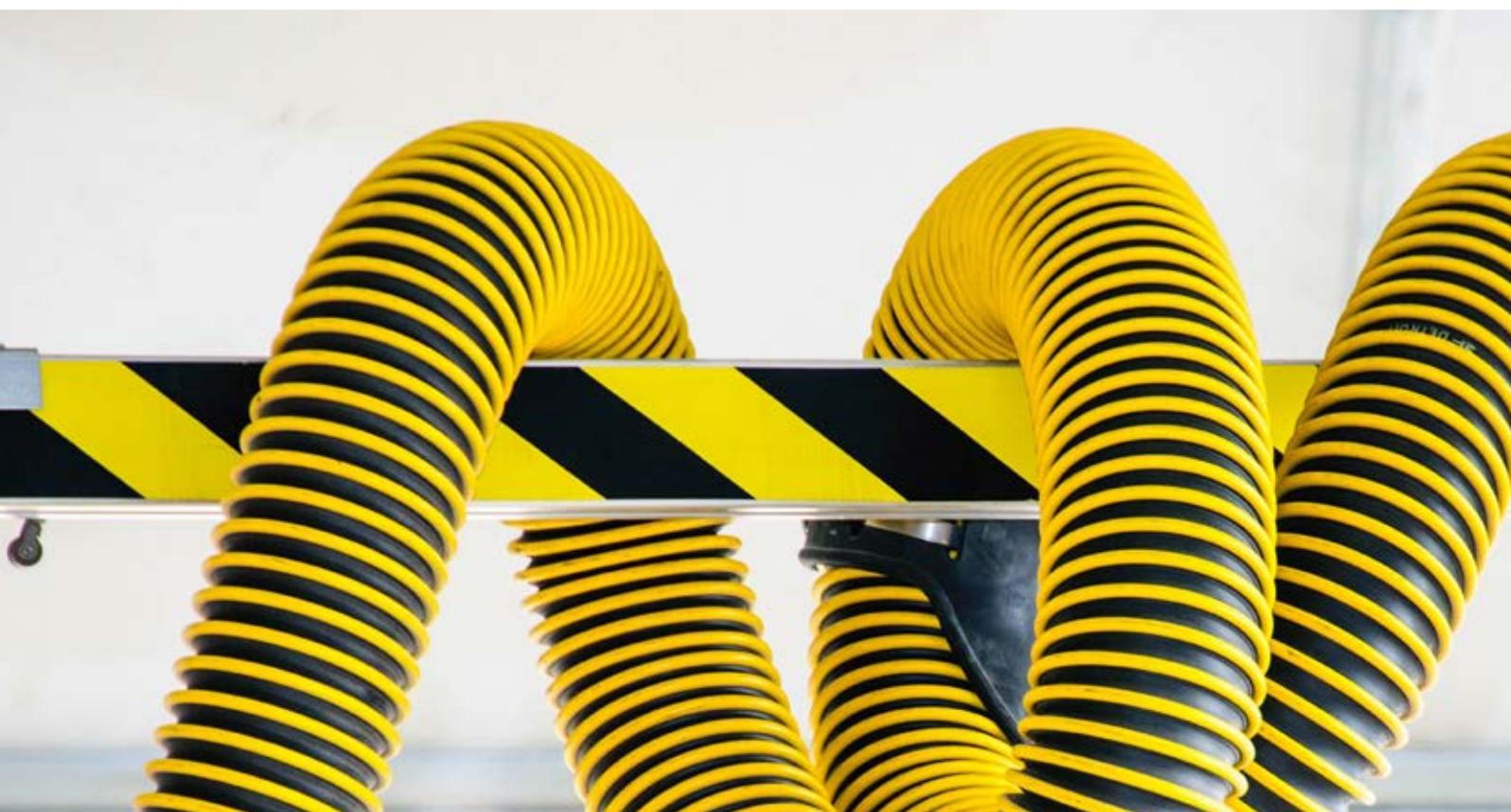
6. In January 2017, the process of acquiring practical skills began, through which 17 persons belonging to a socially vulnerable category were given the opportunity to be part of a Macedonian company and directly involved in their work. The internship was conducted in accordance with the "Guidelines for internship" - a publication produced within the project and disseminated to all parties involved in this process.

7. At the closing conference "New Measures for New Jobs", the results of the project and the publications: "Manual for mentors" and "Protocol of measures and services" that offer new measures that will stimulate the employment of marginalized persons, were presented. At the conference, certificates for social mentors were awarded to the representatives of the Employment Centers and the Centers for Social Work included in the project, while the companies that participated in the process of providing internships were awarded with recognition for socially responsible companies.

Donor: European Commission – Instrument for Pre-Accession Assistance

Duration: December 2015 – August 2017

Partner: Childcare and Family Support (KMOP), Athens, Greece



Fiscal transparency and accountability

This research program covers issues like transparency, structure and effects of public spending, participative budgeting at national and local level, sustainability of the public deficit and debt, public procurement and so on.

“My money, my responsibility”: Participative budgeting in the municipalities in Macedonia

The **overall purpose** of the project is to enhance local-stakeholders’ practice and participation in the local budgeting process and to increase the effectiveness of the municipal-money spending.

The particular objectives/tasks of the project include:

1. To increase participation of local stakeholders – civil society, business community, citizens, local media – in the municipal-budgeting processes;
2. To increase awareness of local citizens for how spending of municipal money affects their quality of life;
3. To increase the credibility and effectiveness of local governments’ decisions related to the spending of public money, as well raise awareness for the (need for) transparency related to it.

Activities: The project is founded on the realization of the following activities:

1. Selection of municipalities, analysis of the current situation with participatory budgeting and stakeholders and concluding memo of understanding with the selected municipalities.
2. Increasing the knowledge and skills for participatory budgeting of the stakeholders through a series of trainings and workshops.
3. Increasing the public awareness of the benefits of participatory budgeting through a series of public events (informative corners, public lectures, statements and media writing, information flyers, etc.).

Achievements: During 2017 the following activities were carried out:

10 municipalities (Prilep, Krushevo, Krivogastani, Kumanovo, Staro Nagorichane, Kavadarci, Negotino, Saraj, Gjorce Petrov and Kriva Palanka) were mapped as municipalities that will be part of the project. For each municipality, an analysis of the current state of participatory budgeting has been prepared, and key stakeholders, who should support the process of participatory budgeting and the project as a whole, have been mapped.

Donor: USAID – Civic Engagement Project

Duration: May 2017 - May 2020



Active civic engagement in design and monitoring of the local budget and public procurement

The **project aims** at increasing the engagement of external stakeholders (citizens, civil society organizations and local media) in the design and monitoring of local budgets and public procurement.

Activities: Main project activities include:

1. Analysis of existing budget documents, practices and civic inclusion
2. Creating recommendations for policy makers
3. Capacity building for monitoring and implementing public procurement
4. Advocacy activities

Achievements: During 2017, the following activities were carried out:

1. Through interviews with representatives of the municipality of Krushevo and the municipality of Krivogastani, we received a more detailed picture of the manner of preparation and execution of local budgets.
2. In three separate focus groups with citizens of Prilep, Krushevo and Krivogastani, we heard the views and experiences about the involvement of citizens in the process of creating local budgets.
3. 16 representatives of the local government and public enterprises from Prilep, Krushevo and Krivogastani participated in the training "Implementation of public procurement" aimed at building their capacities for more efficient implementation of public procurement for the needs of the local institutions.
4. 19 representatives of civil society organizations, local media and interested citizens of the three municipalities participated in the training "Implementation and monitoring of public procurement" and increased their knowledge on this issue.

