

Finance Think is the only research organization in Macedonia that acquired the HR Excellence in Research logo, which is a form of accreditation by the European Commission.



↑ **46%**

organizational growth by revenues

↑ **85%**

more published products

↑ **105%**

higher targeted impact

About Finance Think



HR EXCELLENCE IN RESEARCH

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.

PROGRAM AREAS

In order to achieve our mission and vision, the focus of work is on three program areas, of which the first is considered the main: Development economics: poverty, social, income, gender, age and ethnic inequality, unemployment, access to education and health services, regulatory environment, structural reforms. Macroeconomics: economic growth, investment, monetary, fiscal, foreign trade and exchange-rate policy. Financial system: development of the banking, insurance, pension and the others financial sub-systems, risks assessment and the resistance to shocks of the financial system, regional and global financial integration.

PRINCIPLES AND VALUES

Finance Think is guided by the following principles and values:

- ◇ The research agenda is linked and integrated with the mission of the think tank, and the researchers are aligned with the strategic objectives.
- ◇ 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 thought and expression.
- ◇ The think tank provides cooperative and nurtured research

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 research is applied, innovative, oriented to the policies and high quality.
- ◇ The research is interdisciplinary and collaborative.
- ◇ The research findings are disseminated in a way that can be understood by non-specialists, and thus leads to better public understanding of economic processes.
- environment, recognition of all researchers as professionals, and does not perform any kind of discrimination.
- ◇ The policies and procedures of FinanceThink are transparent.
- ◇ The assessment of institute's activities is permanent and transparent.

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

Dear readers,

The three words that characterized 2016 for Finance Think were growth, impact and creativity. Our work continued in the key areas of work and expertise: poverty and quality of life; gender and income inequalities; fiscal accountability, migration and remittances. To these, over 2016, we added the economic analysis of the key sectoral policies: education and health. Overall, this resulted in an institutional growth of over 46% compared to the previous year.

Over 2016, we added the GIFs, a composition of moving pictures, to the array of our innovative products. In addition, the FT Opinion - a condensed view on the daily moves of the domestic economic policy and economic results, achieved its zenith. A rigorous, evidence-based and balanced evaluation of economic trends was the key ingredient in this product, as in every other product of Finance Think. Producing high-quality products for our stakeholders: policymakers, immediate target groups, and the public, remained the ultimate imperative of our work, in order to raise awareness and improve the economy and society. Overall, our work with the direct target groups, engagement with policymakers and the ignition of the economic debate brought about an impressive doubling of the impact compared to the previous year.

Finally, over 2016, we worked on our image in front of the overall public. Besides enriching the range of innovative products, we started building more unifying and consistent picture of all products, events and appearances of Finance Think, in one form or another. The team strengthened with new skills, as well invested in its coherence. We continued the build-up of partnerships in the country and abroad. We were not saving on our imagination in all these endeavors.

*We continue this path in the year ahead of us.
Enjoy reading this Annual Report.*

Sincerely,

Blagica Petreski, Chief Economist







Blagica Petreski, PhD Candidate

Chief Economist - CEO

Blagica is a researcher in the area of banking system and economics, advocate for better economic policies and demanding adviser to policymaking. 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. Blagica leads, coordinates and organizes the daily operations of Finance Think, while also being heavily involved in the strategic planning and leadership of the think tank.



Despina Tumanoska, PhD Candidate

Program Coordinator

Despina graduated from the University American College Skopje in the field of Finance and Banking and the University Ss. Cyril and Methodius Skopje in the field of Financial management. Her interest includes macroeconomics and applied economic modelling with time series and panel data. In 2012, she won the Annual award for Young Researcher conferred by the National Bank of the Republic of Macedonia. She coordinates the Development Economics pillar at Finance Think.



Ivan Vchkov, MSc

Economic Analyst

Ivan joined Finance Think in October 2015. 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. His interests are in the fields of macroeconomics, financial markets and financial instruments. He is a member of the Finnish Association of Business School Graduates. At Finance Think, Ivan works on issues related to fiscal transparency, remittances and the gender wage gap.

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 Kochovska, PhD Candidate

Organizational Coordinator

Tereza holds a Master's degree in Finance at the University American College Skopje. She joined Finance Think first as an intern in February 2015 and then as a junior analyst as of May 2015. At Finance Think, Tereza is in charge of all organizational, financial and administrative matters. In part of her working time, she deals with collecting qualitative data through different instruments and visualizations in the program domains of the institute.



Teodora Arsovska

Economic Analyst

Teodora joined Finance Think in October 2016 as part of the Program for professional development of young researchers of the Think Tank Fund – Budapest. Teodora graduated from the University American College Skopje in 2014, majoring in Finance, and currently prepares the master's thesis at the University of Ljubljana in the field of public debt management. The areas of her interest include macroeconomics, monetary and fiscal policies, banking systems and financial markets.



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 Thin, Natasha works on issues related to vulnerable populations, including current social policies in Macedonia.



Milosh Gjuroski, MSc

Visualization and Public Image Specialist

Milosh joined Finance Think's team in September 2016. 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.





Projects

The projects of Finance Think are divided in three groups: Core research, Research in motion and Organizational development.

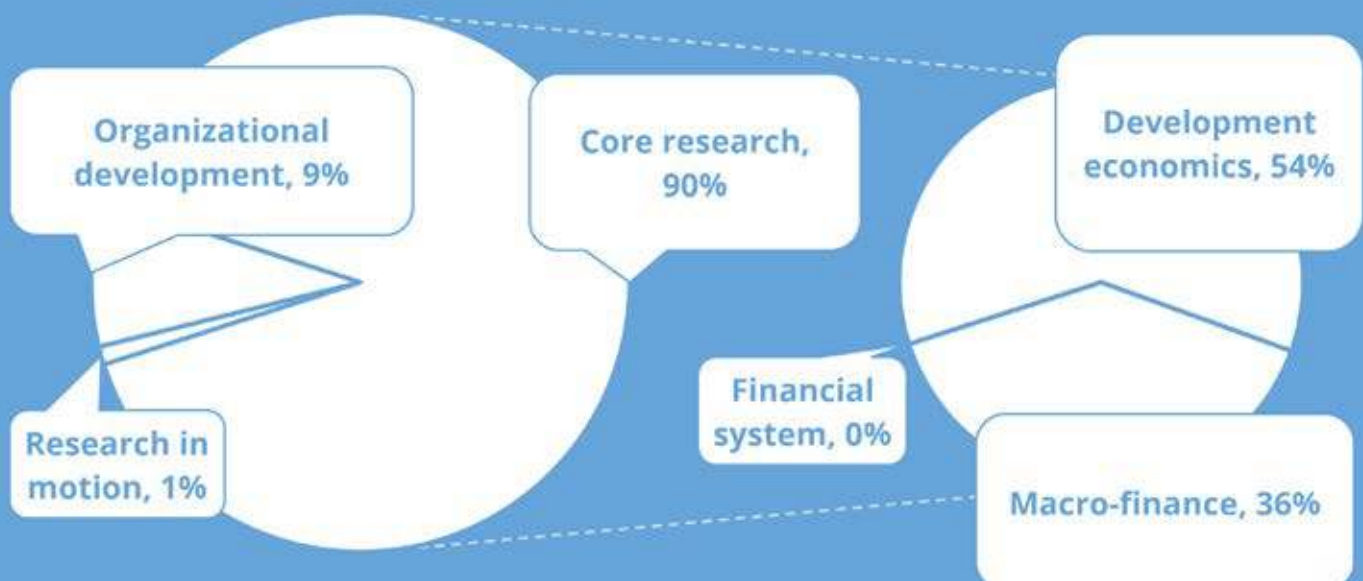
Core research

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 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 for developing studies to be published during the project implementation;

3. Links with media outlets and development of outreach products like videos, 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. A desk research of the existing policies resulted at a matrix of all public policies in the three areas of interests, out of which, at a debate and working meeting with the experts, eight were chosen as most important policies to be further analyzed by few teams composed of experts in the field.

2. Raised public awareness about the issues related to quality of life, health and education through produced and published info-graphs, and actively participated in the media through short statements and interviews.

