



2021  
**Annual  
report**

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



HR EXCELLENCE IN RESEARCH

3.6%

increased overall impact

at least 7

laws, practices or policy moves changed based on our work

precise

forecasts for the GDP growth rates

14.1%

institutional growth per full-time employee

first-ever

study of the child multidimensional poverty in North Macedonia

# Dear readers

*In 2021, all of us accommodated and adjusted their behaviour to the pandemic circumstances, as they endured throughout the entire year. With the partial restoration of our office work, we were yet able to make use of the benefits of the remote work, many aspects of which proved productive for Finance Think. Given such circumstances, large part of our project and thematic portfolio still focused on the economic and social effects of the pandemic in the country. In general, we continued the regular tracking of key economic indicators, like GDP, industrial and sectoral effects, prices and so on, to understand the evolution of the Covid-19's effects over the year, which were determined by the new variants of the virus, but also by the commencement and progressing of the process of immunization. Specifically, we worked to deeply understand the pandemic effects for the wellbeing of children, women and vulnerable workers. Over the year, we published three policy studies specifically devoted to the analysis of Covid-19's effects, as well as three shorter analyses in the forms of a policy brief and FT Comment. The 'box' summarizing our work on Covid-19 remains active throughout: <https://www.financethink.mk/en/covid-19-and-the-economy/>.*



*Yet, compared to 2020, in 2021 we paid far more attention to other topics. An important strand of analysis represented the one on the effects of state aid granted to private enterprises in North Macedonia, a work that commenced in 2020, while in 2021 has been completed with the publication of the key policy study which evaluated that the state aid granted through the Financial Investment Support Law has been rather ineffective, i.e. what policymakers see as positive effects are due to the investment companies made in the year prior to applying for the state aid, and not to the subsidy itself. An Economic Forum held in May 2021 presented the results and offered a productive discussion with the policymakers. Later in the year, a large, first of its kind, analysis of child poverty in the country was published, also through an Economic Forum which hosted the President of North Macedonia. Likewise, the research on the parafiscal charges at the local level was active during entire 2021, while results are expected to become more visible over 2022.*

*Our research findings remained a reliable source of recommendations for policies. Many policy moves related to the pandemic, as well as to the topics we treated beyond, have been aligned with our recommendations and opinions. Our visual content continued to attract attention of the target groups and the general public.*

*We continued growing professionally. Our team participated in a variety of domestic and international events, as well prestigious research conferences. A set of courses, of which those securing continuous training on the workplace contributed to the productivity of our employees, which further strengthened the team's efficiency and structure.*

*We continue this path in 2022.*

*Enjoy reading this Annual Report.*

*Cordially,*

*Blagica Petreski, CEO*

A handwritten signature in blue ink, appearing to read 'Blagica Petreski'.

# About Finance Think

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



HR EXCELLENCE IN RESEARCH

## PROGRAM AREAS

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

- Growth and development policies
- Poverty, employment and skills
- Fiscal transparency and accountability
- Competitiveness and EU accession
- Gender and income inequalities
- Social entrepreneurship and women
- Migration and remittances

## PRINCIPLES AND VALUES

Finance Think is guided by these principles and values:

### Outreach and Inclusiveness

- The results and findings of Finance Think's work are disseminated in a way that can be understood by the non-specialists, and thus lead to better public understanding of the economy, policies and reforms.
- The products of Finance Think are cutting-edge and innovative.
- The think tank provides cooperative and nurtured

professional environment, recognition of all employees as professionals, and does not perform any kind of discrimination.

### Transparency and Efficiency

- Finance Think manages its operations in a cost-efficient manner, and focuses on outcomes

### Research Application, Quality and Ethics

- The research agenda is linked and integrated with the mission of the think tank, and the researchers are aligned with the strategic objectives that guide the research environment and the funding mechanisms.

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

and impact. It gratefully recognizes the support it receives and is keen on delivering value-for-money in the pursuit of its mission.

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

- The research is applied, innovative, oriented to the policies and high-qualified.

- The research is interdisciplinary, collaborative and peer-reviewed.

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

## Our Vision

*To steer economic thinking for increased wellbeing tomorrow*



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# 1. The economic team

## **Blagica Petreski**

### **Chief Economist (Chief Executive Officer)**



Blagica is the Co-founder, Chief Economist (CEO) of Finance Think and chairs the Executive Board. Her research interest involves an array of development topics like poverty, unemployment, gender inequalities, as well as firms' productivity and competitiveness. She is a committed advocate for effective economic policies as well as actively engaged in shaping the public debate on economic issues in the country and the region. Blagica is an Assistant Professor at the University American College Skopje, teaching Public Economic Policy. She has a PhD in Economics from the University Ss. Cyril and Methodius in Skopje, which included research stays at CERGE-EI Prague and the Slovak Academy of Sciences. She is also an alumna of Young Transatlantic Innovative Leaders Initiative. Blagica received the Award for a Young Researcher of the year granted by the National Bank of Macedonia, as well as the Award for best paper on risks and insurance by the Insurance Supervision Agency. Published widely, including 10 papers in prominent peer-reviewed journals listed on the Web of Science.