Donor: European Policy Institute

Duration: June 2017 - May 2018



FISCAST+: Fiscal transparency and accountability improves policies in quality of life, education and health

The objective of the project is to address efficiency and quality of selected policies in quality of life, education and health through public debate and policy options derived from data and evidence.

Activities: The following activities will be delivered throughout the project implementation:

1. Mapping and selection of the most important policies in three areas of interest through desk screening of the existing policies and measures, preparing a matrix of all public policies, focus groups with citizens of three different cities and debate and working meetings with experts, in order to choose the eight most important policies that will be a subject of further analysis;
2. Research and production of results through upgrading the web platform www.fiscast.mk with a large database and re-granting developing studies that will be published during the project implementation;
3. Links with media outlets and development of outreach products like video, info-graphs, round tables, economic forum, journalistic stories and producing a storytelling leaflet, touching upon particular person/life;
4. Capacity building for teams and media for use of data, cost benefit analysis and policy options through workshop on building synergies in economic analysis and workshop to track progress and outreach strategy.

Achievements:

1. Four out of six teams of experts in the respective areas have developed policy studies on issues related to quality of life, health and education in the country, and three of them ("From Figures to Practice - identifying and analyzing quality indicators of the teaching process in the elementary education in Macedonia "," Universal Health Insurance in the Republic of Macedonia and the effects of the implementation of the project "Health Insurance for All" and "Overhaul of the Social Assistance System in Macedonia: Simulating the effects of the introduction of scheme for guaranteed minimum income") were presented at separate roundtables.
2. Increased public awareness on issues related to quality of life, health and education through the publication of infographics and active participation in the media through brief statements and interviews.

Donor: British Embassy in Skopje

Duration: July 2016 - March 2018

Corruptive practices impede economic growth in Macedonia

The **objective** of this policy research is to identify corruptive practices that influence the economy of Macedonia and to offer real already-implemented similar measures in the EU to tackle and resolve these kinds of practices.

Activities: Quantitative analysis based on data that captures corruption and informal practices, has been produced.

Donor: TRAIN is funded by the Federal Foreign Office and run by the Berlin-based German Council on Foreign Relations (DGAP).

Duration: March – December 2017



Social entrepreneurship and women

“Heroes and She-roes”: Knowledge for analysis of and advocacy for equal pay for women and mothers in Macedonia (SHE-ROES)

Aim: The objective of this project is to correctly measure gender pay gaps (difference in wages between men and women) and motherhood pay gaps (difference in wages between mothers and childless women) in Macedonia and to advocate solutions for addressing the prevalent pay gaps.

Activities: The project envisages activities positioned within three pillars:

1. Professional development through capacity building and direct knowledge transfer between the two partner organization;
2. Collaborative research and policy recommendations for improving the problem with the gender and motherhood pay gaps in the country;
3. Building networks for advocacy, promotion and collaboration beyond the project cycle, through preparing several information materials like info-graphs, policy brief and show cart, upgrading the web platform www.edplako.mk, announcement of a cartoon competition titled “Gender and motherhood economic inequality” and organizing a workshop and round table.

Achievements: The final results of the project were presented at the economic forum “Gender equal payments for higher economic growth” organized on 30 January in Skopje, where main speaker was Eva Maria Burger from the Austrian Ministry of Health and Women. Several tools were promoted during the forum: the web platform edplako.mk, the manual for estimating gender and motherhood pay gap. Adora Inzinerig, Hasselt, Pro Agens, Kontura and Sparkasse Bank were awarded with recognition for gender-responsible companies.

Donor: Know-how Exchange Program – Austria through the Central European Initiative

Duration: November 2015 – March 2017

Project partner (know-how provider): The Vienna Institute for International Economic Studies



Sectoral economic policies

Bridging the gap between multinational companies and domestic SMEs in Macedonia

The **main goal** of the action is to establish and/or improve the links between domestic SMEs and multinational companies (MNCs) operating in Macedonia with the ultimate goal of increasing the competitiveness of the domestic business sector. This comprehensive goal is divided into specific objectives:

1. Better match demand and supply between dSMEs and MNCs by addressing value chain barriers and mapping potential value chains;
2. To upgrade the capacity of the dSMEs with the skills to “sell” itself to MNCs; identifying opportunities, building networks and improving efficiency;
3. To reduce the technological gap between the dSMEs and the MNCs by improving the capacity and information for standardization and licensing, increasing the innovation and research and development capacity, and encouraging the implementation of new technologies;
4. Encourage networking between dSMEs and MNCs through the transfer of knowledge and mentorship, as well as through joint events.

Activities: The implementation of the project is based on the following activities:

1. Mapping the value chain and potential barriers on the supply side.
2. Capacity building of the dSMEs for easier “self-selling” to the MNCs.
3. Strengthening the technical standards of the dSMEs for responding to the requirements of MNCs.
4. Encourage partnerships between the dSMEs and the MNCs and increase public awareness of the benefits.

Donor: European Union

Duration: December 2017 - December 2019



Organizational development

In the trajectory of its development, Finance Think implements the following projects that directly support the Institute, or support activities aimed directly at strengthening the capacity of Finance Think to pursue better policies and to guide public debate.

Increasing evidence-based and data-driven economic debate in Macedonia

The overall goal of this action is to produce a positive social change by strengthening the economic debate in Macedonia, based on evidence from conducted research and driven by economic data. The specific objective is to train the FT constituents to engage in a robust economic debate and to propose a range of ways to encourage and pursue a critical and well-argued economic debate.

Activities:

1. Capacity building of stakeholders to engage in and conduct economic debate, and skills to include data and evidence in joint causes.
2. Encouraging economic debate through organization of a round table, an economic forum, a visit to economic faculties, statements and writings in the media and preparation of visual products (graphs, infographics, videos, etc.).
3. Increasing public awareness for the need for economic debate through the preparation and publication of a manual for methods for analyzing economic data, upgrading the FT publications analytical publications, and re-targeting the dissemination of analytical publications.

Achievements:

1. During the workshop "Analysis and Data Visualization", the skills of civil sector representatives were strengthened in three modules: qualitative and quantitative methods for analysis and visualization of data.
2. At the workshop "Statistical data analysis", the capacities of 20 young economists were upgraded.



3. In October, a Competition for an essay for proposals and ideas for solving a burning economic and social problem in the country was published, out of which three submissions were selected and awarded: "Unemployment is the main challenge of my generation"; "The urgency of responsible and transparent fiscal work in the case of the Republic of Macedonia" and "Inequality in health capital: the case of Macedonia".

4. In December, the economic forum "Higher economic growth for all" was organized where the main speakers were the key policymakers in the country: Mr. Kocho Angjushev - Deputy Prime Minister for Economic Affairs and Dimitar Bogov - Governor of the NBRM as well as Academician Abdulmenaf Bexheti and Mr. Bojan Shimbov from the World Bank.

Donor: Civica Mobilitas Program

Duration: May 2017 – July 2018

Advocacy for evidence-based economic policymaking and ignition of the critical economic debate in Macedonia

The **overall objective** of the project is to further strengthen the organizational capacity of the Economic Research & Policy Institute "Finance Think" in supporting the economic policy decision makers to deliver credible policy decisions based on research findings, as well in igniting the debate in the society about economic processes and reforms.