Donor: British Embassy, Skopje

Duration: July 2016 – March 2018



Challenging unemployment in the Western Balkans: Enhancing active labor market policies in Albania, Bosnia and Herzegovina and Macedonia

The objective of the project is to contribute to improvement of active labor market policies and boosting employment in Albania, Bosnia and Herzegovina and Macedonia.

Activities: The objective of the project will be achieved through the following activities:

1. Desk research on the active labor market policies and measures, identifying legal, financial, and practical weakness in employment policies and providing relevant analysis and feasible policy recommendations in this area;
2. Informing and expanding the knowledge of the key stakeholders and public through media statements and interviews, round table and a policy brief.

Achievements: The final result of this project is a policy study that provides analysis and recommendations to the policymakers, which were presented at the round table “What can employment measures do for the business sector and the unemployment in Macedonia” where the key note speaker was the CEO of the State Employment Agency. This event was followed by several media and the results were presented as top news on many national TV channels. Additionally, a policy memo and policy brief were produced, in order to stir the public awareness about the existing employment policies.

Donor: European Fund for the Balkans

Duration: January – October 2016

Partners: Analitika, Bosnia and Herzegovina and Agenda Institute, Albania



The topics of poverty, standard of living, social inclusion, gender and income inequalities, migration and remittances dominated our research agenda.

Promoting active inclusion of disadvantaged persons excluded from the labor market

The 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. Based on the above mentioned activities, the following results have been achieved:

1. 21 professionals, employed at the Employment Centers and/or Centers for Social Work, attended the Training for Social Mentoring, held in Skopje, 29-31 August 2016. All of them are qualified to be a Social Mentor to at least one vulnerable person, according to the supervision methodology explained in the Toolkit for self-evaluation that was produced and delivered to each of them. The Agreement for supervision was signed between the mentors and the mentee, during the second half of December, and the mentorship process officially started and will last up to May 2017.

2. More than 120 persons at social risk attended the Pre-employment training sessions which were held in four cities within the country (Skopje, Ohrid, Kumanovo and Veles), and obtained a Certificate. At least 20 of them will be a mentees during the mentorship process, and at least 50 of them will have the opportunity to be a part of a work placement program that should start in January 2017.

3. In order to raise public awareness for the issues of social inclusion, posters and leaflets were designed and disseminated during several events. A creative public contest titled "Volunteers for social inclusion" was announced on 7th October and till the deadline, 30 November, 93 submissions were received. All of them were exhibited during five events, titled "Coffee with employer" conducted in Skopje, Ohrid, Kumanovo, Tetovo and Rostushe. Besides the exhibition, this event was a neat opportunity for the unemployed persons to have informal talks with an employer and to learn how to perform a job interview.

Donor: European Commission – Instrument for Pre-Accession Assistance

Duration: December 2015 – August 2017

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

Forecasting the size and effects of emigration and remittances in four Western-Balkan countries

The project aims to forecast the size and effects of remittances and emigration in 4 Western-Balkan countries, through a novel method: Delphi questionnaire.

Activities: The project had the following activities:

1. To provide a literature overview of forecasting emigration and remittances through desk research of the available literature on the topic;
2. To collect data through a Delphi questionnaire from economic experts and remittance-receivers and to forecast remittances and emigration;
3. To provide policy recommendations based on the forecasted trends;
4. To raise the public awareness about the future of emigration and remittances through presentation of the results of the study and preparation of info-graphs.

Achievements: The final policy study has been published with the results about the forecast of remittances and emigration. This study has been accompanied by brief papers presenting the results in details for each country. The final results were further presented at the round table held in the Faculty of Economics in Prilep, followed by several national media, who reported the final results of the study. Also, the public was familiarized with the future of the emigration and remittances through the info-graphs that were produced and disseminated on the social networks.

Donor: Regional Research Promotion Program – Swiss Development Agency

Duration: June – November 2016

Partners: ACSER Albania, FREN Serbia and an individual researcher from Kosovo



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

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 thorough 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:

1. Finance Thinks' team participated on the workshop for econometric techniques for investigation of the gender and motherhood pay gaps, “Econometric methods for survey data” in Vienna. Also, members of the team participated at three research stays at the Vienna Institute for International Economic Studies, in February, September and December, where they had the opportunity to meet representatives of the Austrian Ministry for Women and Education and Vienna University for Economics and Business. During the research stays, project staff participated at five seminars organized by the WIIW.
2. In order to raise the public awareness about the issue of the pay gaps, several graphs and info-graphs were produced, with data on the existing wage gaps in the country and worldwide. Also, an Advocacy Showcard with 11 solutions for reducing the gender wage gap in Macedonia was produced and disseminated to the relevant policy stakeholders and the wider public, as well a FT Comment on the National Strategy for Gender Equality was prepared and accordingly disseminated.
3. A workshop for building skills for estimation of the wage gaps titled “Gender and motherhood wage gaps: Data, policies and econometric techniques” was organized in Skopje, in July, and was attended by 16 motivated and ambitious youth economists.
4. A round table “Women in the labor market: Stereotypes and challenges” was held in Skopje, on 06 July, in order to steer public debate on the topic.

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

Duration: November 2015 – January 2017

Partner: The Vienna Institute for International Economic Studies

Gender responsible budget of the city of Skopje

The objective of this research is to identify gaps in the gender policies and implementation of gender-sensitive budget of the City of Skopje, and make appropriate recommendations to overcome the gaps.

Activities: Desk and field research in order to identify the gaps in the implementation of the gender-based budget of the City of Skopje.

Achievements: The final policy study based on desk research and interviews with experts who work on the gender policies at the City of Skopje was presented at the final event “Budget keepers” and presented in the media.

Donor: Center for Research and Policy Making

Duration: September – November 2016



FISCAST: Building capacity and tools for fiscal accountability, sustainability and transparency in Macedonia

The objective of the project is twofold: first, to improve the capacity of civil society and media to contribute to evidence-based economic dialogue in the country, enabling more participatory and transparent policymaking, with strong focus on fiscal policymaking; and, second, to increase the public awareness for the process of spending public money.

Activities: In order to achieve the objective, many activities were undertaken during the project implementation:

1. Establishing FISCAST Network composed of representatives of local NGOs, experts and economic journalists, and selection of nine teams that will work on the cost-benefit analysis of the selected public policies;
2. Workshops for building capacities for cost-benefit analysis of the NGOs representatives and the economic journalists, as well workshop for tracking the progress of the analysis and for networking of the teams;
3. Raising public awareness on the public spending through production of journalistic stories, info-graphs, blogs, graphometrix and book;
4. Steering public debate through organization of round tables, economic forum, interviews and media statements.

Achievements: The establishment of the FISCAST Network and capacity building activities took place in 2015, but most of the activities were conducted in 2016:

1. Preparation of nine policy studies and joint booklet on two languages: Macedonian and Albanian.
2. Many activities were undertaken in order to steer public debate and awareness. Three round tables were organized in Tetovo and Shtip, where the final results of the studies were presented, and an economic forum "How is public money spent: Evidence-based policymaking" took place where prominent speakers talked about the most important issues related to public money spending. The journalists who are a part of the FISCAST Network produced more than 20 journalistic stories, which were presented in the media (newspapers, social networks, web portals, TV stations). Also, FT staff gave many media statements and interviews, while the produced video caused large public debate about the public money spending. Also, a web platform www.fiscast.mk was built, in order to gather in one place all data, happenings and tools for fiscal accountability, sustainability and transparency in Macedonia.

Donor: British Embassy Skopje

Duration: August 2015 – March 2016



Migration as social protection: Analysis of Macedonian, Serbian and Albanian remittance-receiving households

The objective of the research is to investigate if remittances sent to Macedonia, Albania and Serbia serve social protection for household members left behind.

Activities: The key tasks include:

1. Developing a policy study through literature overview, econometric techniques and qualitative research linking remittances to social vulnerability;
2. Wide communication with the policymakers and the public through round tables, policy brief, media statements and interviews, participation at international conferences.

