



ANNUAL REPORT

2015



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.



180 %

organizational growth by revenues



25 %

more published products



138 %

higher targeted impact



HR EXCELLENCE IN RESEARCH

About Finance Think

Finance Think is a non-profit institute for economic research and policies, founded in 2012, with the aim to reduce poverty, to strengthen macroeconomic policies and to advance financial stability.

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.
- ◇ The research is applied, innovative,

economic processes.

- ◇ 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 environment, recognition of all researchers as

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

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

professionals, and does not perform any kind of discrimination.

- ◇ The policies and procedures of Finance Think are transparent.
- ◇ The assessment of institute's activities is permanent and transparent.

Dear readers,

We, in Finance Think, passed through an exciting year. Embedding quality in everything we deliver as a product to the policy-makers, target groups, other stakeholders and the public, remained the ultimate imperative of our work. We increased the range of advocacy tools with FT Opinion and video products, in order to express quick and immediate reaction to the daily actions of the economic policies and to reach all target groups in an accessible manner, respectively. Together with the already existing publications, these two new products created impact that is estimated more than double compared to the previous year.

In 2015, the issues of poverty, income and gender inequalities, migration and remittances, as well as macroeconomic policies and fiscal transparency, remained central in our analytical work. The opinions, findings and results were core in our efforts to strengthen economic debate. Part of the research efforts, especially those with focus on the economic empowerment of women from Krushevo, were directly focused on the target groups. All of them led to changes in policies and improvements of vital indicators of the target groups, which is our primary goal.

In 2015, we built stronger and more skillful team, stronger and wider network of economic experts, civil organizations and policymakers. We strengthened our presence at the domestic scene, but also at regional and global level. The already created partnerships will produce new value for Finance Think in the forthcoming period.

Enjoy in reading this Annual report.



The Principles of the European Charter for Researchers led Finance Think's work and traced its growth in 2015. The advices and shared experiences of Think Tank Fund - Budapest were a key input in the same direction.

Blagica Petreski,
Chief economist

“Our vision is to steer economic thinking for better wellbeing tomorrow.”



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, MSc

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.



Tereza Kochovska, MSc

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.



Projects

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

Core research

1. Promoting active inclusion of disadvantaged persons excluded from the labor market

The objective of the project is to increase 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.

The project started at mid-December 2015, and activities will start in 2016.

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

2. "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 and motherhood pay gaps in Macedonia and to advocate solutions for addressing the prevalent pay gaps.

The project started with working meeting between Finance Think and the Vienna Institute for international economic studies on 21-22 December in Vienna, Austria. The meeting included a workshop about the forms through which the Vienna institute will transfer knowledge and skills to Finance Think over 2016.

Most of the project activities fall into the group of core research.

Partner: Vienna institute for international economic studies

3. 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.

Development economics issues are the main pillar

The FISCAST-NET network composed of economic experts, local civil organizations and journalists from the economic newsroom in print or electronic media in the country, was established in October 2015. In November, workshops for identifying policies that involve public money spending and cost-benefit analysis were conducted.

Five teams, composed of two local civil organizations and one economic expert as a mentor, through re-granting, have been supported in conducting cost-benefit analyses of a selected public policy. In addition, four more grants are awarded to organizations that applied to the open call Finance Think announced in December 2015. The final analyses and results will be finished in 2016.

4. Does motherhood explain part of the gender wage gap in Macedonia?

The objective of the research is to estimate the contribution of the motherhood wage gap for the gender wage gap in Macedonia after considering workers'

characteristics and selectivity bias onto the labor market, for childbearing-age population.

The analyses we were conducting throughout the year ended with producing a study that at the end of the year was submitted for publication in international peer-reviewed journal.

5. 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. We analysed if and how remittances determine/influence social condition of the household, the latter being described through an index composition of the income level, employment status, nourishment, health and housing conditions.

During 2015, an index of social vulnerability was developed and the econometric model that investigated the relationship between remittances and social vulnerability in all three countries separately, was constructed. The preliminary results of this analysis were presented at a round table held on 10 June 2015 in Skopje. Moreover, over the period October-November, activities related to collection of in-depth interviews of 20 remittance-receiving participants took place, about the qualitative aspects of the relationship between remittances and the social vulnerability

6. Simulation of voucher system for social protection of the individual socially-vulnerable remittance-receivers in Macedonia