Activities: Specific actions that will be undertaken under the umbrella of this project are:

1. Enhancing the research quality through capacity building activities for usage of Delphi method, attending JBI courses and other opportunities for strengthening the FT staff skills for research;
2. Better communication within the organization and with the public through employing a graphical designer with understanding of economic processes, to contribute to the realization of the media communication strategy and to enrich the sets for communication with static and interactive info-graphs, Organizing "Coffee with journalists" few times per year, to secure friendly and intense communication with the journalists, so as to be able to affect the discourse of the public economic debate, devising selected issues of our publications FT Opinion and FT Comment, regular publication at Facebook and Twitter accounts and participation as guest speakers at universities in Macedonia;
3. Strengthening the internal governance through constitutions of Policy Council and Supervisory Board, regular annual meetings, devising an internal M&E System, organization of retreat meetings, study visits and devising new procedures or strengthening of the current ones.



Achievements: Following activities were conducted during 2017:

1. So far, two editions of graphometrics, two FT Comments and several FT Opinions have been published with the support of this project;
2. During the retreat meeting in Krushevo in November, and through the self-evaluation process through which each employee evaluates their abilities and scope of work, internal relations and management are strengthened;
3. A Monitoring and Evaluation Strategy 2018-2020 has been developed to monitor and evaluate the work of the Institute. The final drafting of the strategy preceded participation in the online course "Monitoring, Evaluation and Learning" (March-April 2017) and cooperation with renowned expert from the field, Vanesa Weyrauch from Argentina.
4. A Strategic Development Plan 2018-2022 was developed specifying the objectives of the Institute and the directions for future development.

Donor: Think Tank Fund (Open Society Foundations)

Duration: 2016 - 2018



Analytical and research publications as a form of advocacy

Based on economic analysis, research and monitoring of the economic activities, Finance Think produces different types of publications and visualizations.

Publications

The publications include:

Macroeconomic monitor, regular quarterly publication that observes Macedonian economy through numbers, with highlighted forecasting component. Since 2016, this publication offers a numerical forecast for the economic growth of the Macedonian economy, as well as a brief discussion of the associated risks and opportunities. There have been published 24 editions, four of which in 2017.

Graphometrix is regular publication that contains important current information about the national, regional and world economy, presented through graphs. There have been three editions published over 2017.

Policy briefs are irregular publications of Finance Think. They are a product of the overall work of the think tank and can stem out of activities like: projects, brief analysis, published articles, round tables and the like. The policy briefs are considered powerful advocacy tool of Finance Think. They are intensively communicated with the associated stakeholders through being sent to the relevant government agencies or presented at mutual meetings and conventions, and are published at the communication platforms of the Institute.

The following issues have been published in 2017:

- *Implementation of the Guaranteed Minimum Income Scheme (GMD) in Macedonia through Integrated Case Management*
- *Universal Health Insurance in the Republic of Macedonia - effects from the implementation of the project "Health Insurance for All"*
- *Guaranteed minimum income for families at risk of poverty*
- *Corrupted practices impede the economic growth in Macedonia*
- *From figures to practice - identifying and analyzing indicators related to the quality of the teaching process in primary education in Macedonia*
- *New measures for new employments*

- *Can social mentoring increase employability in the country?*
- *Are Macedonian government and public debt sustainable?*
- *The gender pay gap is detrimental for the economic growth*

FT Comment is an ad-hoc publication of Finance Think. It is a first and condensed commentary of strategic documents, action plans, statements and reports delivered by various institutional players: the Government and its agencies, European Commission, IMF, the World Bank and other regional and international financial and economic organizations; on issues falling in the working domain of Finance Think and concerning Macedonia. Seven editions were published in 2017:

- *FT Comment no. 19 of the Draft Economic Reforms Program (2018-2020), December 5, 2017*
- *FT Comment no. 18 of the Fiscal Strategy of the Republic of Macedonia (2018-2020), November 17, 2017*
- *FT Comment no. 17 of the Draft Budget of the Republic of Macedonia for 2018, 16 November 2017*
- *FT Comment No.16 on the Plan for economic growth announced by the Government of the Republic of Macedonia, September 21, 2017*
- *FT Comment No.15 on the draft Program for reforming the public finance management 2018-2021, September 22, 2017*
- *FT Comment No.14 on the proposed Budget Supplement 2017, July 10, 2017*
- *FT Comment No.13 on the economic implications of the current political turmoil, with potential scenarios for the growth in 2017 and 2018, March 23, 2017*

FT Opinion is a condensed and swift reaction to the moves of the daily economic moves and trends. In 2017, 12 opinions of the FT experts were published:

- *FT Opinion number 26 on the Consultation Report on Article 4 of the IMF for Macedonia*
- *FT Opinion number 25 on the budgetary effects of a potential progressive income tax*
- *FT Opinion number 24 for the anticipated increase in pensions*
- *FT Opinion number 23 on the announcement of the amount of unpaid liabilities from the central and local government*

- *FT Opinion number 22 on the increased fiscal transparency*
- *FT Opinion number 21 for raising the minimum wage*
- *FT Opinion number 20 on the Civic Initiative for extended maternity leave*
- *FT Opinion number 19 on the change of the policymaker in the field of the labor market and social policies*
- *FT Opinion number 18 on the change of the key economic policymaker*
- *FT Opinion number 17 on the budgetary appropriation in the first quarter of 2017*
- *FT Opinion number 16 on the figures for GDP and unemployment*
- *FT Opinion number 15 on the realization of the country's capital investments in 2016*

Quality of life in Macedonia. The purpose of this publication is to shed light on data for the quality of life in Macedonia. The publication is ad-hoc and is based on survey and administrative data. Each issue of the publication is thematic. Its publication started in November 2017 with the publication of the first issue "Envelope salary".

Publications based on projects

Journal articles. Representatives from the Institute published articles in national and international journals:

- Petreski, M., Petreski, B., Tumanoska, D., Narazani, E., Kazazi, F., Ognjanov, G., Jankovic, I., Mustafa, A. and Kochovska, T. (2017) The size and effects of emigration and remittances in the Western-Balkans: Forecasting based on a Delphi process. *Südosteuropa: Journal of Politics and Society*, 65(4), p. 679-695.
- Petreski, M., Petreski B. and Tumanoska, D. (2017) Remittances as a shield to vulnerable households in Macedonia: The case when the instrument is not strictly exogenous. *International Migration*, 55(1), p.20-36.

Policy studies. During 2017, the following policy studies were published:

- Overhaul of the social assistance system in Macedonia: Simulating the effects of introducing Guaranteed Minimum Income (GMI) scheme– Marjan Petreski and Nikica Mojsoska Blazhevski
- Universal Health Insurance in the Republic of Macedonia and Effects from the Implementation of the Project "Health Insurance for All" – Maja Parnardzieva-Zmejkovala and Vladimir Dimkovski

- From numbers to practice – identification and analysis of the indicators related to the quality of the didactic process in the primary education in Macedonia - Ana Mickovska Raleva, Ana Tomovska Misoska, Olimpija Hristovska Zaeva, Suzana Cherepnalkovska and Vesna Kostikj Ivanovikj

- Impact evaluation of the program for training, mentoring and internship/employment of persons exposed at social risk – Blagica Petreski and Nikica Mojsoska Blazhevski

- Sustainability of Macedonian General Government Debt– Teodora Arsovska

Books published in 2017:

- Gender and motherhood wage gaps in Macedonia: Manual for calculation with applications in STATA– Ivan Vchkov and Marjan Petreski

Other publications. Several new publications were released during 2017:

- Manual for mentors – gives directions for implementing the social mentoring model.

- Internship guidelines – guideline with directions for companies and interns.

- Measure and service protocol – a document that gives options for system and measures' changes for acquiring better support on the social vulnerable persons.