Achievements: The final policy study was produced after devising an indicator of social vulnerability, econometric investigation of the causal links between remittances and social vulnerability and deep qualitative investigation through interviews of the linkages between and contexts of the two phenomena (remittances and social vulnerability). The writing of the policy study was accompanied with two project partners' meetings, one of which in 2016 in Amsterdam where the team participated at a training "Regression for discontinuity design" and met with the mentor and talked about the qualitative research. Finance Thinks' project members attended three international conferences, one in 2016 in Vienna, where the final results of the study were presented. In order to present the results to the domestic public, the team organized an economic forum "Emigrants' money matter for the social development of Macedonia", where the policy brief and the final book were presented. The Macedonian team succeeded to publish its research in the prominent journal International Migration.

Donor: Regional Research Promotion Program

Duration: August 2014 - September 2016

Partners: ASCER Albania and FREN Serbia



Simulation of a voucher policy for improving the social condition of individual remittance receivers in Macedonia

The objective of the project is to develop a simulation of potential voucher system for social protection of individual members of the households receiving remittances in Macedonia.

Activities: The mentioned objective was achieved through the following activities:

1. Simulation of the effects of potential voucher for protection of socially vulnerable individual recipients of remittances by simulating the effects on the health indicator of the recipient, through developing an econometric model and conducting analysis for Macedonia;
2. Raising public awareness for the possibility of using the received remittances for social protection and stirring public debate through policy recommendations for better channeling of the received remittances.

Achievements: The project team conducted an analysis for Macedonia, remittance-recipients, at the individual level, using the DotM Survey. One representative of the team conducted a research stay at the University of Laval in Canada, where the econometric model was further developed and the effects of introducing a voucher for protection of socially vulnerable remittance-receivers were simulated. The results of the research were presented at a round table held in February in Skopje, which was attended by prominent experts and respective policymakers in health and social protection and representatives from several embassies in Skopje.

Donor: Partnership for Economic Policies - Canada

Duration: June 2014 – February 2016



Research in motion

The objective of these projects is to steer economic thinking and discussion for pressing economic issues and problems through debates, argumentation and actions in motion. In this group, the Institute conducted one project:

Fostering female self-sustainability through embedding traditional values into alternative touristic attractions in Krushevo



The objective of the project is to improve self-sustainability of women through development of alternative touristic attractions out of their skills for traditional, homemade and ecological production: embroider linen, knitting, wild berry jams, pasta peeling and grains, natural tea and the like.

Activities: Project activities included: training of Krushevo women for skills for entrepreneurship, promotion and sales of traditional products, expanding and strengthening the mini-cluster developed within the previous project, developing of three alternative touristic attractions embedding traditional values and promotional campaign involving an event “Days of alternative touristic attractions in Krushevo” and the Fair “It’s homemade, it’s from Krushevo...”.

Achievements: After the capacity building of the women in 2015, 2016 started with developing of potential alternative touristic attractions in Krushevo, which resulted in creation of three alternative tours 1) Aronia plantation; 2) Botanic walk, and 3) Churches of Krushevo and a Vlach house –

religion, arts and colors. All three tours were piloted in June, by the women and the project staff, and on 30-31 July the final events of the project happened: Tours with tourists and Fair on traditional homemade and ecological products "It's homemade, It's from Krushevo". Both events were visited by many tourists, while the Botanic tour was visited by the US Ambassador in Macedonia, His Excellency Jess Bailey. For better promotion of the work of Krushevo women and the events, a brochure and a promotional video were produced and the web platform www.odkrusevo.mk was upgraded.

Donor: US Embassy Skopje

Duration: October 2015 – July 2016



Organizational development

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

The objective of the project is to further strengthen the organizational capacity of the institute 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 economic/econometric courses and other opportunities for strengthening the FT staff skills for research;
2. Better communication within the organization and with the public through: increasing the capacities and products for visualization, strengthening the realization of the media communication strategy; organizing "Coffee with journalists" few times per year, intense communication with the media, 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: Several actions are conducted during 2016:

1. Finance Thinks' employees had training on the usage of the Delphi method, which was used within other research projects.
2. For strengthening the communication process, a visual designer was employed in September. So far, two issues graphometrix, two FT Comments and few FT Opinions were published with the support of this project.
3. The internal relations and governance were strengthened during the retreat meeting in December, in Krushevo, and through the process for (self)-evaluation where each employee evaluates his/her abilities and workload within the Institute.
4. Few of the internal regulations were upgraded while the process of developing an M&E Strategy commenced.

Donor: Think Tank Fund (Open Society Foundations)

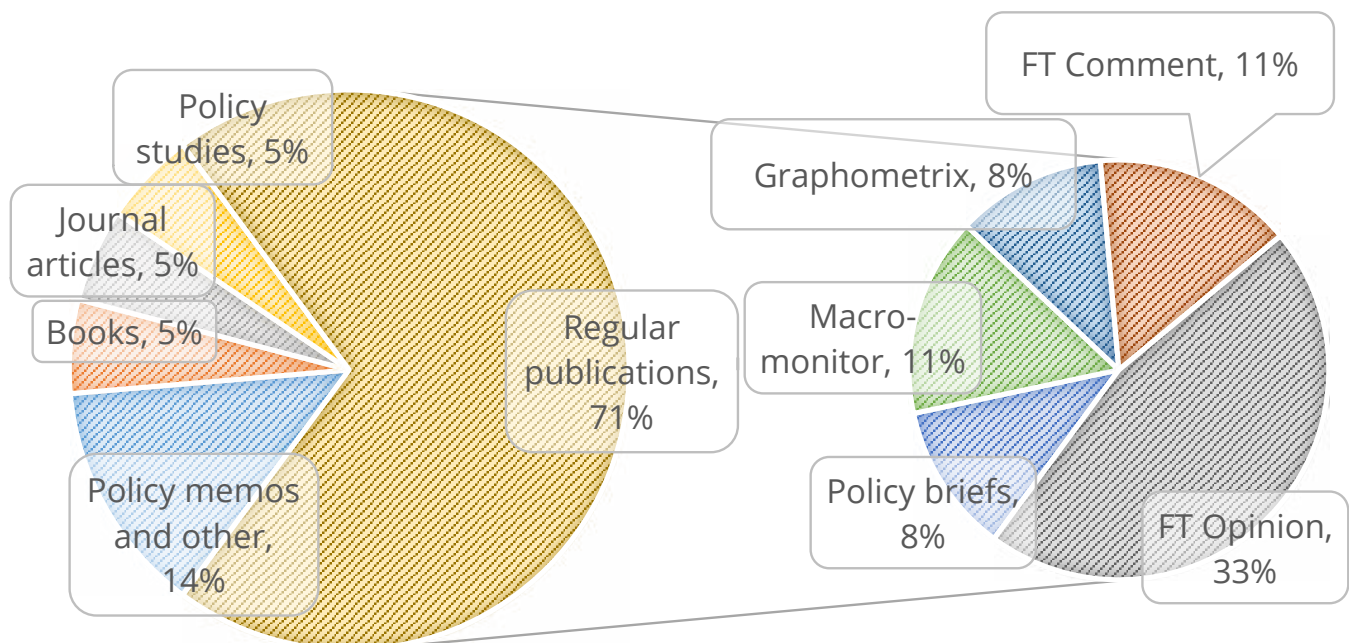
Duration: August 2016 – July 2018





Analytical and research publications as a form of advocacy

Based on economic analysis, research and monitoring of the economic activities, Finance Think produced different types of regular and project-based publications, as well visualizations.



Regular publications

Macroeconomic monitor, a regular quarterly publication that observes the Macedonian economy through numbers, with highlighted forecast component. As of 2016, the publication offers a numerical forecast for the economic growth of the Macedonian economy, as well a brief discussion of the associated risks and opportunities. There have been published 19 editions, four of which in 2016. Graphometrix is a regular publication that contains important current information about the national, regional and world economy, presented through graphs. There have been three editions published over 2016. Index of future economic activity is being published monthly in the magazine "Economy and Business". The index forecasts the economic activity based on combining indicators considered to precede economic activity with a time lag of about six to nine months. Index for financial stability of the banking system is regular quarterly publication. The objective of the index is to esti-

mate the current stability of the banking system and to compare it with the stability of the previous period. The index includes the main risks: capital adequacy, asset quality, profitability, liquidity and interest rate bank risk.

