

Impact

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

Changes in policies

The results and conclusions of the conducted research and analyzes, translated into specific recommendations for policy changes, were disseminated to policy makers, and continuously fed the public discourse.

Finance Think's recommendations that the Government should pass a bylaw that will regulate the questions about business activity, independence in conduct of business activity, continuity of the business activity, occurrence of supply and the right to deduct VAT, all relevant for physical persons/individuals, have been welcomed by the policymakers in late 2018, after a period of silence on the issue. A working group was formed within the Ministry of Finance, chaired by Finance Think, which, in January 2019 published Guidelines for better informing of the physical persons for the VAT system. The Guideline is a product of a consultative and debate process between the Ministry of Finance, the Public Revenue Office and the Group Civitax and incorporates our key recommendations.


According to the social risk assessment conducted by Finance Think in 2019, the need for expanding the social services that will meet the needs of the elderly and early intervention services for people with disabilities has been found the most important and requires urgent intervention in order to more easily handle the risks to which these categories of persons are exposed. The Ministry of Labor and Social Policy published a Call to the local self-governments for development and improvement of the quality of the social services in the local communities, according to the needs of the citizens and increasing access to social services, where priority is given to the social services given at home of the elderly people: personal assistance and help and care at home, as well as services directed toward persons with disabilities for their daily care at daily centers and/or services for support living.

According to our findings within the project "Bridging the gaps between domestic SMEs and multinational companies operating in the country" and the recommendations that the Government should engage in elevating the soft skills and technological preparedness of the domestic enterprises in order to assist in effectuating their attempts to engage in the supply chains of the multinational companies, the Ministry of Economy, for the first time announced a measure for increasing the competitiveness of domestic companies, especially for procuring, implementation, certification and training on standardization.


The position of Finance Think that the introduced progressive personal income tax produced plausible results for inequality in the country, which are however infinitesimally small and potentially without any significance, as well that the context in which the progressive income tax has been enacted may have delivered very high (political) price, incomparably higher than the economic benefits, was strengthened by the findings from the analysis conducted by the Ministry of Finance, that resulted in ‘freezing’ the tax reform until 2023. In this line, our positions pertinent to the minimum wage, social reform, pension reform and other relevant policy issues have been maintained vivid over 2019, hence representing a constructive pressure for both policymakers and the policy debate.

Likewise, Finance Think had an impact on the local policies. The recommendation that the local communities have to follow the participatory budgeting process resulted in introduction of the process in eight municipalities in the country, during the preparation of the local budgets for 2020.

A number of other issues, part of a long-term, and part of daily interest, were part of the debate in 2019. For most of them, Finance Think communicated its opinion and position, for which policy makers expressed appropriate appreciation, taking arguments in public debate and taking for further respective articulation in policies.



Неодамнешната студија од Finance Think за парафискалните давачки е цитирана во најновата Програма за економски реформи 2020-2022




Republic of North Macedonia

ECONOMIC REFORM PROGRAMME

2020-2022

January 2020



Republic of North Macedonia
Ministry of Finance

	procurement and contracting cycle. The bylaws are adopted.	
	Measure 12: Development of a National E-Services Portal	Stage of reform implementation (1-5)
Activities planned for 2019	1. Launch and promotion of the National E-Services Portal	5
	2. Quantitative and qualitative analysis of the data entered in the catalogue	1
	3. Para-fiscal changes analysis of the services in the Catalogue, with recommendations	3
	4. Continue entering data on services from remaining laws in the Catalogue of services and maintain the up-to-date data in the Catalogue	4
	5. Development and adoptions of the bylaws on the respective regulatory acts.	3
	6. Development of new electronic services.	4
	7. Improvement of the National Portal with the Single Sign On functionality.	5
	8. Upgrade the portal with the possibility for legal persons' profiles and enable them as e users	0
Description of implementation and explanation if partial or no implementation	1. In December 2019, the National E-Services Portal was launched. In order to inform the public about the availability and advantages of the portal, promotional materials have been prepared and a promotional campaign has been launched.	
	2. Quantitative and qualitative analysis of the data entered in the catalogue is foreseen for 2020.	
	3. Within the Catalogue of Services maintained by MISA, data on over 1,200 services have been entered and 707 are approved and published on the National E-Services Portal. Within the data for all services, the values of fees and administrative fees for services for individuals and legal entities have been entered. This data is used by the Ministry of Economy to perform an Exploratory Analysis of Parafiscal Fees for MSMEs. The analysis of parafiscal charges for MSMEs has been prepared by Finance think for the needs of the ME, in order to make an exploratory analysis of the scope and burden of parafiscal charges for MSMEs. The analysis is the first of its kind, provides a general overview of the situation and the basis for in-depth data collection and analysis, and is a good basis for designing a registry of parafiscal charges. The analysis was promoted at an event in December 2019.	
	4. Data on all services from the initially selected 50 + 140 laws were entered by 2019. The process of filling the Catalogue is structured in three main phases: data entry for an identified service, verification of data by competent authorities and final approval by MISA. Data on more than 1200 services have been entered so far, and during 2019 707 of them were verified, approved and published on the Portal.	
	5. The bylaws are prepared and are in the consultation phase prior to their adoption	
	6. This activity is a continuous process and is foreseen to continue in 2020.	
	7. The Single Sign On functionality is developed, integrated with the portal and functional for individuals. The integration is done with the Public Revenue Office system of natural persons.	
	8. The National Portal provides information on all services (based on the Catalogue of Services) and e-services for citizens only, and the next steps will be to develop the necessary functionalities that will enable legal entities to use the Portal. This upgrade is expected to be realised in 2020.	
	Measure 13: Reducing the informal economy	Stage of reform implementation (1-5)
	Analysis of the system for monitoring the informal economy	1