Visualizations

Graphs and info-graphs. During 2017, the economists of Finance Think produced 42 graphs and 12 info-graphs on the following topics:

- Job cost-effectiveness
- Do you receive part of your salary in cash?
- Overhaul of the social assistance system
- How do they learn and how our students perform?
- September 1st costs a lot
- Pensioners' opinion
- Macedonian healthcare - investment vs effects
- Public and state debt
- Poor life
- Free health, but at what price?
- Minimum consumer basket can not be afforded by all families
- The real cost of free health insurance

Graphs are communicated through social networks, and infographics are placed on the Flickr platform and then disseminated through other channels.

Let's chat economics! In 2017 we started preparing this new product, which visually, through a conversation between two people, highlights important information related to current economic topics. So far, 3 editions have been produced:

- Is it time to increase the pension?
- Maximum performance for a minimum wage!?
- How to get involved in spending the municipal money?

Videos. Eight videos were produced in 2017 and can be found on the FT YouTube channel:

- New Year's statistics: Is life in Macedonia arriving?
- How much is enough to survive the month with dignity?
- Participatory budgeting
- Invisible workers
- Least paid sectors in Macedonia
- Who wants to be a millionaire?
- Everyone can and has the right to be employed
- Highest wages

GIFs. Five GIF formats were produced and communicated through GIPHY platform in 2017:



- Pension system in Macedonia
- Overhaul of the system for social protection
- Regional division of the funds for health services
- How is domestic budget spent?
- Gender wage gap

Web platforms. As a result of the already implemented projects, the following web platform were built and/or upgraded during 2016:

- www.odkrusevo.mk - Web platform of the Association "Krushevo women", a product of the project "Empowering women in Krushevo through mini clustering for sales and promotion of traditional products".
- www.siromastija.mk - Web platform that connects the social programs and its beneficiaries.
- www.edplako.mk - Web platform that assesses the fair wage and its aim is to reduce the gender wage gap in Macedonia.
- www.sledigiparite.mk - Web platform that provides information about the budgets of the 15 biggest municipalities in Macedonia.
- www.vrabortime.mk - Web platform that provides information related to the project "Promoting active inclusion of disadvantaged persons excluded of the labor market".
- www.doznaki.mk - This site contains data, research and links on remittances and migration in the Western Balkan countries.



Other forms of advocacy and communication

Media

Our opinions and results of the analyses have been communicated with the public, which produced many statements, interviews and articles, through which we continued to nurture close and continuous cooperation with the media. Representatives from Finance Think were regularly present through statements in many leading printed and electronic media like: Dnevnik, Utrinski vesnik, Kapital, Nova Makedonija, AlsatM, Makfax, Factor, 24TV, Telma, ResPublica, Al Jazeera Balkan and many others. The cooperation with local media was further strengthened during 2017.

Web site

The web site is our most widely used tool for informing the public about our research, analyzes, events, opinions, publications, participation in conferences, etc. During 2017, the website was visited by 25,253 visitors, or on average, 69 persons per day. The web platform is also linked to the two blogs: "The blog of free-minded economic thought" and "Economic conversations - informed view" and regularly flow to the on social networks: Facebook, LinkedIn and Twitter.

Blog platforms

The Institute expresses its opinions for current economic topics and steers critical debate for the economic processes through its blog platforms. Six blog posts were published in 2017, most of them re-published in several economic portals:

- Do we have a vision for the economy?
- Are youth from Macedonia, Albania and Serbia scared on the school to work path?
- Economic challenges of the new government
- Foreign investments are good for the economy
- The increase of the public debt is not always a bad news
- Investments and conditions in Macedonian health system



Social media

Finance Think actively uses social networks Facebook, LinkedIn and Twitter.

The following statistical info is for the FB profile:

- The institute had 18,705 Facebook friends at the end of 2017, an increase of 27% compared to the end of 2016
- During 2017, more than 1,300 information, links, videos, analyzes, graphs, and our views on economic issues from the country and the region were posted, which is 30% more than in the previous year
- During 2017, Finance Think's timeline was visited by over 15,000 visitors, which is equal to, on average, 42 visits per day
- The average daily reach of the profile posts was 2.366, excluding the sponsored posts, which is almost 10% increase over the previous year
- The average daily reactions - likes, comments and shares - has been 77
- Most of the reactions were on our images, which are mostly graphs and infographics produced by Finance Think.



Events to encourage public debate

The events are an important thread of our communication strategy and efforts to encourage a public economic debate in Macedonia.

Economic forums

The objective of the economic forum, besides encouraging the public debate on current topic, is to present a product from Finance Think, including but not limited to: book, policy study, internet platform, video product, etc. During 2017, the following forums were organized:

- **Higher economic growth for all** - This forum was held on December 13 as an ancestor of the celebration of the Institute's fifth birthday. Deputy Prime Minister for Economic Affairs Mr. Kocho Angjushev, the Governor of the National Bank of the Republic of Macedonia Mr. Dimitar Bogov, Academician Abdylmenaf Bexheti from the South East European University and Mr. Bojan Shimbov from the World Bank were the main speakers at the forum. They talked about the current situation of the Macedonian economy and the reforms and the steps that need to be taken in the future to stimulate the economic growth in the country. During the forum, the award-winning essays of the Competition for ideas and proposals for solving an economic and social problem were promoted.
- **New measures for new jobs** took place on July 11 as the final event of the project "Active inclusion of marginalized persons excluded from the labor market", where the results of the project and two publications "Manual for mentors" and "Protocol on measures and services" were presented. During the forum, certificates for social mentors were awarded to the employees of the Centers for Social Work and the Employment Centers that were involved in the process of social mentoring, and Sparkasse Bank, Bionika Pharmaceuticals, Printing House Contura, Pakomak, Hotel Harmony Kumanovo, Private Hospital Remedika, Counseling center for human cooperation, Inter-municipal Center for Social Work Makedonski Brod, Association for gender equality Emancipated woman Kicevo, Tamaro market Ohrid and TTK Bank were awarded with recognition for socially responsible companies because they were part of the process of providing internships to a socially vulnerable person.
- **Gender equal pay for higher economic growth** was held on January 30 in Skopje, within the project "Heroes and sheroes" supported by the Central European Initiative KEP Austria, with funds from the Austrian Development Agency. Representatives from the Austrian Ministry of Health and Women (Eva Maria Burger), the International Labor Organization (Emil Krstanovski), and Finance Think (Despina Tumanoska and Ivan Vchkov), moderated by Blagica Petreski (Finance Think), spoke about the challenges and solutions with the gender and motherhood economic inequality. The event was attended by over 60 visitors. At the event, the web platform edplako.mk, the manual for calculation of gender and motherhood pay gap, were promoted. The companies Adora Engineering, Hasselt, Pro Agents, Kontura and Sparkasse Bank were promoted and were given recognition for a gender-responsive company.