Policy briefs are regular 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 analyses, 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 through the communication platforms of the Institute and its network. The following issues have been published in 2016:

- Active labor market programs and policies: Challenges for the Macedonian labor market.
- Can we increase the minimum wage in Macedonia?
- Emigrants' money matters for the Macedonian social development.
- How to put remittance receivers under the social umbrella?

FT Opinion was the publication with the largest inroad and impact.

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. Four editions have been published over 2016:

- FT Comment No.12 on the economic part of the EU Progress report for the Republic of Macedonia 2016, November 9, 2016
- FT Comment No.11 on the Fiscal Strategy 2017-2019, 15 October 2016
- FT Comment No.10 on the the economic aspects of the National Strategy for Gender Equality 2013 – 2020, 22 August 2016
- FT Comment No.9 on the Standard & Poor's Report on the credit rating of the Republic of Macedonia, April 1st, 2016

FT Opinion is a condensed and swift reaction to the moves of the daily economic policy and trends. In 2016, 12 opinions of the FT experts were published (starting from the latest):

- FT Opinion No. 14 on the proposed Budget for 2017
- FT Opinion No. 13 on the second Budget Supplement for 2016
- FT Opinion No. 12 on the reduction of the Macedonian credit rating
- FT Opinion No. 11 on the Eurobond issuance
- FT Opinion No. 10 on the Budget Supplement

- FT Opinion No. 9 on the change of the key economic policymaker
- FT Opinion No. 8 on the increase of the reference interest rate by the National Bank
- FT Opinion No. 7 on the possibility for devaluation of the denar
- FT Opinion No. 6 on the effects onto the economy from the potential sanctions by the international community
- FT Opinion No. 5 on the drop of the unemployment rate at the end of 2015
- FT Opinion No 4 on the increase of the interest rate of the government bonds
- FT Opinion No. 3 on the necessity for introducing a Fiscal Council.

Project-based publications

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

- Petreski, M., Petreski, B. and Tumanoska, D. (2016) Could Remittances Shield Vulnerable Households in Transition Economies? In: Aysen Hic Gencer, Ilyas Sözen and Selahattin Sari (Eds.) Eurasian Economies in Transition, Cambridge Scholars Publishing, p.86-106.
- Tumanoska, D., Mojsoska-Blazevski, N. and Petreski, M. (2016) Are small, open economies exposed to capital? Insights into the Feldstein-Horioka puzzle in Macedonia. Economic Review, 67(2), p.116-134.

The number of various publications we produced increased by 85%

Policy studies. During 2016, the following policy studies were published:

- The size and effects of emigration and remittances in the Western-Balkans: Forecasting based on a Delphi process - Marjan Petreski, Blagica Petreski, Despina Tumanoska, Edlira Narazani, Fatush Kazazi, Galji-



na Ognjanov, Irena Jankovic, Arben Mustafa, Tereza Kochovska

- Active labor market policies for employment: Challenge for the Macedonian labor market – Blagica Petreski and Despina Tumanoska

Books that were published in 2016:

- Migration as social protection: Analysis of Macedonian, Albanian and Serbian remittance-receiving households – Marjan Petreski and Blagica Petreski (Eds).
- How is public money spent? Cost-benefit analysis of selected public policies in Macedonia – Blagica Petreski and Despina Tumanoska (Eds).

Other publications. Few publications in other formats were released during 2016, as follows:

- Policy memo “Active labor market policies: Challenge for Macedonian labor market” – which gives a short summary of the ALMPs in Macedonia;
- Advocacy Show Card “11 solutions for reducing the gender wage gap in Macedonia”
- Brochure “Krushevo is more beautiful on foot” which promotes the alternative touristic attractions in Krushevo;
- Poster and leaflet “Employ me – Include me” which promote the social inclusion of disadvantaged persons on the labor market.

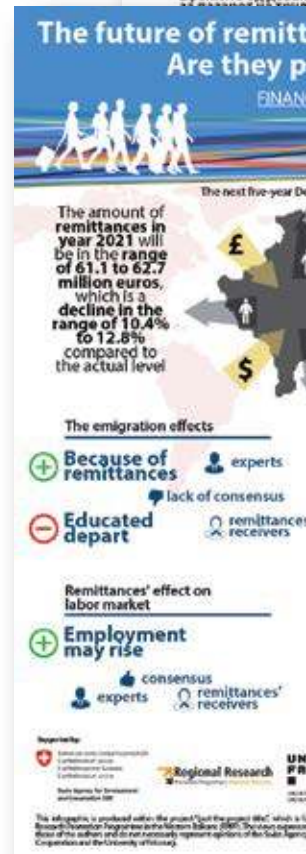
Visualizations

Graphs and infographs. During 2016, Finance Think produced 47 graphs and 12 info-graphs on the following aggregated topics:

- Gender wage gap in Macedonia
- Pisa tests, 2015
- The future of the remittances and emigration: Can we predict them?
- Poverty in Macedonia
- Education – capital investment for economic growth
- Macedonian wages: numbers versus reality
- Voucher for remittance-receivers
- For or against infrastructure investment?
- Tetovo – the most polluted city in the world
- (In)equality at the Macedonian Labor market
- Decreased living standard: consumer basket versus net wage
- Public debt

The graphs are communicated through the social media, while info-graphs are initially published on the Flickr platform and then further disseminated through other channels.

Videos. Four videos were produced in 2016 and can be found on the FT



Родов јаз во плати во Европа

ПРОСЕЧЕН НЕПРИЛАГОДЕН РОДОВ ЈАЗ ВО ПЛАТИ ЗА ПЕРИОДОТ 2006-2014 (%)

- помалку од 10%
- 11-20%
- 21-30%
- 31% и повеќе
- без податоци

Неприлагодниот родов јаз во платите е пречка за постигнување на бруто месечната заработувачка помеѓу мажите и жените во однос на заработувачката на мажите, без разлика на образованието и професијата.

ПИСА ТЕСТОВИ НАУКА, МАТЕМАТИКА И ЧИТАЊЕ, 2015 ГОДИНА

од 70 земји во светот според ПИСА тестовите за 2015 година

Македонија е **67** место во наука и читање и **66** место во математика

Проценка за земјите на ОЕЦД: 493

Македонија	Наука	384
Македонија	Читање	352
Македонија	Математика	371

Само 1% од 15-годишните ученици имаат одлични постигнувања на најмалку еден предмет, а дури 52,2% имаат лоши постигнувања кај сите три предмети.

Encourage me - Include me

are all winners!

Employment market

Self-confidence

Skills

Dependency

Родов јаз во плати по регион

Родов јаз во плати по региони

- 10%
- 8%
- 16%
- 8%
- 8%
- 8%
- 8%
- 8%

Родов јаз во плати по тип на работна адреса

Датум	Соопштение за работното место	Полно	7%
Датум	Сопственик на работното место	Сопственик	7%

Родов јаз во плати согласно со видот на договор за вработување

неотговорно	9%
отговорно	23%
обучајќи/тренирачки	31%

15:04

Од 16:00, жените треба да заминат од работното место, што е соодветно со стандардите на плати од 12%.

Дас по вид на работен став

10%	17%
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Дас по вид на претпријатија

27%

ОБРАЗОВАНИЕТО - КАПИТАЛНА ИНВЕСТИЦИЈА ЗА ЕКОНОМСКИ РАЗВОЈ

ИНВЕСТИЦИИ И РЕЗУЛТАТИ

Инвестиции во образование (% од бруто домашен производ) 2007-2014

Инвестиции во образование (% од бруто домашен производ) 2007-2014

Инвестиции во образование (% од бруто домашен производ) 2007-2014

Инвестициите во образованието се зголемиле во последните години, но не го следат трендот на раст на економијата и буџетот на РМ.

РЕЗУЛТАТИ

Просечен успех на основните одделенија: 3,53

Просечен успех на учениците на завршните одделенија: 2,94

Просечната оценка по предметите: 2,79

Петто одделение: 3,53

Осмото одделение: 2,94

Четврто средно: 2,79

Просечниот успех на основните одделенија се намалува, исто така просечниот успех опаѓа со растот на одделенијата.