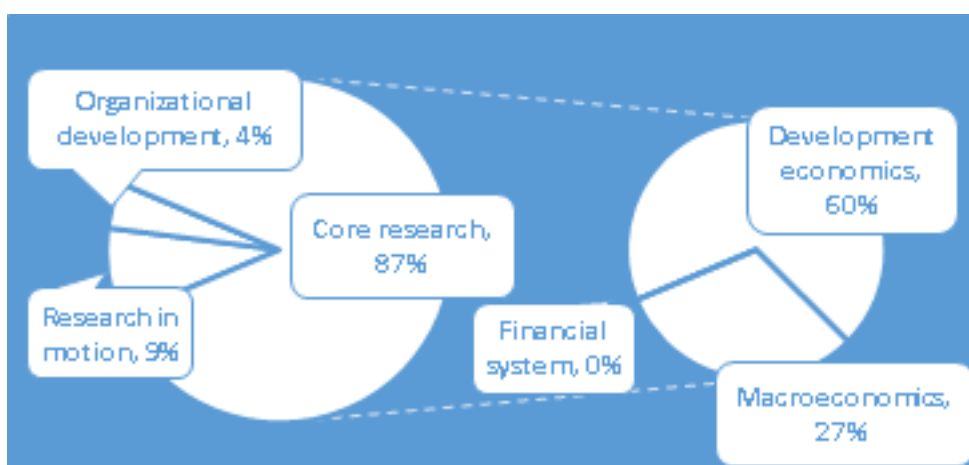
The purpose of the study is to develop a simulation of potential voucher system for social protection of individual members of the households receiving remittances in Macedonia.

During 2015, a voucher system was constructed which would allow social protection to the remittance-receivers if they meet several rules of the voucher. The simulation of the effect of the voucher showed that the voucher would reduce the probability of bad health and of high poverty rate.

7. Analysis of the gender wage gap

The objective of this research is to investigate if gender employment gap can shed some light on the gender wage gap and to develop a web-based developmental tool to tackle gender wage inequality in Macedonia.

During 2015, Finance think completed this project by launching the web platform www.edplako.mk, that became fully operational. During the year, the efforts for its promotion among the companies, continued.



RESEARCH IN MOTION

1. 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.

On 26 - 27 December, in Krushevo, the first activity within the project was conducted - a workshop for economic empowerment of women through development of alternative touristic destinations in Krushevo. 20 women from Krushevo participated at this workshop and had the opportunity to familiarize with the goals and activities of the project, the basic elements for the development of alternative tourism, creative thinking and skills for presentation.

2. Cherishing Friedman's contribution to the liberal thought

The objective of this project is to promote the liberal thought of Milton Friedman.

This-year event was in honor of the 103. birthday of Friedman. Finance Think celebrated it through informal cocktail party and a debate on the economic liberalism promoted by Friedman

3. Empowering women in Krusevo through mini-clustering for sales and promotion of traditional products

The objective of the project is to improve the living standards and social inclusion, and to reduce poverty in Krusevo, through association (mini-clustering) of women for production and sale of local, domestic, traditional and ecological, home-made products.

During 2015, the Association "Krushevo woman" was established, the brand "It's homemade, It's from Krushevo" and the web platform www.odkrusevo.mk.

At the numerous meetings with the participants, we discussed about the activities, the functioning of the association and the web platform, and we conducted preparations for the final event within the project, the Fair on homemade, traditional and ecological products, which was held on 26 July in Krushevo. The fair was attended by many domestic and foreign tourists who had the opportunity to taste or buy some products produced by the Krushevo women. Thus, the project was successfully completed.

4. Visualization of the gender wage gap in Macedonia: Demystifying wages and advocacy for gap minimization

The objective of this project is to raise the awareness for the gender wage discrimination in Macedonia.

During this year, the web platform www.edplako.mk was built, where data from the research "Analysis of the gender wage gap when women are highly inactive: Evidence from repeated imputations with Macedonian data" are visualized. Moreover, we designed leaflets for promotion of this tool, which were disseminated through the monthly magazine "Economics and business", as well as directly to the citizens in Skopje, on 8 March this year.



ORGANIZATIONAL DEVELOPMENT

1. Economic research today for better policy tomorrow

The overall objective of this project is to build up the capacity of the institute in supporting the economic policy decision makers to deliver credible policy decisions based on research findings and arguments based on quantification, as well in elevating the debate in the society about economic processes and reforms.

During the period of 12 months of institutional support, Finance Think grew in quality and quantity. Thanks to the grant, and other project grants, the total number of full-time employees is four, as well as a couple of associates.

In terms of access to funds, the grant supported the strategy for diversification: thematic and geographical. During 2015, nine project proposals were prepared, of which five had a positive outcome, three negative and the result for one proposal is pending.

The institutional funding was crucial for the qualitative growth of the institute. The number and quality of the regular and irregular publications significantly increased, by adding new thematic sections and distribution to a wider circle of stakeholders. The reformulation of the blog "Economic talks" lifted the readership and accessibility of the opinions and views of the institute. The Annual panel debate and round tables enabled direct communication with the policymakers and a forum for articulating different views in the domain of the economic debate in Macedonia. The qualitative growth was steered by the capacity building among the target groups through different forms of workshops, training and forums.

The organizational development in 2015 was focused on the internal growth and governance, research skills and tools and communication.

Analytical and research publications as a form of advocacy

Based on the economic analyses, research and monitoring of the economic activities, Finance Think produced regular and irregular publications.