Round tables

The goal of the round tables is to encourage a critical debate on a particular topic that most often stems from ongoing research. In 2017, the following round tables were organized:

- **Everyone can and has the right to be employed.** Four round tables under this title were organized in the period February - March 2017 in Kumanovo, Ohrid, Tetovo and Kavadarci, where representatives of the civil sector, academia and socially vulnerable categories discussed the problems that marginalized people face when accessing the labor market and the opportunities available to them to increase their employability and employment. Some of the speakers at these round tables were: Mr. Petrit Polozhani, professor at the State University in Tetovo, Ms. Sanela Shkryl, Foundation Egalite, Ms. Ermira Etemi Bajrami and Ms. Gjurgica Noveska from the Center for Social Work in Tetovo, Mrs. Blagica Dimitrovska from Inklusiva NGO, Mr. Ahmet Jasharevski from the NGO DROM, Mrs. Pavlina Peroska from the Ohrid Center for Social Work, Mr. Dimce Kanevce from the Youth Council Ohrid and others.
- **Employment for everyone.** This roundtable was held on March 2 in Skopje, within the framework of the project "Improving the active inclusion of marginalized persons excluded from the labor market" funded by the European Union. Despina Tumanoska presented the activities and results of the project and the other speakers discussed the possibilities for improving the existing policies in order to fulfill the project's goal. Speakers at this roundtable were: Lence Kocevska (MLSP), Menka Gugulevska (ESA), Nikica Mojsoska Blazevski (UACS), Klimentina Ilievski (Public) and Nikica Kusinikova (Konekt). At the event, the TV spot "Everyone can and has right to be employed" was promoted and awards were awarded to the Art Contest "Volunteers for Social Inclusion" winners.
- **Fives in a diary - aces at PISA.** This roundtable was held on 7 September within the FISCAST + Fiscal Transparency and Accountability improves policies in the areas of quality of life, education and health, and presented the study "From Figures to Practice - identifying and analyzing quality indicators of the teaching process in primary education in Macedonia", the first of the 6 studies on the issues of quality of life, education and health. The main speaker of the event was the Minister of Education and Science, Ms. Renata Deskovska, and the Ambassador of the United Kingdom in Macedonia, HE Charles Garrett delivered a welcoming speech.
- **Health among fiscal pressures for greater investment and the need for better health for citizens.** On this round table organized on December 14, the study "Universal Health Insurance in the Republic of Macedonia and the effects of the implementation of the project "Health Insurance for All" was presented, one of the six studies produced within the FISCAST + project. In addition, Mr. Rubin Zarevski and Mr. Klime Popovski discussed the health insurance system in the country.
- **Innovation for comprehensive social protection.** Round table organized on December 14th on which Mr. Marjan Petreski and Ms. Nikica Mojsoska Blazevski presented the study "Overhaul of the social assistance system in Macedonia: Simulating the effects of introducing a scheme for

guaranteed minimum income” and Mrs. Sofija Spasovaska from the Ministry of Labor and Social Policy and Mrs. Neda Calovska from the Helsinki Committee discussed the system of social protection and ways to improve it.

Workshops

The purpose of the workshops is direct transfer of skills to the immediate target groups. They are usually organized within current project activities. In 2017, FT organized nine workshops:

- **Monitoring and implementation of public procurement** - a workshop organized within the project Active inclusion of citizens in creating and monitoring the local budget and public procurements, for representatives of civil society organizations, media and interested citizens of Prilep, Krusevo and Krivogastani - December 12, 2017.
- **Implementation of public procurement** - a workshop organized on November 30, 2017 for representatives of local governments, public utility companies and health and educational institutions from the municipalities of Prilep, Krusevo and Krivogastani.
- **FISCAST + Communication Strategy Workshop** - the workshop took place within the framework of the FISCAST +: Fiscal transparency and responsibility improves policies in the areas of quality of life, education and health, with the teams that have prepared or are in the final phase of preparation of the policy studies. The workshops included the development of a strategy for communication of the findings from the studies with the general public and with policy makers in the respective areas - November 11-12, 2017.
- **Statistical data analysis** - workshop organized within the project supported by the CIVICA Mobilitas program, designed for young economists who had the opportunity to upgrade their skills for quantitative analysis of economic data - September 14, 2017.
- **Methods for encouraging new jobs** - Three one-day workshops were held on 4, 5 and 7 July, attended by more than 90 representatives of public institutions, civil society organizations, employers and interested persons. The main goal of the seminars was to get acquainted with the model of social mentoring and new measures and methods for encouraging employment in the country.
- **Training on Social Mentoring Model** - On 29, 30 and 31 May, a Training for Social Mentoring Model was held, attended by 60 professionals, employed in the Centers for Social Work and the Employment Centers throughout the country. The purpose of the training was to familiarize with the model of social mentoring, which was piloted for the first time within the project. The training was conducted by Maja Tasheva Bitkoska from the Employment Center in Ohrid, who is also one of the 12 social mentors in the country.



- **Data analysis and visualization** - a workshop designed for representatives of the civil sector consisting of three modules: qualitative and quantitative methods of data research and visualization and supported by the CIVICA Mobilitas program - 4 July.

Press cafe

Finance Think holds regular meetings and consultations with economic journalists. "Press Cafe" is a format in which economic journalists can suggest ways of cooperation with FT and get information about the direction of our work in the upcoming period. In 2017, two meetings were organized with journalists, representatives of the media: TV 24, TV Telma, TV Alsat-M, the magazine Capital, the daily newspapers Koha and Nova Makedonija and others.



Press conferences

The purpose of press conferences is to publish a new result and/or a new finding, and based on that, advise policy-makers and/or recommend changing a policy/law. In 2017 two press conferences were organized:

- **Overhaul of the social assistance system by introducing a guaranteed minimum income** - At this press conference the study "Overhaul of the social assistance system in Macedonia by introducing minimum guaranteed income" by the professors Marjan Petreski and Niki-ca Mojsoska Blazevski was presented. The study was developed within the FISCAST + project, supported by the British Embassy - November 9, 2017.
- **Are Macedonian government and public debt sustainable?** - The press conference presented the results of the study "Sustainability of the Macedonian Government Debt" - May 17, 2017.



Monitoring and evaluation

The various forms of publications, visualizations, media appearances and communication through social networks, as well as numerous events, created the impact of Finance Think.

Changes in policies

The results and conclusions of the conducted research and analyzes, translated into concrete recommendations for policy changes, were disseminated to policymakers, and constantly fed the public discourse. The new government that was elected in June 2017 has shown greater openness for listening expert opinion, analysis and recommendations based on research. The Finance Think's recommendation that the minimum wage could increase to 11,671 MKD in 2017, without making significant pressure on employers, was converted into an increase in the minimum wage to 12,000 MKD, by unifying it in the textile and leather sectors, whereby it was significantly lower previously. The government has decided to subsidize this increase in a certain period, in order to prevent an increase in unemployment, which was a disadvantageous effect for which the institute pointed out in the public debate.

The new government has also proposed the idea of abandoning the flat tax concept and introducing a progressive tax. Although Finance Think has supported the idea of a progressive tax concept, it pointed to the potential adverse effects that would arise in an economy prone to tax evasion, as well as adverse effects on employment and productivity of certain sectors that are prone to international migration. Following the inoculation of the public debate on the issue, the government decided to postpone the introduction of the progressive tax at the earliest for 2019.

The new government came up with the idea of introducing a minimum guaranteed income as a replacement for the existing welfare system. Finance Think published a policy study in which it simulated the effects of three minimum guaranteed income schemes. This study was accepted by policy-makers as a basis for discussing and defining the reform of the social assistance system. The Ministry of Labor and Social Policy has indicated that it performs its own calculations, which will then be compared with Finance Think's findings before proceeding with the introduction of the reform.

A number of other issues, partially of a long-term, and partially of daily interest, were part of the debate in 2017. For most of them, Finance Think communicated its opinion and position, for which policymakers expressed appropriate appreciation, taking arguments in public debate and taking for further adequate articulation in policies. Some of these effects on policies emerged at the end of 2017, when two studies in the fields of education and health were published.