РЕЗУЛТАТИТЕ ВО ОБРАЗОВАНИЕТО СЕ ВЛОШУВААТ И ПОКРАЈ ЗГОЛЕМЕНИТЕ ТРОШЕЊА

Безбедноста на оваа публикација беше осигурена со поддршка од Британската амбаса Скопје, во рамките на проектот FINANCE THINK.

МАКЕДОНСКИ ПЛАТИ

Плати VS реалност

Иако, дури 43% од сите работници во земјата, земал плата помала од 12.000 денари.

Пополна од работните во земјата, земал плата од 12.000 - 25.000 денари. Само 8% заработуваат повеќе од 25.000 денари месечно, а дури 43% се обидуваат да преживеат со плата помала од 12.000 денари.

43%	49%	8%
до 12.000	12.000 - 25.000	повеќе од 25.000

Заработувачка по регион

22201	38744	26251
29294	26548	27902
26766	26882	

Скопјани заработуваат најмногу пари месечно, а жителите на источниот регион дома носат заработка, во просек, по помало месечно.

Безбедноста на оваа публикација беше осигурена со поддршка од Британската амбаса Скопје, во рамките на проектот FINANCE THINK.

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FINANCE THINK

дувањата за следите 5 години врзну Делор

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Source: Authors' calculations

YouTube channel:

- Krushevo is more beautiful on foot
- What does quality of life mean to you?
- Poverty in Macedonia, 2015
- How is public money spent?

GIFs. Finance Think started to use the Graphics Interchange Format as the newest visualization tool which gives information on a new innovative way, and so far, there is only one GIF on the topic of education and its outcomes in Macedonia. Finance Think's GIFs are originally communicated thru the GIPHY platform and further re-shared through the other communication tools.

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

- www.fiscast.mk – Web platform for rising awareness on how is public money spent, as well serving a repository of the FISCAS network.
- 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.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.

In 2016, the economists of Finance Think continued publishing articles in journals with impact factor at the prestigious Web of Science

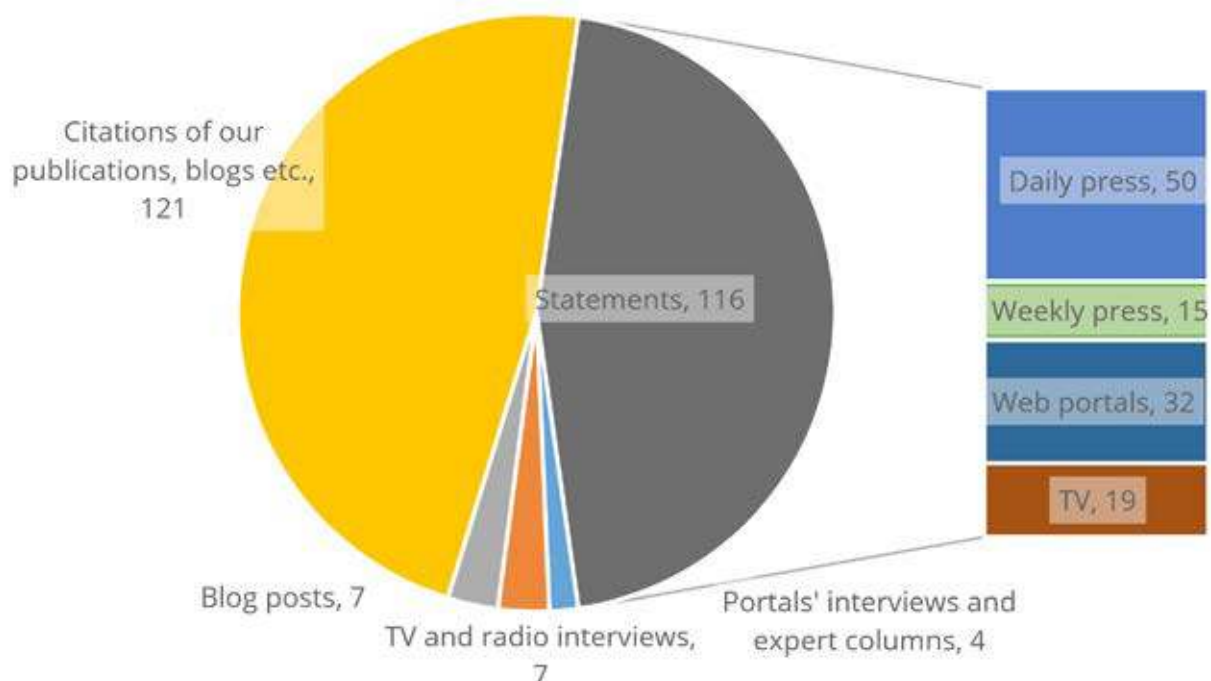


Other forms of advocacy and communication

Finance Think advocates its views and findings through the media, the blog platforms, the web site and the social media.

Media

Our opinions and results of the analysis have been communicated with the public, which produced many statements, interviews and articles, through which we maintained the close and continuous co-operation with the media. Representatives from Finance Think were regularly present through statements in many leading printed and electronic media like: Telma, AlsatM, 2 Vesti, Utrinski vesnik, Kapital, Nova Makedonija, Faktor, ResPublica, Al Jazeera Balkans and many others. The cooperation with the local media further intensified during 2016.



Visits of www.financethink.mk



Web site

The web site has been the most used tool for informing the public about our research, analyses, events, opinions, publications, conferences, training participation and so on. Over 2016, the web site has been visited by 19.225 visitors, which is a daily average of 52 persons. The number of unique visitors was 7.154, which is a daily average of 20 persons. The web platform is linked with the two blogs: "Blog of the free-minded economic thought" and "Economic talks – an informative view" and with the regular streaming of the 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. Seven blog posts were published in 2016, most of which were further re-published in various electronic portals like www.10bez10.mk, www.respublica.mk, and the monthly magazine "Economics and Business":

- The economy of Latin America: Years without crisis or the crisis is in front of?
- How can we overcome the differences between male and female wages?
- Brave, but smart(er) fiscal policy after the elections

- When the economy is a victim of the politics
- The political crisis began to ruin the economy
- Global economy: Downfall
- Unrequited love of the country

Social networks

Finance Think actively uses the social networks: Facebook, LinkedIn и Twitter. The following statistical information refers to the Facebook profile:

- The Institute has had 14.721 Facebook friends at the end of 2016, representing an increase of 55% compared to end-2015
- During 2016 more than 1000 information, links, videos, analysis, charts and our views related to the economic topics from the country and region were posted, representing a 2.5-times increase compared to the previous year
- During 2016, 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 posts at the Facebook profile has been 2.113, paid posts excluded, representing almost a three-fold increase compared to the previous year;
- The greatest reach was achieved by the own-produced videos;
- The average daily engagements – likes, reactions, comments and shares - amounted to 90;
- Most engagements caused our own photos, which in most part boiled down to the graphs and infographs produced by Finance Think.

Social media remained crucial communication tool with multiple increase in the public impact





Events for stirring public debate

Events represent an important niche of our communication strategy and efforts to ignite public economic debate in Macedonia

Economic forums

The objective of the economic forum, besides steering the public debate on a hot topic, is to also present a product of Finance Think, including but not limited to: a book, policy study, web platform, video product etc. This kind of event was for the first time organized in March 2016, and the second one was held in September:

- **How is public money spent: Evidence-based policymaking?**

This forum was held on 29 March 2016, as a final event of the project FISCAST: Building capacity and tools for fiscal accountability, sustainability and transparency in Macedonia. The British Ambassador in Skopje, His Excellency Charles Garrett had a welcoming speech. The main guest speakers at the forum were Ms. Nikica Mojsavska Blazevski, University Professor, Mr. Kire Naumov, Additional Deputy Minister of Finance and Mr. Aleksandar Chomovski, Editor and Journalist. All of them spoke about the public money spending in the country and ideas and directions for creating evidence-based policies in Macedonia. After the forum, the book "How is public money spent? Cost-benefit analysis on selected public policies" was promoted by prof. Zoran Sapurik, as well the video and the web platform www.fiscast.mk.