REGULAR PUBLICATIONS

Macroeconomic monitor is regular quarterly publication that observes Macedonian economy through numbers, with highlighted forecast component. 14 issues have been published, four of which in 2015.

Graphometrics is regular publication that contains important current information about the national, regional and world economy, presented through graphs. Four issues were published in 2015.

Index for future economic activity is being published monthly in the magazine "Economy and business". The index forecasts the economic activity in Macedonia based on combining indicators considered to precede the economic activity with a time lag of about six months.

Index for financial stability of the banking system is regular quarterly publication. The objective of the index is to estimate current stability of the banking system and to compare it with the one of the previous period. The index includes the main risks: capital adequacy, asset quality, profitability, liquidity and interest rate risk.

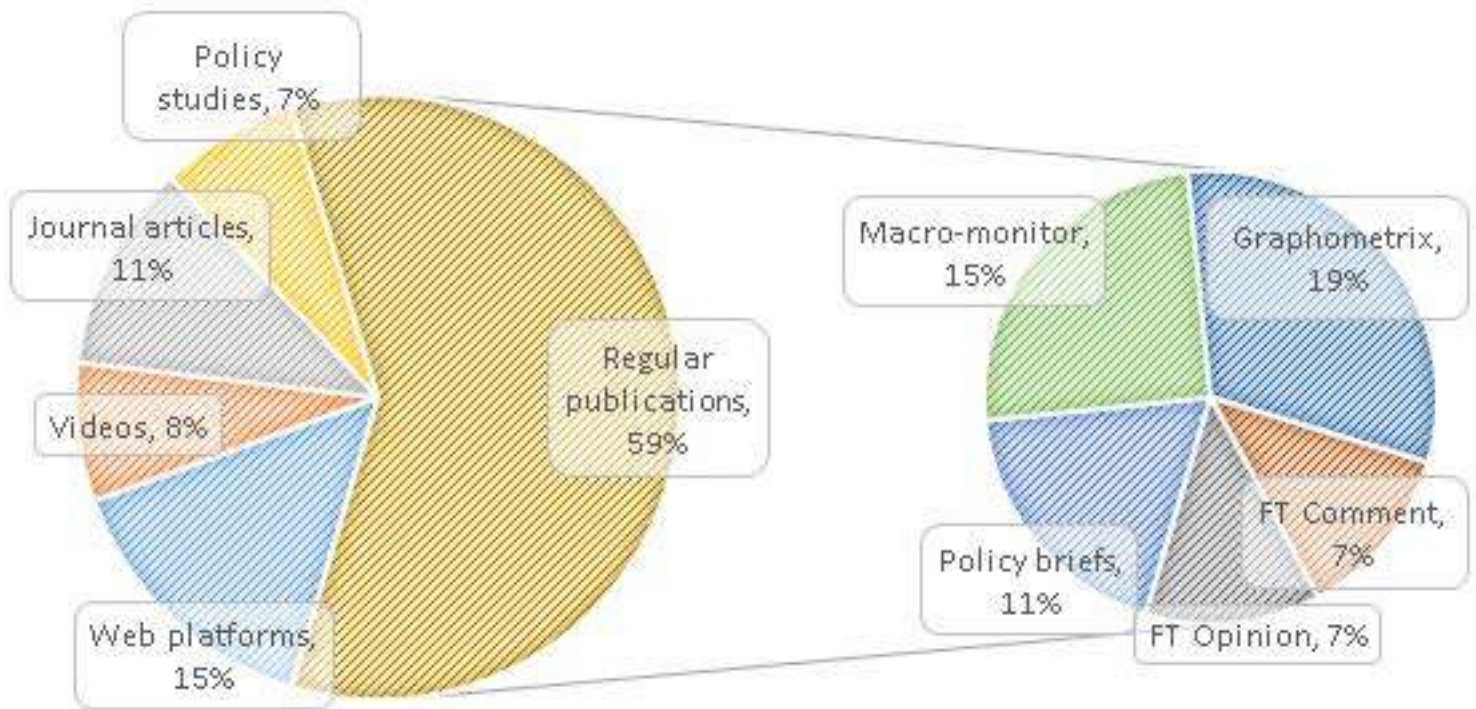
Over 2015 Finance Think switched to more sophisticated method for publishing both indices, through interactive maps built-in in the basic web site.

IRREGULAR PUBLICATIONS

Policy briefs 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.

In 2015, FT Comment was the publication with the largest impact

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 monthly magazine "Economics and business", along the communication platforms of the institute. The following issues have been published in 2015:



- ◇ Local development or current consumption: For what purpose are municipal money spent for?
- ◇ Why women are less paid than men in Macedonia?