Changes in target groups

In order to reach direct impact on target groups, Finance Think undertook field activities and initiatives with target groups. We continued with the activities to increase the employability of socially vulnerable categories of persons, so that 20 of them conducted internships in a Macedonian company, where they had the opportunity to get acquainted with the processes of company operation and to develop their own working habits. This process involved people with physical disabilities, single parents, long-term unemployed and persons with rare diseases who were involved in the work of TTK Bank, Sparkasse Bank, Kontura, Pakomak, Tamaro market Ohrid, Human Rights Center, Center for gender equality Kicevo and first private hospital Remedika.

Within the project “Active inclusion of marginalized persons excluded from the labor market”, FT for the first time piloted the model of social mentoring with the assistance of representatives of the Employment Centers and the Centers for Social Work in the country. During 2017, through six one-day trainings, more than 150 representatives of public institutions, civil society organizations, employers and interested persons gained knowledge about this model, the way it works and benefits from it.

Finance Think conducted two one-day workshops for statistical analysis of data, intended for representatives of civil society organizations and young economists. Participants gained new knowledge and skills for qualitative and quantitative data analysis and visualization, and the satisfaction of newly-learned skills was estimated at 90%, since most of the participants expressed the applicability of new skills in their work, either for their studies / theses or the workplace.



Changes in the public discourse

Finance Think has remained a major source of information to the public and for encouraging economic debate. Economists of Finance Think spoke in all major media, on economic issues. It is estimated that FT was quoted in the media, on average, 5 times a week, or once during a working day. Almost all the key messages that the Institute attempted to convey to the public sparked the attention of the media, with several unique news reports / stories in the mainstream media.

The organization of numerous events in settlements outside Skopje contributed to the establishment of new and deepening of the old co-operation with several local media. Representatives of the Institute were guests and gave statements for several local media: TV Kiss Tetovo, TVM Ohrid, Ohrid portals Ohrid 24 and Ohrid Net, TV O2 Ohrid, TV Plus Kumanovo, TV RTK Kavadarci, Prilep web portals Revolucioner and 10bez10 and the like.

Generally, Finance Think's work is pushing public debate forward, from subjective and without evidence, with increased introduction (and acceptance) of such elements. The inclusion of quantitative assessments and other evidence obtained through research in the public debate helped maintain objectivity and balance in politically turbulent times.



Total targeted impact

Based on our estimates of the impact of efforts on policymaking, direct target groups and public discourse, it is estimated that the targeted impact in 2017 increased 60% compared to the previous 2016, according to the following summary table:



	Number of...		Estimated impact (0 = no impact 10 = very high impact)			Increase in the impact in 2017 compared to 2016		
	2016	2017	Immediate target groups	Policymakers	Public discourse	Immediate target groups	Policymakers	Public discourse
PUBLICATIONS	37	46	0	7.0	5.6	0.0%	32.6%	19.8%
Macroeconomic monitor	4	4	0	4	8			
Graphometrix	3	3	0	4	10			
Policy briefs	3	9	0	10	6			
FT Comment	4	7	0	8	4			
FT Opinion	12	12	0	10	10			
Articles	2	2	0	5	2			
Policy studies	2	5	0	10	4			
Books	2	1	0	4	2			
Others	5	3	0	8	4			
VISUALIZATIONS	70	76	4.6	6.8	8.1	242.9%	266.7%	175.0%
Graphs	47	42	2	2	10			
Infographs	12	12	4	6	10			
Videos	4	8	10	6	10			
GIF	1	5	8	6	10			
Web platforms	6	6	4	2	8			
Let's chat economics	0	3	4	6	10			
EVENTS	26	40	4.6	8.4	6.0	238.3%	331.6%	600.0%
Economic forums	2	3	2	8	10			
Round tables	7	8	1	10	10			
Workshops	9	11	10	4	0			
Direct meetings with policymakers and/or target groups	7	15	10	10	0			
Number of changed regulations	1	3	0	10	10			
MEDIA APPEARANCES	165	208	3.3	7.3	9.3	26.3%	28.0%	26.8%
Number of media statements	155	60	2	4	10			
Number of media citations	.	135	2	4	10			
Interviews and media participations	3	10	4	10	10			
Blogs	7	3	4	8	8			
INCREASED IMPACT BY GROUPS						95.0%	64.4%	49.7%
TOTAL INCREASE IN THE IMPACT						60.2%		

The following table provides the achievement of the targets of the Monitoring and Evaluation Strategy 2018-2020 (applied in 2017). As it can be seen, almost all indicators are realized, and in many cases they are significantly exceeded.

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization
Objective 1: To contribute to improved economic policies and reforms through producing evidence, based on economic research and driven by economic data				
Long term outcomes	1.1. Increased supply of economic research	Number of key research results that could be articulated in a policy recommendation	3-4	5
	1.2 Increased capacity among stakeholders (employees, Advisory Board, experts, trained individuals and CSOs) for understanding and/or conduct of economic analysis and usage of economic data	Number of persons of stakeholders affected	25	27
	1.3 Strengthened quality review process	Number of internal and external reviews conducted	10 internal 3-4 external	12 4

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization
Objective 1: To contribute to improved economic policies and reforms through producing evidence, based on economic research and driven by economic data				
Short term outcomes	Increased number of FT research publications (policy studies, journal articles, books/manuals)	Number of research publications	10	11
	Increased number of the FT regular publications (Macro-monitor, Graphometrix, FT Comments, Briefs etc.)	Number of regular publications	30	35
	Increased number of the FT visual publications (graphs, infographs, GIFs, videos etc.)	Number of visual publications	60	76
	FT publications: <ul style="list-style-type: none"> are source of information credible 	% of persons who responded "to some or to a large extent"	70%	71.1%
	Increased number of external experts, who participated in FT projects	Number of experts	10	17
	Increased number of journalists, who participated in FT projects, writing about the local and/or regional economy	Number of journalists writing about economic/social issues, based on FT's findings and products	10	14
	Enhanced cooperation between FT and think tanks, specifically on economic/social issues from other countries.	Number of think tanks from other countries with which FT cooperates in economic issues Number of think tanks which FT cooperates intensively (e.g. on particular project)	10 3	12 5
	Generated new data	Number of data-collecting instruments applied (survey, focus-groups, interviews etc.)	5	6

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization
Objective 2: To increase the effect that Finance Think's products (work) have on target groups (skills), economic policymaking (policies and reforms), and society (awareness)				
Long term outcomes	2.1. Increased uptake of research results by policymakers	Number of FT key policy recommendations put in the pipeline by the government An issue is added on policymakers' agendas An issue is discussed, or framed differently due to the institute's work	NA	The issues of the minimum wage increase, postponing of the introduction of the progressive taxation and the intentions to introduce the guarantee minimum income have been all framed based on FT's work.
	2.2. Increased impact of the FT's research and materials on Macedonia's economy and economic policies	Number of government moves in line with FT recommendations/ opinions/ advice	Few moves	Same as before. In addition, many other moves of smaller importance have been in line with FT recommendations.
	2.3. Increased positive impact of FT's work on immediate target groups	% of immediate target groups who expressed satisfaction with the participation in FT activity (workshop, seminar, training, re-grant)	70%	88%
	2.4. Increased debate on economic policies and reforms	Number of media appearances and citations Number of events	150 20	195 40