## **Despina Tumanoska**

### **Program Coordinator**



Despina is the Co-founder, a member of the Executive Board and a Program Coordinator at Finance Think. Her research interest involves issues like macroeconomic policies, unemployment, sectoral economic policies, applied econometrics and the like. Despina is actively engaged in the public debate on current economic topics. She has a PhD in Economics and an MSc in Finance at the University American College Skopje. In 2012, she won the Annual award for Young Researcher conferred by the National Bank of the Republic of North Macedonia. She actively publishes, including 5 papers in journals indexed on the Web of Science.

## **Bojan Srbinoski**

### **Economic Analyst II**



Bojan is a senior Economic Analyst at Finance Think. He holds a PhD in Finance from Carlo Cattaneo University (LIUC), Italy. His research focus is on topics related to financial institutions and markets and the behavior of financial services users. Bojan received the Award for the best work in the field of risks and insurance from the Insurance Supervision Agency (2020) and the Award for young researcher of the year awarded by the Association of Risks and Insurance of the Asia-Pacific Region (APRIA 2019). Bojan worked as an assistant at Ss. Clement of Ohrid University. He was a Fellow of the Turkish Government at Dokuz Eylul University, Turkey, a visiting researcher at Florida State University, USA, and a recipient of an award for a residency at the Rosetta Institute in Sydney, Australia. He is equipped with skills for data analysis using different econometric packages (R, SAS, STATA, EVIEWS, PYTHON) and analysis of complex networks (PAJEK).

## **Bojana Gjuroska**

### **Visualization & Public Image Specialist**

Bojana Gjuroska joined Finance Think in September 2018 as Visualization and Public Image Specialist. She has a Bachelor Degree in Industrial Design from the Faculty of Mechanical Engineering in Skopje at the University Cyril and Methodius in Skopje. As a Visualization and Public Image Specialist at Finance Think she skills in using a variety of packages such as InDesign, Illustrator, Acrobat and Dreamweaver. Other areas of her interest include photography and videography.



## **Sandra Sokolenko-Todoroska**

### **Organizational & Administrative Associate**

Sandra Sokolenko Todoroska joined Finance Think's team in May 2018 as an Organizational and Administrative Associate. She is a M.Sc. in Law at the University American College Skopje, and graduated from the Law Faculty "Justinianus Primus" from the University "St. Cyril and Methodius" in Skopje. For a small part of her time, she also works on collecting primary data from areas that include macroeconomic policies, social protection, health care, education, unemployment and the like.



## **Desanka Dimitrova**

### **Junior Economic Analyst**

Desanka Dimitrova joined the Finance Think team in September 2019. Desanka is a graduate economist in Banking and Financial Management at the University "Ss. Kliment Ohridski" - Bitola. During her undergraduate studies, she was an active member of the AIESEC youth organization and an exchange student at the University of Opole, Poland, where she worked on extensive research in the international economy, including labor market indicators, international trade, and global competitiveness. Desanka has an affinity for statistics and economic models. Other areas of interest are: economic inequality, business and management processes, local development, etc.



## **Natasha Pavikjevik - Stojmenovska**

### **Social Policy Analyst**

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





## Permanent collaborators of Finance Think:

### Marjan Petreski

#### Strategic Adviser

Marjan is the Co-founder and Strategic Adviser at Finance Think. He is a Professor of Economics at the University American College Skopje and a non-executive member of the Council of the National Bank of the Republic of North Macedonia. He holds a PhD from Staffordshire University, UK. His research focus is monetary policy, development and labor-market topics, all with a strong focus on transition economies. He published widely in international peer-reviewed journals (36 articles in Web of Science – indexed journals). For his research, he received numerous domestic and international awards.

Marjan serves Career Integration Fellow of CERGE-EI in Prague (2012-2015: 2021-to date), Weiser Fellow of the University of Michigan, USA (2019), visiting researcher to the Universidad de la Republica, Uruguay (2016), Hitotsubashi University, Japan (2016), University of Jyväskylä, Finland (2021), while currently serves Research Fellow of the Partnership for Economic Policies, Canada. He extensively works on the development agenda worldwide in wide geographic coverage, most notably – besides North Macedonia: Kosovo, Bosnia-Herzegovina, Serbia, Montenegro, Switzerland, Portugal, Georgia, Armenia, Kazakhstan, Turkmenistan, Palestinian Territories, Lebanon, Benin, Mali, Ghana and Nigeria. He is deeply engaged in the policy dialogue and public debate in the country and the Western Balkan region.



### Ana Tomovska-Misoska

#### Collaborator on Education Policy

Ana is an expert in educational policies. She is currently a Full Professor at the University American College Skopje. She obtained her PhD from the School of Education, Queen's University Belfast. Her professional engagements involve a number of research projects in Northern Ireland and the Republic of North Macedonia. Her work has been concentrated on educational reforms, exploring identity building as well as entrepreneurial intentions, organizational culture, human resource management and consumer behavior. She has attended a number of national and international conferences and published in renowned academic journals. She is a permanent collaborator of Finance Think on educational issues and policies.