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 were published in 2015:

- ◇ FT Comment No. 5 on the Standard & Poor's Ratings for the Republic of Macedonia, April 17, 2015
- ◇ FT Comment No.6 on the political crisis in Macedonia and its effects for the economy, May 18, 2015
- ◇ FT Comment No.7 on the IMF Executive Board on 2015 Article IV consultations, August 28, 2015
- ◇ FT Comment No.8 on the economic part of the EU Progress report for the Republic of Macedonia 2015, November 10, 2015

Policy studies. During 2015, the following policy studies were published:

- ◇ The case study of "Krushevo women" as a model of social entrepreneurship – Blagica Petreski and Despina Petreska
- ◇ Local development or current consumption: What purpose are

municipal money spent for? – Despina Petreska and Blagica Petreski

Web platforms. As a result of the already implemented projects, the following web platforms were built and upgraded by Finance Think:

- ◇ www.odkrusevo.mk – Web platform of the Association for economic empowerment "Krushevo women";
- ◇ www.siromastija.mk – Web platform that connects social programs and their beneficiaries;
- ◇ www.edplako.mk – Web platform that assesses the fair wage and aiming at reducing the gender wage gap in Macedonia;
- ◇ www.sledigiparite.mk – Web platform that provides information about the budgets of the 15 biggest municipalities in Macedonia.

The number of publications increased by 25%

- ◇ Economic empowering of women through mini-clustering of individual producers.

FT Comment is a first and condensed commentary of strategic documents, action plans, statements and reports delivered by various institutional players: the





*In 2015, the economists of Finance
Think published articles in
journals with impact factor at the
prestigious Web of Science*

FT Opinion. In November 2015, Finance Think commenced to publish FT Opinion as an immediate reaction and comment on the daily movements of the economic policies. FT Opinion is published on the social media and is sent in a direct e-mail communication to the stakeholders, media and the public. In 2015, two FT Opinions were published:

- ◇ FT Opinion No. 1 on the moves related to the budget financing and the new borrowing;
- ◇ FT Opinion No. 2 on the amounts of the latest borrowing with government securities.

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

- ◇ Mojsoska-Blazevski, N., Petreski, M. and Petreska, D. (2015) Increasing labour market activity of poor and female: Let's make work pay in Macedonia. *Eastern European Economics*, 53(6), p.466-490.
- ◇ Petreski, B. (2015) Empirical Analysis of the Risks and Resilience to Shocks of the Macedonian Insurance Sector. *The Geneva Papers*, 40(4), p.678-700.
- ◇ Petreski, M. and Petreski, B. (2015) Dissatisfied, feeling unequal and inclined to emigrate: Perceptions from Macedonia in a MIMIC model. *Migration Letters*, 12(2), p.152-161.

As of November 2015, Finance Think started publishing FT Opinion, as a short condensed view on the moves of the daily economic policy.

Videos. During 2015, the following videos were produced:

- ◇ Economic empowerment of women (<https://www.youtube.com/watch?v=Yva4zj9Ld9E>) – a video showing the activities conducted within the project “Economic empowerment of women through mini clustering for sales and promotion of traditional products”.
- ◇ Gender wage gap (<https://www.youtube.com/watch?v=TYGeatkML3U>) – video aiming at raising the awareness for the gender (in)equality in wages in Macedonia. Five women with different profiles gave answers to the questions which were the reasons for gender wage gap in Macedonia and how to overcome it.



Other forms of advocacy and communication

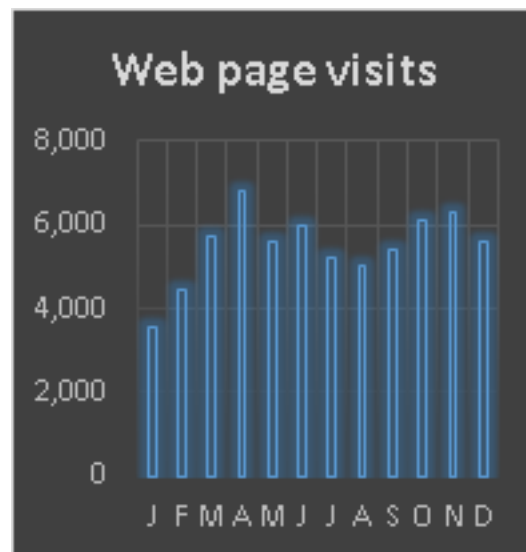
Finance Think advocates its views and findings through the media, the blog platforms, the web site and the social media.