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization
Objective 2: To increase the effect that Finance Think’s products (work) have on target groups (skills), economic policymaking (policies and reforms), and society (awareness)				
Short term outcomes	Growing confidence in and reach of the FT research and expert opinions on economic issues.	Number of views in social media of the FT’s posts, number of FT Facebook and Twitter page followers, LinkedIn posts	FT followers, 18.500	18.704
			Twitter followers, 100	129
			FB post engagement, 20.000 weekly (average)	21.143
			FB posts, 5 weekly	10
			FB page views, 1.000 monthly (average)	1.386
			LinkedIn posts, 2 per week	4
			% of FT products published in popular media (even shortly)	50%
	The FT’s public events on economic issues (economic forums, round tables, press coffees etc.) attended and positively responded by relevant government decision makers	Certain number and quality of feedbacks from decision-makers on FT’s events (e.g. letters from the government with promise to use FT recommendation / adopting any official document).	3 feedbacks from officials (feedback on policy briefs or inviting for cooperation)	5
			% of FT’s public events attended by government relevant decision makers (or number of experts)	70% FT’s public events attended by government relevant decision makers
	Increased number of media appearances	Number of media appearances (statements, interviews, expert opinions...)	50	70
Increased number of citation of research/advocacy publications in media	Number of media citations	100	135	
FT publications: <ul style="list-style-type: none"> raise awareness 1. spark debate	% of persons who responded “to some or to a large extent”	40%	43.2%	
Growing number of opinion leaders participating in the FT’s public events on economic issues.	Number of opinion leaders, who take part in FT’s events	N/A	The events of FT sparked wide attention, among participants and media. Key policymakers and influential persons in the public discourse attended these, mainly as speakers.	

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization
Objective 3: To develop the institutional capacity of Finance Think, in terms of research, advocacy, funding and communication, to have a stronger impact on economic reforms and the effects economic policies have for citizens				
Long term outcomes	3.1 Increased demand for FT research materials from the government, business and international community (increased relevance of these research materials)	Request for conducting research from the government , business and international community	3 requests to conducting research from the government, business and international community	4
	3.2 Financial sustainability of FT	Improved financial sustainability (strengthened fundraising)	Application approval rate(>25%)	29%
		Implementing auditor`s recommendations	100% of recommendations are implemented	100%
	3.3 Improved quality of FT materials	Stakeholders which take part in the opinion poll of FT give positive evaluation of FT`s research/advocacy materials (% of those who responded "yes, to a full extent")	70%	71.1%
3.4 Increased capacity for operational and strategic planning	All operational and strategic plans are designed, their fulfillment is monitored	Yes / No	Yes	

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization
Objective 3: To develop the institutional capacity of Finance Think, in terms of research, advocacy, funding and communication, to have a stronger impact on economic reforms and the effects economic policies have for citizens				
Short term outcomes	Increased demand from the government for research materials of FT or feedback, implementing more projects together with the government	Feedbacks from the government	Most of feedbacks from the government are positive	Yes
	FT produces positive societal change	Average grade of persons who responded on a 1-9 scale (1 = fully negative, 5 = no change, 9 = fully positive)	6.5	7.6
	FT provokes trust with stakeholders	% of persons who responded "I trust fully" or "I trust to a certain extent" on a 1-5 scale (1 = fully trustful, 3 = indifferent, 5 = fully doubtful)	80%	97.4%
	Increased transparency and financial discipline by improving accounting policies as well as through annual public reporting.	Fulfillment of Audit recommendations	Audit recommendations: 100% complete	100%
	Implementing of procedures aimed at ensuring quality of research materials as well assurance sufficient number of qualified analysts	Increased confidence in the FT's research and materials	100% of research and materials are peer reviewed internally 100% of policy studies are peer-reviewed externally	100% 100%
	Improved procedures for strategic and operational planning and evaluation	Participation of stakeholders in planning and evaluation	80% of stakeholders participate in planning and evaluation	90%
	Increased skills in FT	Increasing the skills of the current FT's employees	50% of FT's employees completed trainings and courses to upgrade their skills	75%
		Hiring new employees	NA	None
		Number of adopted best practices of leading foreign think tanks after employees participate in experience projects	1	1
	Enhanced cooperation between FT and think tanks, specifically on economic/social issues from other countries.	Number of think tanks from other countries with which FT cooperates in economic issues	10	10
Increased exposure to the international academic and CSO scenes, through participation at regional and international forums, conferences and networks.	Number of regional/ international forums/ conferences / similar events visited/ attended	5	8	

Network

During the year, the Institute cooperated with wide range of economists, policymakers, international experts, other research centers and civil society organizations and university from the country and abroad.

Membership

The Institute continued to take advantages of the membership in five international institutions/platforms: European charter for researchers, UNCTAD Virtual Institute Geneva, IDEAS/Repec, Global Youth Network, International Budget Partnership and CAMMIGRES – The Cambridge Migration Research Network in order to improve the expertise in research, as well to widen the network for cooperation with global researchers.

In 2017, Finance Think became a member of the regional initiative “The Future of the Welfare State” composed of civil society organizations and social policy researchers from six countries in the Western Balkans, which focuses on the issues of the welfare state, in order to encourage continuous discussion and joint action in the areas of the welfare state at the regional level. The initiative intends to create added value by influencing existing processes that promote a sustainable reform agenda in the region, such as economic governance and the economic reform program, the negotiation process with the EU. One of the goals is to improve the social dimension of European integration in the Western Balkans.

Memos of understanding

Finance Think continued to use the benefits of the signed Memos of understanding with the following domestic and international research centers:

- National Bank of Macedonia
- Foundation for advancement of the economics (FREN) from Belgrade, Serbia.
- Center for research of the labor market, distribution and society (CITRADIS), from Buenos Aires, Argentina.
- Bayes Group – center for researches based on Bayes methods from La Pas, Bolivia.
- Institute for social sciences and humanities (ISSHS) from Skopje.

On March 2, 2017, we signed a Memo with the State Statistical Office of the Republic of Macedonia. This memorandum will deepen cooperation through access to micro data, capacity building for employees from both institutions, and encouraging evidence-based research.



Consultative processes

During 2017, Finance Think participated in consultative processes with the World Bank, the EU Delegation in Skopje, the United Nations Development Program - UNDP, the International Labor Organization, and so on.

In addition, we also participated in the public debate organized by the Ministry of Finance for the 2018 Draft Budget, in the consultations for the Public Finance Reform Program proposed by the Ministry of Finance and in the consultations on the Economic Growth Plan proposed by the Vice-President of the Government, Kocho Angjushev.

Building capacities

In the past year, Finance Think has continuously invested in capacity building, and actively cooperated with researchers based on a permanent and part-time contract and on the basis of practical work. The team also participated in numerous domestic and international conferences, trainings and seminars in local frameworks and internationally renowned institutions.



Conferences

Representatives of Finance Think participated in the following conferences:

- Microsoft Vision Conference, 7-8 November 2017, Skopje.
- Annual Meeting of the International Monetary Fund, October 10-14, 2017, Washington, USA.
- Annual Conference of the Partnership for Economic Policy, June 8-14, 2017, Nairobi, Kenya.
- Tech4Good Conference "Cloud Technology Helps Society", May 16, 2017, Skopje.
- Conference on Social Cohesion in Southeast Europe organized by the London School of Economics, April 7, 2017, Skopje.

Workshops, seminars, working meetings and study visits

The team actively participated in trainings, workshops and courses that contributed to capacity building, familiarization with the work of civil society and networking with other organizations, which later developed into fruitful cooperation. Significant workshops and research stays in 2017 include:

- Workshop on minimum wages organized by the International Labor Organization - December 12, Skopje.
- Workshop "The future of the welfare state in the Western Balkans" - December 6-8, 2017, Tirana, Albania
- Human Resources Management Training in Civil Society Organizations and Alliances - December 6-7, 2017, Skopje.
- Working meeting for networking with teams from the CIVICA Mobilias program - 24-26 November 2017, Ohrid.
- Advocacy training - November 19-23, Brussels, Belgium.
- Workshop on Civil Society "PAR Strategy and Action Plan" - October 26, 2017, Skopje.
- Working meeting for the protection of devices connected to the Internet, organized by USAID - Citizen Participation Project - October 19, Skopje.
- Working visit to Ukrainian think tanks on issues related to strategic planning, monitoring and evaluation plan, fundraising, impact on policy-makers and society, etc. - 28-30 September 2017, Kiev, Ukraine.
- Communication training - June 27 - July 1, Berlin, Germany.
- A working meeting with representatives of the German Parliament, the Federal Ministry of Foreign Affairs of Germany and the Federal Chancellery of Germany through the TRAIN program of the German Foreign Affairs

Council - June 2017, Berlin, Germany.