Changes in target groups

In order to exhibit direct impact on target groups, Finance Think undertook field activities and initiatives with its target groups/stakeholders. In 2019, our main target group were domestic small and medium-sized enterprises, whose representatives were included in the mentoring process acting as mentees, mentored by multinational companies operating in the country. The model proved as an effective tool for increasing the capacity and information for standardization and licensing, elevating innovation and R&D capacity, and fostering implementation of new technologies. Its impact was evaluated using advanced econometric technique that proved that the mentoring process has had positive impact and possessed the potential to increase the opportunities for these enterprises entering the value chain supply of the multinational companies.

The second target group were tourism providers and representatives of the tourism sector, who were embedded with skills and knowledge for communication, promotion, sales, leadership and building local brands. Three-day training on soft-skills improvement was delivered to more than 100 representatives of the tourism sector.

Finally, during 2019 Finance Think worked with persons who service Roma citizens, like civil servants from the public institutions and representatives of Roma CSOs. In order to increase their knowledge on Roma-responsive budgeting, we have conducted two workshops where participants gained new knowledge and skills for categorization of the budget programs, policy content compliance analysis, budget analysis and budget execution evaluation, in order to raise their capability to monitor and conduct Roma-responsive budgeting process.

Changes in the public discourse

Finance Think remained a major source of information to the public and encouraging economic debate. Economists of Finance Think spoke in all major media, on a variety of economic issues. It is estimated that FT was quoted in the media, on average, 4 times a week. 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 cooperation with several local media.

Generally, Finance Think's work continues to lead the 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 public debate helped maintain objectivity and balance in politically turbulent times.

Qualitative and quantitative evaluation

Based on our estimates of the impact of efforts on policy makers, direct target groups and public discourse, it is estimated that the targeted impact in 2019 increased by 13.9% compared to the previous 2018, while the increase compared to 2017 amounted to 28.2%. However, compared to the previous year, a notable and favorable change is observed: while the amount of publications, visualizations and events declined – hence apparently reducing their separate impact, the impact achieved through the media appearances continued increasing, particularly media citations. This suggests that a reduced amount of publications, events and visualizations exert higher impact than before. This is a trend which commenced in 2018 and continued over 2019, testifying the robustness and credibility the institute attained over years. Details are presented in the following table:



Table 1: Quantitative measurement of the total impact

	Number of...		Estimated impact (0 = no impact 10 = very high impact)			Increase in the impact in 2019 compared to 2018		
	2018	2019	Immediate target groups	Policymakers	Public discourse	Immediate target groups	Policymakers	Public discourse
PUBLICATIONS	45	27	0	6.8	5.8	0.0%	-38.3%	-40.7%
Macroeconomic monitor	4	4	0	4	8			
Graphometrix	1	0	0	4	10			
Policy briefs	8	7	0	10	6			
FT Comment	4	4	0	8	4			
FT Opinion	10	4	0	10	10			
Articles	1	0	0	5	8			
Quality of Life	2	1	0	5	2			
Policy studies	10	5	0	10	4			
Books	4	0	0	4	2			
Others	1	2	0	8	4			
VISUALIZATIONS	78	77	4.4	6.5	8.3	12.3%	10.5%	-1.6%
Graphs	48	39	2	2	10			
Infographs	11	13	4	6	10			
Videos	3	6	4	6	10			
GIF	4	9	10	6	10			
Web platforms	5	2	8	6	10			
Let's chat economics	7	8	4	2	8			
EVENTS	35	31	4.6	8.4	6.0	-0.5%	-10.0%	-26.6%
Economic forums	1	2	2	8	10			
Round tables	7	4	1	10	10			
Workshops	8	6	10	4	0			
Direct meetings with policymakers and/or target groups	12	14	10	10	0			
Number of changed regulations	7	5	0	10	10			
MEDIA APPEARANCES	266	344	3.0	6.5	9.5	26.2%	26.1%	28.2%
Number of media statements	102	38	2	4	10			
Number of media citations	151	296	2	4	10			
Interviews and media participations	12	9	4	10	10			
Blogs	1	1	4	8	8			
Press conferences	1	1	0	6	10			
						17.6%	7.5%	16.3%
						13.9%		