MEDIA

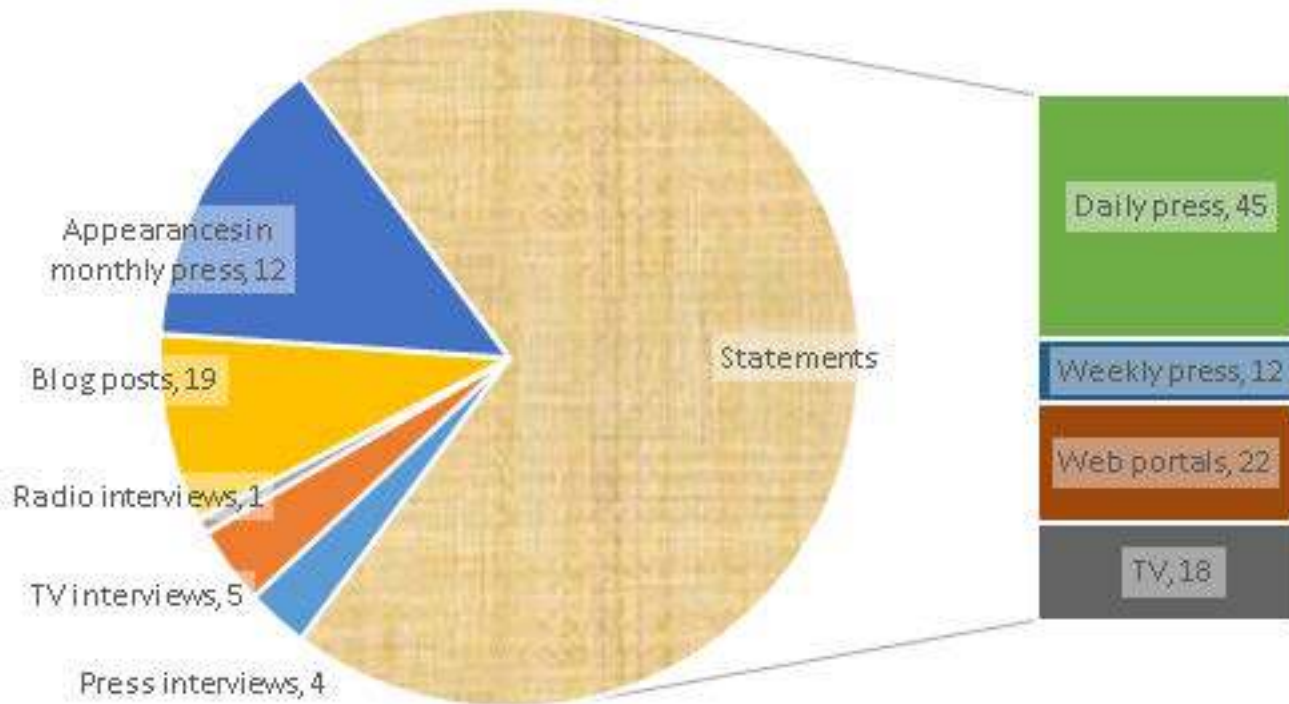
Our opinions and results of the analyses have been communicated with the public, which produced many statements, interviews and articles, through which we established close and continuous cooperation with the media. There has been a regular cooperation with the magazines "Economy and business" and "Face to Face", while representatives of Finance Think were regularly present through statements in many leading printed and electronic media like: Dnevnik, Utrinski vesnik, Kapital, Nova Makedonija, AlsatM, Makfax, Factor, and others. The cooperation with the local media has been intensified during 2015 as well.

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. 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.



In 2015, the number of web visits increased for more than double.



BLOG PLATFORMS

The institute expresses its opinions for current economic topics and steers critical debate for the economic processes through two blog platforms.

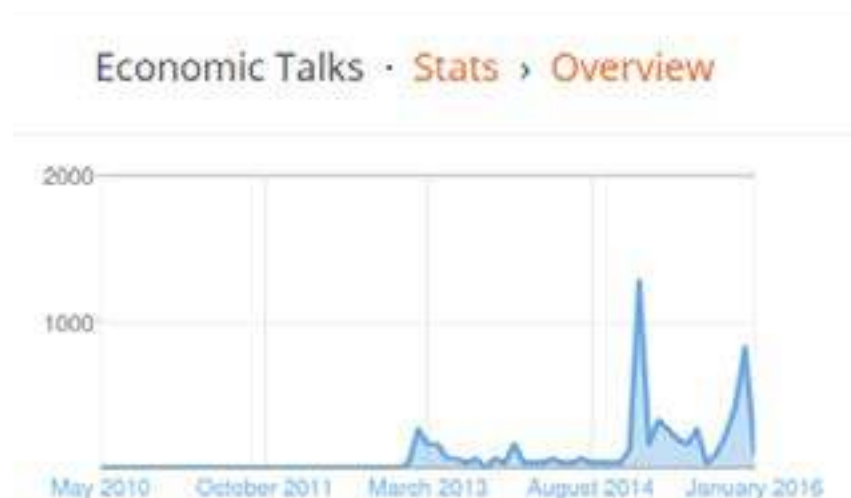
At the first blog "Economic talks", 13 blog posts were released, which were also published at the portal www.faktor.mk:

- ◇ Pensions increase: a necessity or rationality?
- ◇ What is the cost of the public administration for the state?
- ◇ Sent money
- ◇ How much euros does Macedonia owe?
- ◇ (In)equality of opportunity
- ◇ The new law for honoraria brought fruits?
- ◇ Inadequate average
- ◇ Budget puzzle
- ◇ Currency war: who gains, who loses?
- ◇ 50 shades of unemployment
- ◇ Eight-of-March (in)equalities
- ◇ For the Russians or the Americans?
- ◇ The back of the most vulnerable is the strongest.