- Advocacy Video Training organized by USAID - 31.05-01.06, Skopje.
- Workshop for presenting the content and organizational aspects of the project "Active inclusion of citizens in creating and monitoring the local budget and public procurement", implemented as part of the Weber network, by the Institute for European Policies - 29-30 May, Mavrovo.
- Training "How to use the new e-platform of the CIVICA Mobilias program?" - May 19, Skopje.
- Training for writing effective policy studies - April 23-26, Belgrade, Serbia.
- Online training "How to make a perfect infographic?" - April 10, Skopje.
- Leadership and management of EU grants training - March 24, Skopje.
- Online Training "Monitoring, Evaluation and Learning for Policy Influencing" - March 16 - April 13, 2017, On Think Tank School.
- Online training on trade and gender at UNCTAD Virtual Institute - January 9 - February 26, 2017.
- Online Training "Policy Impact Evaluation" - January 7 - March 31, 2017, University of Laval Canada.

Employment

In the course of 2017, two young economists had the opportunity to gain practical experience within the 3-month work as junior economic analysts at the Institute.

Regulatory framework

In 2017, the internal regulatory framework was significantly improved, according to the requirements of the national law and the principles of the European Charter for Researchers. During the year, the following regulatory documents were used:

- A plan for archival signs, archival materials and storage periods, approved by the State Archive of Macedonia, in accordance with the Law on archival materials;
- A Research Rulebook, in accordance with the Law on scientific-research activities and the European Charter for Researchers;
- A Rulebook for Recruiting Researchers, in accordance with the Law on labor and the European Charter for Researchers;
- A Guide for Research Ethics and Governance, in accordance with the European Charter for Researchers;
- Anticorruption policy and principles;

- Procurement policy, principles and procedures;
- Rules and procedures for financial management;
- Policy for flexible working conditions;
- Media Communication Strategy;
- Knowledge Dissemination and Sharing;
- A Rulebook and Procedure for financial operations;
- A Rulebook and visualization procedures and formats;
- A Procedure for organization of events;
- A Procedure for usage of vacation days;
- Rulebook for continuous professional learning and upgrade.



Financial statements

Balance sheet

	In denars	
ASSETS		
	31.12.2016	31.12.2017
Denar account	5,385,321	5,312,303
Foreign currency account	863,904	1,660,501
Cash	-	4,857
Visa Card	-	41,560
Account receivables	-	-
Other receivables	-	-
Deferrals	-	12,518
Advanced payments	-	13,530
Fixed assets	305,178	431,580
Fixed assets correction		(172,827)
TOTAL ASSETS:	6,554,403	7,304,022

	In denars	
LIABILITIES		
	31.12.2016	31.12.2017
Earmarked funds for next year	6,249,225	6,998,839
Account payables	-	14,051
Other payables	-	18,849
Accrals	-	13,530
Operational fund	305,178	258,753
TOTAL LIABILITIES:	6,554,403	7,304,022

Financial report

In denars

INCOME

	2016	2017
Project income	17,710,263	16,726,613
Income from own business activity	-	372,198
Membership income	-	-
Interest income and positive exchange differences	482	1,785
Income from a fees	-	-
Income from listings	-	-
Income from donations	-	-
Income from services	-	-
Other income	-	1,256
Transferred surplus from previous year	5,085,751	6,249,225
TOTAL INCOME:	22,796,496	23,351,077

In denars

EXPENSES

	2016	2017
Gross wages	3,003,506	4,217,878
Taxes	489,545	369,915
Other expences for employees	-	238,378
Expenses for fixed assets	75,517	21,370
Expenses for office and other materials	113,866	193,018
Expenses for intellectual services	8,820,846	5,434,663
Expenses for partners abroad	2,092,515	3,114,662
Transport and per diems	1,413,203	1,091,378
Bank provisions	63,388	56,950
Other expenses (gas, isurance, accounting, translation, marketing and other)	474,885	1,614,026
TOTAL EXPENSES:	16,547,271	16,352,238
Earmarked funds for next year	6,249,225	6,998,839
TOTAL EXPENSES AND EARMARKED FUNDS:	22,796,496	23,351,077

ANNEX: Anti-corruption policy and principles

Anti-corruption policy statement

FINANCE THINK has a 'no tolerance' policy towards bribery and corruption in any form. This policy is given force in the following anti-corruption principles which have been aligned with the appropriate law, reputational demands and changes in the NGO/research environment. All employees and partners are required to comply with this policy.

Anti-corruption principles at FINANCE THINK

The anti-corruption policy is an integrated part of the overall governance system of Finance Think.

1. Responsibility and commitment

The Chief Economist (CEO) and the overall management of Finance Think commit to and oversee the implementation of a policy of zero-tolerance, recognizing bribery as being contrary to the fundamental values of integrity, transparency and accountability and undermining organizational values and effectiveness.

2. Communication and training

The anti-corruption principles are communicated to employees orally and in writing when assignments are made. All employees attend training/team-building sessions explaining the anti-corruption principles. The anti-corruption policy statement and principles are available on www.financethink.mk. The anti-corruption policy statement shall be published in the annual reports.

3. Advisory and complaints channels

All suspicions of economical frauds, bribery and corruption should immediately be reported to the management of Finance Think, the donor and the relevant authorities. The anonymity of the whistleblower shall be respected.

4. Project contracts

No projects shall be executed unless a project contract is signed by both Finance Think and the partner (donor or implementing partner).

5. Due-diligence assessment of partners, agents and contractors

Finance Think shall assess the bribery risk associated with entering into

partnership or contracting arrangements with other entities and then carry out periodic due diligence based on that risk assessment. Partnership or contractual arrangements shall check that these organisations have policies and procedures which are consistent with these principles.

6. Procurement processes

Special attention shall be given to major purchases. In case of purchases of value above USD 2,501, three competitive offers will be collected, unless otherwise requested by a donor. Decision will be made in accordance with the Procurement policy, principles and procedures at Finance Think.

7. External audits and audit agreements

For all audits, the International Standards of Auditing shall be followed. All project audit reports shall be written in English. Finance Think annual audit reports may be written in Macedonian. Upon demand by the donor,



projects shall be audited in the field no later than six months after project termination. The overall operation of Finance Think will in addition be audited in connection with the annual audit. For smaller private projects the audit will be included in the annual audit of Finance Think.

8. Consequences of violation

All forms of corruption will result in immediate investigation and possibly suspension. Personnel found guilty in bribery will be made known to all other employees for preventive purposes.

9. External communication

All incidences of corruption or suspected corruption shall result in a report stating the severity and scope of the issue and actions taken thereafter. All report shall be send to the Chief Economist (CEO), and a summary of reports shall be made available on request.





FINANCE THINK
Economic Research &
Policy Institute



Frederick Shopen 1/2
1000 Skopje, Macedonia



+389 2 6 156 168



info@finacethnik.mk



www.finacethnik.mk