- **Emigrants' money is important for the social development of Macedonia.** As a final event of the project "Migration as social protection: Analysis of Macedonian, Albanian and Serbian remittance-receiving households", this forum was held on 22 September in Skopje, where Ms Blagica Petreski presented the final results of the project, while Mr. Marko Vladislavlevikj from FREN Serbia spoke about the relation between remittances and social vulnerability in Serbia. Guest speakers at the forum were Mr. Kamalbek Karimshakov from the University Manas, Bikshek and Mr Branimir Jovanovikj from the Institute for Social Sciences and Humanities, Skopje. During the event, two tools related to the project were promoted: the book "Migration as social protection: Analysis of Macedonian, Albanian and Serbian remittance-receiving households" and the web platform www.doznaki.mk.

Round tables

The objective of the round tables is to steer critical debate on a specific topic, usually stemming from an ongoing research. Hence, round tables are usually an event related to a current project research. In 2016, the following round tables took place:

- **The remittance-receivers under a social umbrella?** Ideas and opportunities. At this round table held on 22 February, Ms. Blagica Petreski presented the results of the project "Simulation of a voucher policy for improving the social condition of individual remittance-receivers in Macedonia", while Ms. Maja Zmejкова Parnardzieva, an expert in health management, spoke about the setting of the Macedonian health care system. The event was attended by prominent persons in the field of health and social development and representatives of several embassies in the country. Also, the event was preceded by a press release followed by a widespread media appearance.

- **How is public money spent: Stirring employment or social assistance?** This round table was held on 09 March in Tetovo, and two teams from the FISCAST Network presented the results of their research:





“Cost-benefit analysis of the social measure – parental allowance for third child” and “Analysis of the subsidized employment of youth up to 29 years old”. Three additional guest speakers talked about the policies for employment and social security in Macedonia: Mr Dimitar Nikoloski, Faculty of Economics in Prilep, Mr Veli Kreci and Mr Ali Pajaziti from the Southeast European University in Tetovo. Ms Blagica Petreski and Mr Paul Edwards, Deputy of the British Ambassador held a welcoming speech.

- **How is public money spent: How much is invested in environment?** Mr Blazhe Josifovski and Mr Rade Gogovski, as representatives of the FISCAST Network presented the results of their research related to the environmental public policies, at this round table organized in Tetovo, on 09 March 2016. Mr Zoran Shapurikj, and expert in environment and Mr Filip Popovski, CEO of Pakomak, spoke about the public policies of environment and waste management in Macedonia.

- **How is public money spent: Education, infrastructure and FDI?** This round table was organized in Stip, on 22 March, in order to present the final results of three analyses within the FISCAST Network: “Higher education at any cost? Cost-benefit analysis of the state universities dispersed studies”, “Cost-benefit analysis of the road Demir Kapija – Smokvica” and “Cost-benefit analysis of the policy for attracting FDIs in Macedonia”. Each topic was accompanied with a speech of an expert in the field: Mr Goran Petrevski, University Professor, Mr Jahja Mezler, CEO of a textile company and Mr Marjan Petreski, University Professor. Ms Blagica Petreski and the British Ambassador, His Excellency Charles Garrett, held a welcoming speech.

- **Women on the labor market: Stereotypes and challenges.** In order to stir the public debate about the different gender treatment on

and access to the labor market, this event was organized on 06 July, with the support of the Central European Initiative, KEP Austria. Four women talked about issues related to the labor market inequalities between men and women and offered solutions for overcoming the challenges women face with on the labor market. The event was followed by an exhibition of the submissions to the Competition for cartoons and comics: "Gender and motherhood economic inequality", and at the end, the winners were announced.

- **What could active employment measures do for the business sector and unemployment in Macedonia?** This round table was organized on 20 October, in Skopje, in order to present the results and policy recommendations of the project "Challenging unemployment in the Western Balkans: Enhancing active labor market policies in Albania, Bosnia and Herzegovina and Macedonia" supported by the European Fund for Balkans. Ms. Despina Tumanoska answered the question what could ALMPs do for the unemployment, while Mr. Mile Boskov from the Business confederation of Macedonia spoke about the importance of the ALMPs for the business sector. Keynote speaker at the event was Mr Vlatko Popovski, CEO of the Employment Service Agency.

- **The future of emigration and remittances: Can they be forecast?** The last round table organized in 2016, was held at the Faculty of Economics in Prilep on 22 November, where Ms. Despina Tumanoska presented the results of the project "Forecasting the size and effects of emigration and remittances in four Western-Balkan countries", while two University Professors Mr. Dimko Kokaroski and Mr. Dimitar Nikoloski had their speech. Ms. Blagica Petreski from Finance Think, and Ms Aleksandra Dimova-Mancevska, the local RRPP representative, gave their welcoming speeches.



Workshops

The objective of the workshops is to directly convey skills over the immediate target groups and usually, they are realized within the current project activities. In 2016, FT organized nine workshops (starting from the last one):

- **Selection of policies for analysis, teams, methodology and data** – a workshop organized within the FISCAST+ project, where teams cooperated in order to choose the most important public policies that will be further analyzed; 2 December 2016.
- **Pre-employment workshop** – intended for marginalized persons who were equipped with soft skills that will ease the process of employment. There have been 6 series of 2-day workshop, and more than 120 people successfully completed them; October – November 2016.
- **Communication and mentoring skills** – a workshop for the employees at the Employment Centers and Centers for Social Work, who had the opportunity to familiarize with the Social Mentoring Model that will be piloted within the EU-funded project. 21 persons successfully completed this workshop; 30-31 August 2016.
- **Gender and motherhood wage gap**: Policies, data and econometric methods – a workshop intended for youth, highly educated and motivated economists, who had the opportunity to learn new econometric techniques for estimating gender and motherhood wage gaps; 6 July 2016.
- **FISCAST Net Midterm workshop** – the FISCAST Network teams had the opportunity to meet each other, to present the advancement in the cost-benefit analysis and identifications of problems and challenges during the process of project implementation; January 2016.

Networking corners

This kind of event was for the first time organized in 2016, within the EU-funded project “Promoting active inclusion of disadvantaged persons excluded from the labor market”. The event was titled “Coffee with an employer” and was composed of several activities:

- Employers’ discussion on issues related to which characteristics should an employee have and how to perform at a job interview;
- Successful stories for self-employment;
- Meeting between unemployed and employees at the Employment Centers or Centers for Social Work;
- An exhibition of art submissions “Volunteers for social inclusion”;

Four networking corners were conducted in Skopje, Kumanovo, Ohrid and Tetovo, and each participant got promotional materials (t-shirts, books and magnets) in order to promote the visibility of the project and the issue with social inclusion of disadvantaged persons on the labor market.

Impact

The various forms of regular and project-based publications, visualization products, appearances in mass media and the communication via the social networks, as well the activity through a wide range of events create Finance Think's impact

Policy changes

The results and conclusions of the conducted research and analyses, translated into concrete recommendations for policy changes have been disseminated to the policymakers. Finance Think recommended transformation of remittances from informal into formal social protection to the Ministry of Labor and Social Policy. Based on our work in the respective domain, the Rulebook on the procedures for determining household revenues, property and property rights for determining the right-holder and the needed documentation for implementation and use of the right to social assistance has been changed in January. The remittances are no longer considered official revenue income and people who received remittances and are vulnerable, are considered eligible for social assistance. Before the changes of this rule, vulnerable people who received remittances even of one denar were immediately excluded from the social-assistance scheme. In July, Finance Think reacted on the intention of the Ministry of Finance to issue a new Eurobond in the amount of 650 million euro. Several channels were used for the reaction to echo the policymakers and the public, like public statements, an FT Opinion, as well visual products for the size of the public debt. Finally, the Ministry of Finance decided to reduce the amount of the European, which was realized at 450 million euro.