During 2015, the readership of this blog significantly increased, due to two factors: 1) sharing of blogs, along through the blog platform, through the economic e-portal Faktor, that implied further re-posting in other portals and media; 2) changes of the blog through shortening of the posts and mandatory inclusion of charts.

The second blog "Blog of the free-minded thought" published six posts which were also published in the magazine "Economics and business":

- ◇ Money-free idea
- ◇ Economic model
- ◇ Greece and Europe
- ◇ Progressive tax
- ◇ Investment, education, emigration, redistribution
- ◇ Monetary measures.



SOCIAL NETWORKS

Finance Think actively uses its profiles on the social networks: Facebook, LinkedIn and Twitter. The primary activity happens at the Facebook profile, and the other two profiles automatically draw the posts from the Facebook profile.

The following statistical information refers to the Facebook profile:

- ◇ The Institute had 9.489 Facebook friends at the end of 2015;
- ◇ During 2015 more than 400 information, links, videos, analysis, charts and our views related to the economic topics from the country and region were posted;
- ◇ During 2015, Finance Think’s timeline was visited by around 8.700 visitors, which is equal to, on average, 24 visits per day;
- ◇ The average daily reach of posts at the Facebook profile is around 1000, paid posts excluded;
- ◇ The greatest reach was achieved by the own-produced videos;
- ◇ Most engagements caused our own photos, which in most part boiled down to the charts and graphs produced by Finance Think.





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

Impact

The Annual panel debate, the round tables and the direct forms of interaction with the policymakers and the target groups, create the impact of Finance Think.

CRITICAL DEBATE

Annual panel debate

The Annual Panel Debate is the central annual event devoted to a current economic topic taking place in December each year. It also celebrates Finance Think's birthday and convenes the Annual Assembly Meeting of the institute.

This year, the debate was held on December 24 on the topic "Growth, political crisis and elections". The following panelists took place: Ljupco Zikov, owner of Kapital Media Group, Nikolche Petkovski, Chairman of the Board of Eurostandard Bank and Sasho Arsov, professor at the Faculty of Economics Skopje, under the moderatorship of the professor at the American College Skopje, Marjan Petreski.

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 current project research. In 2015, a round table on "Social protection system and remittances as informal social protection in Macedonia" was held.

The preliminary results of the Macedonian team within the RRPP funded projects "Migration as social protection: Analysis of Macedonian, Albanian and Serbian remittance-receiving households" were presented in front of the policymakers. The

round table started with the address of Blagica Petreski, Chief Economist and CEO of the institute. Then, Despina Petreska, economic analyst at Finance Think, discussed the preliminary results of the project. Biljana Kotevska from the European Policy Institute and Branimir Jovanovic, an independent researcher, also had their presentations. Kotevska presented the preliminary results from their research for intersectional discrimination in social protection: "Basic daily needs and coping strategies of social assistance receivers", a project supported within the RRPP program also, while Jovanovic discussed the Macedonian social security system.

POLICY CHANGES

The results and conclusions of the implemented research, translated into specific recommendations for policy changes were disseminated to the policymakers. Finance Think submitted a recommendation for the Program for work of the Government of the Republic of Macedonia for 2016, to the General Secretariat of the Government - Department for cooperation with the non-governmental organizations.

CHANGES IN THE TARGET GROUPS

In order to achieve direct impact onto target groups, Finance Think undertakes initiatives and actions that work onsite with the target groups. In 2015, the action for economic empowerment of the women in Krusevo continued, through mini-clustering and production of traditional, homemade and ecological products. The action aimed to steer the self-

employment and the economic independence of the hardly-employable women in Krushevo. It was organized in several stages. The first stage was capacity building for packaging, promotion, branding and sales of the products. Within the second stage, the women worked on a direct branding of their own products and on developing channels for sales.

On 26 July the final event within this project was organized, the Fair of homemade, traditional and ecological products "It's homemade, It's from Krushevo", where all participants had the chance to promote and sell their products. During the project, 80% of the women gained new customers and increased their income from 4.214 denars, on average, before the project, to 13.622 denars, after the project. Representatives of "Krushevo women" also participated at this year's New Years' Bazaar – Craft Art Fest, held on December 13 in Skopje.

As of November, we started implementing another project for economic empowerment of women in Krushevo: "Fostering female self-sustainability through embedding traditional values into alternative touristic attractions in Krushevo". Target group in this project is unemployed or employed women with a monthly income of up to 10.000 denars who live in Krushevo. The action will be conducted in several phases. In December 2015, a workshop on the basic elements for developing alternative touristic destinations in this city was convened.