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

Table 2: Evaluation of achievement of Finance Think’s objectives

Objectives and outcomes	Objective	Indicator	Baseline	2018 Realization	2019 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	11	10
	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	32	55
	1.3 Strengthened quality review process	Number of internal and external reviews conducted	10 internal 3-4 external	18 10	15 10
Short term outcomes	Increased number of FT research publications (policy studies, journal articles, books/ manuals)	Number of research publications	10	14	7
	Increased number of the FT regular publications (Macro-monitor, Graphometrix, FT Comments, Briefs etc.)	Number of regular publications	30	27	21
	Increased number of the FT visual publications (graphs, infographs, GIFs, videos etc.)	Number of visual publications	60	78	77
	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%	100%	97%

	Increased number of external experts, who participated in FT projects	Number of experts	10	12	10
	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	15	8
	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	11 4	11 4
	Generated new data	Number of data-collecting instruments applied (survey, focus-groups, interviews etc.)	5	8	25
	Increased amount of web resources (data, evidence, research, regulations)	Number of web platforms maintained	5	7	8

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	<p>Number of FT key policy recommendations put in the pipeline by the government</p> <p>An issue is added on policymakers' agendas</p> <p>An issue is discussed, or framed differently due to the institute's work</p>	NA	The issues of the third child allowance, physical persons in the VAT system, reform of the social assistance system, reform of the pension system, elements in the introduction of the progressive income tax, minimum wage discourse and procurement policies at local level have been all framed based on FT's work. See section 7.1 for further details.	The issues of physical persons in the VAT system, measures undertaken to support companies in the process of standardization (particularly, announcing a subsidy for introduction of a production standard), proliferation of social services at municipal level, all have been framed based on FT's work. See section 7.1 for further details.
	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.	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, regrant)	70%	92%	95%

	2.4. Increased debate on economic policies and reforms	Number of media appearances and citations Number of events	150 20	253 35	334 34
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	20.911	21.571
			Twitter followers, 100	317	336
			FB post engagement, 20.000 weekly (average)	16.176	17.801
			FB posts, 5 weekly	9	9
			FB page views, 1.000 monthly (average)	1.166	1.620
			LinkedIn posts, 2 per week	2	<1
		% of FT products published in popular media (even shortly)	50%	90%	90%

	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)	7	10 Numerous feedbacks were received, large part of which informal, while meeting policymakers in various occasions.
		% 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	85%	85%
	Increased number of media appearances	Number of media appearances (statements, interviews, expert opinions...)	50	114	47
	Increased number of citation of research/ advocacy publications in media	Number of media citations	100	151	296
	FT publications: <ul style="list-style-type: none"> raise awareness spark debate 	% of persons who responded "to some or to a large extent"	40%	88%	91%
	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.	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. See sections 7.3 and 7.4 for further details on this.

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	6	8
	3.2 Financial sustainability of FT	Improved financial sustainability (strengthened fundraising)	Application approval rate (>25%)	30%	22%
		Implementing auditor`s recommendations	100% of recommendations are implemented	100%	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%	88%	80%
	3.4 Increased capacity for operational and strategic planning	All operational and strategic plans are designed, their fulfillment is monitored	Yes / No	Yes	Yes
Short term outcomes	Increased demand from the government for research materials of FT or feedback, implementing more projects together with the government	Feedbacks form the government	Most of feedbacks from the government are positive	Yes	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	7.4	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%	94%	95%
	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%	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%	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	All internal stakeholders participated in such activities. During 2018, FT did not organize such activities for external stakeholders.	All internal stakeholders participated in such activities. During 2019, FT did not organize such activities for external stakeholders.

	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	50%	100%
		Hiring new employees	NA	3	4, to replace outgoing staff
		Number of adopted best practices of leading foreign think tanks after employees participate in experience projects	1	1	2
	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	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	7	6