Changes in target groups

In order to achieve direct impact on target groups, Finance Think undertakes initiatives and actions that work on the ground with the target groups. We continued with the action for economic empowerment of the women in Krushevo. The alternative touristic destinations were developed as a new pillar of services, where women play the role of tour guides. The network of women has been expanded for 10 new women. For the first time, new alternative tours have been promoted under the slogan "Krushevo is more beautiful on foot...". According to the survey conducted before and after the program, participants increased their income for 35% compared to the past year; moreover, few women with no income earned their own income for the first time. Representatives of "Krushevo women" also participated at this year's New Years' Bazaar – Craft Art Fest, held in Skopje, were part of the Krushevo stakeholders' group within the IME project, and participated at the fairs for organic food within an USAID-led project.

Over 2016, Finance Think, in cooperation with its partner Center for

Child and Family Care from Greece, conducted a series of training for embedding skills for employability among disadvantaged groups. After the series of training, the participants were able to clearly identify their career objectives, communicate effectively, write a good CV and motivational letter, to cope with negative emotions and conflicts, and were highly motivated to apply for a job. 50 of the participants will have the opportunity to participate at the work placement program that will start in February 2017. The impact of this process will be measured through and Impact Evaluation that will be conducted during the next year.

As Finance Think worked on increasing the capacity for a cost-benefit analysis of policies involving spending of public money over 2015, this year was the time to reap the benefits. The target groups are three: economic and economic-related think tanks; target (local) organizations of various thematic domains; and economic journalists. The groups produced nine cost-benefit analyses, which were all subsequently published as a compendium and presented at an Economic fair. Groups self-assessed the improvement of their skills in fiscal policy analysis: before the workshop 31.5% of the participants declared to have had little knowledge and 47%

The total targeted impact over 2016 is estimated to have doubled compared to the year before.

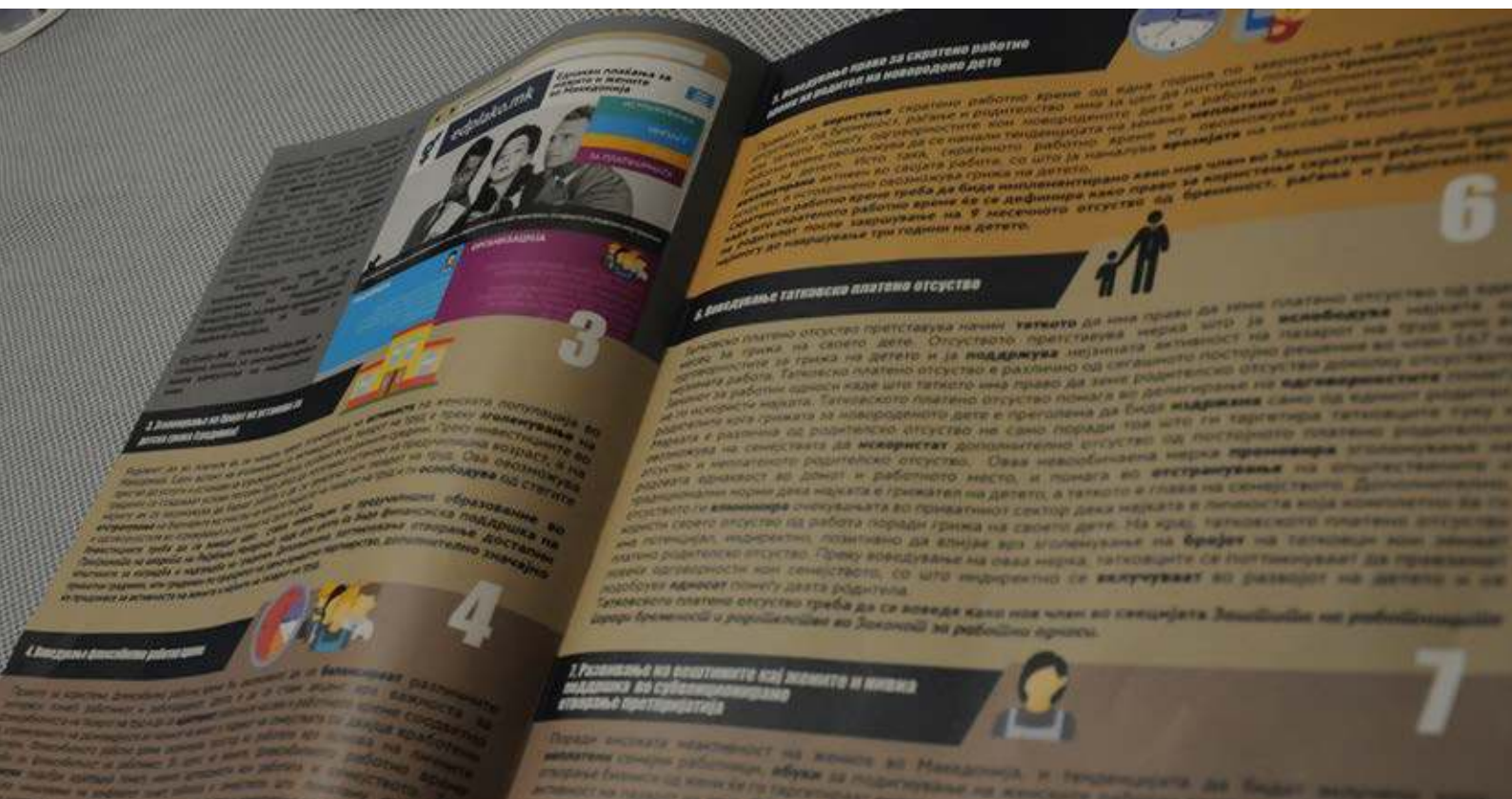


intermediate knowledge in domestic fiscal policy, while 79% only basic understanding of cost-benefit analysis; at the end of the project, 74% declared to have gained upper knowledge of fiscal policy and 74% an upper understanding and knowledge in conducting cost-benefit analysis. 100% of the participants on the cost-benefit workshop answered they gained new skills.

Finance Think also conducted a one-day workshop on methods for calculating of the gender and motherhood wage gaps for young economists. Almost all participants expressed basic knowledge of statistics, but strong interest in learning new skills. After the workshop, the satisfaction with the new learnt skills was estimated at 85%, as majority of the participants expressed the new knowledge will be applicable in their work, either for their studies/theses or on their workplace.

Changes in the public discourse

Finance Think remained a key source for informing the public debate in the country and, with increasing pace, the regional public debate. The economists of Finance Think were featuring in all the mainstream media on economic issues. It is estimated that Finance Think has been cited in the media on average 5 times a week, or once a working day. Virtually all key messages the institute aimed to convey to the general public met widespread media attention, with several unique journalistic reports/ stories in the main media, which were then just propagated by the smaller and local media outlets. In particular, over the year, Finance Think managed to bring to the forefront of the public debate three key topics: the spending of the public money (April 2016); the sustainability of the pension system (October 2016) and the changes in the minimum wage (November 2016). The theme of the pension system was accompanied by reports of the World Bank, while the theme of the minimum wage happened in the midst of the Parliamentary election campaign, whereby the rise of the minimum wage constituted a key chapter in the programs of the two key political parties. In that regard, one political party expressed direct interest in learning about Fi-



nance Think's calculations behind the proposed minimum wage increase. Overall, the entire Finance Think's work is judged to have pushed the public debate forward, from merely subjective and without evidence base, with increasing introduction (and acceptance) of such elements. The inclusion of quantitative estimates and other evidence produced through research in the public debate helped in maintaining the objectivity and balance in politically-turbulent times.