As of August 2015, FinanceThink works on increasing the capacity for conducting a cost-benefit analyses of policies involving spending of public money. The target groups are three: economic and pro-economic think tanks, local organizations of various thematic domains and economic journalists. Finance Think already held trainings on conducting a quantitative cost-benefit analysis with the three target groups and all three entered the phase of preparation of cost-benefit analyses on a chosen policy. Results for the target groups' capacities, as well for the public debate are to be measured over 2016.

The implementation of the project "Promoting active inclusion of disadvantaged persons excluded from the labor market" started in December 2015, which will work with a wider target group composed of marginalized persons who face the risk for social exclusion from the labor market.



Network

The Institute continued to cooperate with a wide range of economists, policymakers, international experts, other research centers and civil society organizations, and universities from the country and abroad.

MEMEBERSHIPS

The institute continued to take advantages of the membership in four international institutions/platforms: European charter for researchers, UNCTAD Virtual Institute Geneva, IDAS/Repec и Global Youth Network, in order to improve the expertise in research, as well to widen the network for cooperation with global researchers.

Finance Think became a member of the International Budget Partnership in November 2015. In order to foster more open, participatory, and accountable public budgeting, the IBP partners with civil society organizations around the world, leveraging their knowledge of their country's political context, their experience in navigating policy processes for social change, and their relationships with the public in order to transform their country's budget system.

RANKING

Finance Think was ranked the third research center in Macedonia in 2015, according to the prominent Webometrics ranking of research centers. The ranking is based on four criteria: scope of research and analytical work, visibility of the scientific work,

number of web appearances and number of articles and citations according to Google Scholar.

MEMOS OF UNDERSTANDING

On 15 May 2015, Finance Think signed a Memo of understanding with the National Bank of Macedonia.

During 2015, Finance Think signed Memos of understanding with the following domestic and international research centers:

- ◇ Foundation for Advancement of Economics (FREN) from Belgrade, Serbia.
- ◇ Institute for Social Sciences and Humanities (ISSHS) from Skopje.

CONSULTATIVE PROCESSES

During 2015, Finance Think participated in the consultative processes of the World Bank, the Ministry of Finance of the Federal Republic of Germany, a consulting company from the Republic of Georgia, the Delegation of the EU in Skopje, representatives of the civil society of USA and others.



In May 2015, the Institute signed a Memo of understanding with the National Bank of the Republic of Macedonia.

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 reputed international institutions.

CONFERENCES

Representatives of Finance Think participated at the following conferences during 2015:

- ◇ The results of the gender pay gap research were presented at the National conference "Gender equal society: statement and challenges", organized by Reactor, on 9 of March in Skopje.
- ◇ At the conference on "Inclusive growth and employment to reduce poverty", organized by the PEP Research Network, 4-6 May 2015 in Nairobi, Kenya, the results of the project "Simulation of a voucher system for social protection of socially vulnerable individual recipients of remittances in Macedonia" were presented
- ◇ The preliminary results of the project "Migration as social protection in Macedonia" were presented at the 6th Annual conference of the Regional Research Promotion Program of the Western Balkans in Ohrid, 28-29 May 2015.
- ◇ Conference "The economy and European integration: How does Macedonia stand in implementation of the strategy - South East Europe 2020", organized by the Fondation Friedrich Ebert, Macedonian Center for European Training and Progress Institute for social democracy on 09 June.
- ◇ At the development-economics conference "Barriers to development" held in Paris, 2-3 July 2015, the paper produced within the project "Simulation of a voucher system for social protection of socially vulnerable individual recipients of remittances in Macedonia" was presented.
- ◇ The preliminary findings of the project "Does motherhood explain lower wages for females in Macedonia? Evidence from repeated imputations and semi- and non-parametric decomposition" were presented at the CERGE-EI /Global Development Network Workshop in Prague, August 16-17, 2015.
- ◇ The paper: "Remittances as a Shield to Socially-Vulnerable Households in Macedonia: The Case When the Instrument is Not Strictly Exogenous" within the RRPP-supported project was presented at the 6th International Conference on Eurasian Economies in Kazan, Russia, 9-11 September 2015.
- ◇ EdPlaKo-MK, the platform for promotion of gender equal wages in the companies was presented at the ILO conference "Promoting gender equality and equal wages", 21-22 September 2015.
- ◇ The results of the project "Local development or current consumption: For what purpose are spent municipal money?" were presented at the final conference of the Action Network for Good Governance, in Skopje, September 23, 2015, organized by the Foundation Metamorphosis.

TRAININGS AND WORKSHOPS

The team actively participated at trainings, workshops and courses designed for the civil sector that contributed to increasing the capacity and familiarity with the work of the civil society, and networking with other organizations in the sector, which later developed into fruitful collaborations. Some trainings attended are as follows:

- ◇ Research stay at the University of Laval, Canada organized by the Partnership for economic Policy from 18th of January to 08th of February 2015 in Quebec, Canada.
- ◇ Training on European funds, module one, organized by FOOM and USAID Macedonia, on 04-06 March, 2015 in Berovo, Macedonia.
- ◇ Training on European funds, module two, organized by FOOM and USAID Macedonia, on 26-29 March, 2015 in Berovo, Macedonia.
- ◇ Training on “Plausibly exogenous instruments” held on 4 April in Rome, Italy.
- ◇ Training “Policy link and brief writing” organized by RRPP in Durres, Albania, on 14-16 May.
- ◇ Training “Strategic planning” organized by FOOM and USAID in Berovo, Macedonia, on 20-22 May.
- ◇ Training on “Qualitative research methods” organized by Finance Think in Skopje, Macedonia, on 11 June.
- ◇ Training “Rule of law, democracy and human rights in EU” organized by FOOM and USAID in Berovo, Macedonia, on 18-20 June.
- ◇ Youth exchange program “No walls”, Berlin, Germany, 23 August – 06 September.

- ◇ International youth conference “European values for the future of the South East European Countries” on 15 September.
- ◇ Training on advocacy and advice to policymakers “Dialogs for vision” organized by the European Policy Institute in Berovo, Macedonia, on 17-20 September.
- ◇ Training on “Developing effective strategies and communication tools for policy advocacy” organized by RRPP on 01-03 October in Petrovac, Montenegro.
- ◇ International Workshop for Managers of Research Organizations in the Western Balkans and the EU, organized by Analitika - Center for Social Research, in cooperation with RRPP and Think Tank Fund (Open Society Foundations) in Sarajevo, on 19-21 October.
- ◇ Training on „Budget transparency” organized by Foundation Open Society Macedonia, on 14-16 November, in Ohrid, Macedonia.

EMPLOYMENT AND INTERSHIPS

During 2015, Finance Think employed two researchers with a full-time contract, through a public job advertisement. Also, an administrative person with a part-time contract was hired. Based on freelance contracts, the institute cooperated with few more researchers.



Investing in new skills remained crucial in 2015

Financial statements

Balance sheet

in denars	31.12.2014	31.12.2015
Denar accounts	567.586,00	4.512.786,00
Foreign currency account	502.008,00	572.965,00
Cash	0,00	0,00
Account receivables	0,00	0,00
Other receivables	0,00	0,00
Fixed assets	229.065,00	283.584,00
TOTAL ASSETS	1.298.659,00	5.369.335,00
Earmarked funds for the next year	1.069.594,00	5.085.751,00
Account payables	0,00	0,00
Other payables	0,00	0,00
Operational fund	229.065,00	283.584,00
TOTAL LIABILITIES	1.298.659,00	5.369.335,00

Report on revenues and expenses

in denars	2014	2015
Income from membership	0,00	0,00
Income from interest	108,00	224,00
Exchange rate gains	0,00	0,00
Project income	5.290.046,00	14.512.997,00
Income from own business activity	0,00	0,00
Allowances	0,00	0,00
Income from donations	0,00	0,00
Income from services	0,00	0,00
Transferred surplus from previous year	270.391,00	1.070.434,00
TOTAL INCOME	5.560.545,00	15.583.655,00
Expenses for fixed assets	229.065,00	99.859,00
Expenses for office materials	34.328,00	83.887,00
Expenses for other materials	58.555,00	54.517,00
Expenses for intellectual services	1.985.208,00	4.253.632,00
Expenses for partners abroad	841.934,00	3.725.113,00
Gasoline expenses	70.000,00	82.720,00
Transportation and per diems	0,00	688.939,00
Bank provisions and negative exchange rate variations	28.981,00	69.722,00
Other expenses	299.315,00	118.016,00
Gross wages	829.371,00	1.105.312,00
Personal income tax on contract work	113.354,00	216.187,00
TOTAL EXPENSES:	4.490.111,00	10.497.904,00
Earmarked funds for the next year	1.070.434,00	5.085.751,00
TOTAL EXPENSES AND EARMARKED FUNDS	5.560.545,00	15.583.655,00

Regulatory framework and policies

REGULATORY FRAMEWORK

In 2015, the internal regulatory framework was significantly improved, according to the requirements of the national law and the principles of the European Charter for Researchers. During the year, the following regulatory documents were used:

- ◇ A plan for archival signs, archival materials and storage periods, approved by the State Archive of Macedonia, in accordance with the Law on archival materials;
- ◇ A Research Rulebook, in accordance with the Law on scientific-research activities and the European Charter for Researchers;
- ◇ A Rulebook for Recruiting Researchers, in accordance with the Labor Code 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 on flexible working conditions;
- ◇ Media Communication Strategy.

ANTI-CORRUPTION POLICY

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.

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

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.

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.

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.

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

Due-diligence assessment of partners, agents and contractors. Finance Think shall assess the bribery risk associated with entering into partnership or contracting arrangements with other entities and then carry out periodic due diligence based on that risk assessment. Partnership or contractual arrangements shall check that these organisations have policies and procedures which are consistent with these principles.

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.

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.

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.

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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