Overall targeted impact

Based on own estimations for the impact that each effort exerts on the policymakers, immediate groups and the public discourse, the targeted impact has been estimated to have doubled over 2016 compared to 2015, according to the following summative table:



	Number of...		Assumed impact (0 = no impact to 10 = very high impact)			Increase of impact in 2016 compared to 2015		
	2015	2016	To immediate groups	To policy-makers	To public discourse	To immediate groups	To policy-makers	To public discourse
PUBLICATIONS	20	37	0	7.0	5.6	0%	105.7%	96.9%
Macroeconomic monitor	4	4	0	4	8			
Graphometrix	3	3	0	4	10			
Policy brief	3	3	0	10	6			
FT Comment	4	4	0	8	4			
FT Opinion	2	12	0	10	10			
Journal articles	2	2	0	5	2			
Policy studies	2	2	0	10	4			
Books	0	2	0	4	2			
Other	0	5	0	8	4			
VISUAL PRODUCTS	28	70	4.6	6.8	8.1	142.9%	175.0%	134.6%
Graphs	20	47	2	2	10			
Info-graphs	2	12	4	6	10			
Videos	2	4	10	6	10			
GIF	0	1	8	6	10			
Web platforms	4	6	4	2	8			
EVENTS	10	26	4.6	8.4	6.0	111.1%	165.8%	400.0%
Economic forum	0	2	2	8	10			
Round tables	1	7	1	10	10			
Workshops and training	4	9	10	4	0			
Direct meetings with policymakers and/or immediate groups	4	7	10	10	0			
Number of regulations changed due to FT work	1	1	0	10	10			
MEDIA APPEARANCES	133	265	3.3	7.3	9.3	78.6%	78.4%	104.0%
Number of statements and media mentions/citations	112	255	2	4	10			
Interviews	2	3	4	10	10			
Blogs	19	7	4	8	8			
IMPACT INCREASE BY GROUP						95.6%	97.6%	111.8%
TOTAL IMPACT INCREASE						105.1%		

Network

During the year, the Institute cooperated with wide range of economists, policymakers, international experts, other research centers and civil society organizations and universities 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, IDAS/Repec, Global Youth Network and International Budget Partnership, in order to improve the expertise in research, as well to widen the network for cooperation with global researchers.

In 2016, Finance Think became a member of CAMMIGRES – The Cambridge Migration Research Network. The membership aims to provide a platform for research and discussion about the thematic issues covered by the network: the impacts of past and present migration in relation to human evolution and development, social, legal, and economic policy, governance, professional knowledge, institutional practice and social relations.

Memos of understanding

Finance Think also continues to utilize the fruits of the already 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.
- Bayes Group – Center for research based on Bayes methods from La Paz, Bolivia.
- Institute for social sciences and humanities (ISSHS) from Skopje.

Consultative processes

During 2016, Finance Think participated in the consultative processes of the World Bank, the Delegation of the EU in Skopje, representatives of the civil society of USA and others.

The consultative processes conducted with various stakeholders brought Finance Think at the forefront of the policymakers' and other stakeholders' agendas.



Capacity building

Finance Think continuously invested in capacity building, and actively cooperated with researchers on the basis of permanent and part-time contract. The team participated at numerous national and international conferences, trainings and seminars within local frames and at reputable international institutions.

Conferences

Representatives from Finance Think participated at the following conferences:

- The results of the project "Migration as social protection: Analysis of Macedonian, Serbian and Albanian remittance-receiving households" were presented at two prominent conferences: Eurasia Business Economic Society Conference, Vienna, 28-30 September; and Conference on economic development, Tokyo 22-23 April.
- Conference participation "Countering fear, the security mindset and "othering" of Roma", 29 June, Brussels.
- Global Entrepreneurship Summit participation, San Francisco, 24 June 2016.



Workshops, seminars and research stays

The team actively participated at trainings, workshops and courses that contributed to increasing the capacity and familiarity with the work of civil society, and networking with other organizations in the sector, which later developed into fruitful collaborations. Also, FT economists held four research stays at prominent organizations in Vienna and Chicago. Notable workshops and research stays over 2016 were as follows:

- Research stay at the Vienna Institute for International Economic Studies, 14-15 December 2016.
- Workshop "Connectivity in Central Asia", organized by Vienna Institute for International Economic Studies, 15 – 16 December in Vienna.
- Online course "Trade and Gender", organized by the Virtual Institute – UNCTAD.
- Workshop "Microsoft Vision Reloaded", Skopje, 17 November 2016.
- Research stay at the Vienna Institute for International Economic Studies, 19-24 September 2016.
- Seminar "Innovation persistence and form growth models" by Dario Guarashio, University of Rome Sapienza, 19 September 2016.
- Seminar "On the future of the European Monetary Union: Targeted reforms instead of greater fiscal integration" Ana Lara, European Commission, 20 September 2016
- Seminar "The space for an industrial policy in Europe", prof. Mario Pianta, 22 September 2016
- Seminar "Modest recovery in the East – new uncertainty because of Brexit, the economic relations of Austria with the region and the long-term

Finance Think's team heavily invested in knowledge and skills, hence significantly strengthening the role of Institute's most precious asset

structural changes in the CESEE countries", Mario Holzner, 23 September 2016

- Internal workshop on Delphi method, Skopje, 23 August 2016.
- Workshop "Establishment of the Research Network on Decentralization", organized by EURAK in Belgrade, 14 July.
- Workshop "Strategic management" organized by TACSO, Ohrid, 29-30 June 2016.
- Workshop "Roma employability" organized by Open Society Foun-



dations in Brussels, 27–30 June 2016.

- Research stay at the Center for Tax and Budget Accountability, Chicago, June 2016.
- Workshop “Management with EU grants” organized by Technical Assistance Empower, in Skopje, 14 April 2016.
- Seminar “Leadership and management of EU grants” organized by Technical Assistance Empower, in Skopje, 5 April 2016.
- Workshop “Regression discontinuity design”, University of Webster, Amsterdam, 17-18 March 2016.
- Workshop “Econometric techniques for survey data” Vienna Institute for International Economic Studies, 27-29 January, Vienna.
- Research stay at the Vienna Institute for International Economic Studies, 26 January – 03 February 2016.

Employment

During 2016, Finance Think employed two new economic researchers, one through a public notice and another through the Program for professional development of young researchers of the Think Tank Fund from Budapest. Also, a visual designer to implement the communication strategy of FT and an administrative person were hired on full-time positions.



Financial statements

Balance sheet

In denars

ASSETS		
	31.12.2015	31.12.2016
Denar account	4.512.786,00	5.385.321,00
Foreign currency account	572.965,00	863.904,00
Cash	0,00	0,00
Account receivables	0,00	0,00
Other receivables	0,00	0,00
Fixed assets	283.584,00	305.178,00
TOTAL ASSETS:	5.369.335,00	6,554,403.00

In denars

LIABILITIES		
	31.12.2015	31.12.2016
Earmarked funds for 2017	5.085.751,00	6,249,225.00
Account payables	0,00	0.00
Other payables	0,00	0.00
Operational fund	283.584,00	305,178.00
TOTAL LIABILITIES:	5.369.335,00	6,554,403.00

Report on revenues and expenses

In denars

REVENUES

	2015	2016
Income from membership	0,00	0,00
Income from interest	224,00	482,00
Exchange rate gains	0,00	0,00
Project income	14.512.997,00	17.710.263,00
Income from own business activity	0,00	0,00
Allowances	0,00	0,00
Fees	0,00	0,00
Income from donations	0,00	0,00
Income from services	0,00	0,00
Transferred surplus from previous year	1.070.434,00	5.085.751,00
TOTAL INCOME:	15.583.655,00	22.796.496,00

In denars

EXPENSES

	2015	2016
Purchase of fixed assets	99.859,00	75.517,00
Expenses for office materials	83.887,00	41.216,00
Expenses for other materials	54.517,00	72.650,00
Intellectual service cost	4.253.632,00	8.820.846,00
Transfers to partners abroad	3.725.113,00	2.092.515,00
Gas expenses	82.720,00	49.360,00
Transportation and per diems	688.939,00	1.413.203,00
Bank provisions and negative exchange rate variations	69.722,00	63.388,00
Other expenses	118.016,00	425.525,00
Gross wages	1.105.312,00	3.003.506,00
Personal income tax on contract work	216.187,00	489.545,00
TOTAL EXPENSES:	10.497.904,00	16.547.271,00
Earmarked funds for 2017	5.085.751,00	6.249.225,00
TOTAL EXPENSES AND EARMARKED FUNDS:	15.583.655,00	22.796.496,00

Regulatory framework

Regulatory framework

In 2016, the internal regulatory framework was further 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 Policy;
- 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.

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 organizations 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.



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