### Maja Parnardzieva-Zmejкова

#### Collaborator on Health Economic Policy

Maja is an expert in economic policies related to the health system. She is currently employed with a Insurance Supervision Agency and is an expert-lecturer at the University American College Skopje. She obtained her PhD from the University St. Cyril & Methodius in Skopje. Her research interest include health economics, public finance and debt, financial markets and institutions. She has been a research fellow of the American Studies Foundation (1998), Faculty of Economics, Vienna, Austria (1999), ENA, Paris, France (2002) Georgetown University, USA (2004).



## 2. Projects

**Finance Think's projects are divided in seven research programs:**

**GROWTH AND DEVELOPMENT POLICIES**

**POVERTY, EMPLOYMENT AND SKILLS**

**FISCAL TRANSPARENCY AND ACCOUNTABILITY**

**COMPETITIVENESS AND EU ACCESSION**

**GENDER AND INCOME INEQUALITIES**

**SOCIAL ENTREPRENEURSHIP AND WOMEN**

**MIGRATION AND REMITTANCES**

## 2.1 Growth and development policies

**This research program covers a variety of policies and strategies to produce and support economic growth and development, with a focus on three development pillars: education, healthcare and institutions. Other development pillars covered include: infrastructure investment, state aid, development finance and others.**

**The following projects were implemented in 2021:**

### **V4 support to promote WB6 Common Regional Market: one market for post-COVID recovery**

**The overall goal** of the project is to improve the delivery of social services at the local level by increasing the capacities of local stakeholders and involving citizens in this process in the municipalities of Prilep and Dolneni.

The project focuses on sharing experiences, transferring knowledge and recommending further regional economic integration through development of the WB6 Common Regional Market using experiences from ex-CEFTA and V4 after integration into the EU single market.

**Activities:** The goal of the project is achieved through research and data collection on the regional integration.

**Achievements:** In 2021, a study about the role of regional integration has been commenced, with expected publication in early 2022.

**Donor:** International Visegrad Fund

**Duration:** October 2021 – September 2022

## **Analysis of SDG Financing Landscape**

The objective of the SDG Financial Landscape Analysis is to map all financing flows, with the aim to identify potential approaches and activities that can contribute to efficient use of existing resources for SDG achievement and greater alignment and investment by development partners on sustainable development priorities.

**Activities:** The goal of the project is achieved through data collection and policy study writing.

**Achievements:** In 2021, a study - SDG Financial Landscape Analysis – has been conducted and published.

**Donor:** UNDP

**Duration:** June – November 2021

## **Assessment of resource capabilities for implementation of national development strategy**

The purpose of the analysis is to identify the available and necessary resources to achieve the development goals of North Macedonia.

**Activities:** The project goal is achieved through data collection and policy study writing.

**Achievements:** The data collection has been completed as planned and a report submitted to the client.

**Donor:** UN Resident Coordinator Office

**Duration:** April – May 2021

## Interactive and multi-stakeholder mechanism for tracking fulfilment of economy-related political promises

The aim of the project is to promote monitoring and measurement of economic goals and results of political-government programs, by using evidence, findings and data and by encouraging multi-stakeholder engagement.

Activities: The goal of the project is achieved through the implementation of the following activities:

- Establishing a framework for measuring economic goals and results, in the context of political and governmental programs, through the use of evidence, findings and data;
- Building stakeholders' skills for critical analysis of possible and actual results of political promises in the economy;
- Enriching public discourse through critical, reasoned and lively debate about the feasibility, results and cost of political promises in the economy.

Achievements: in 2021, several workshops and trainings have been organized to increase stakeholders' skills on econometric and statistical analysis and data visualization, and many visual products have been prepared as a tool for increasing public awareness on the fulfilment of the political promises. Also, throughout the year, the measuring of the economic goals and results through the established framework continued and the measuring framework under the label "Economic compass" has been published: <https://www.financethink.mk/ekonomski-kompas/>.

Donor: Civica Mobilitas

Duration: May 2020 – May 2022

## Promoting evidence and dialogue for enhancing state aid's effect onto consumer welfare in North Macedonia

The objective of the action is to promote evidence and foster dialogue on the role of state aid for consumer welfare in North Macedonia.

Activities: The goal of the project is achieved through the implementation of the following activities:

- Collecting data on the existing forms of state aid in North Macedonia (direct subsidies, tax exemptions, discounted loans etc.) and their (mutual) consistency within the overall anti-trust legislation in the country;
- Writing of a policy study with robust evidence on whether state aid distorts competition on the market, with application on the paramount governmental program for subsidizing companies in North Macedonia and dwelling on the 'market economy operator' principle;
- Building stakeholders' capacities on the regulatory framework for state aid;
- Organizing informative campaign to improve the dialogue among stakeholders, as well raise public awareness, on state aid, alignment with EU Acquis and consumer welfare.

Achievements: In order to increase the knowledge of the regulatory framework for state aid in North Macedonia, in 2021 several webinars have been organized and a number of visual products have been prepared in order to increase public awareness and improve the dialogue between stakeholders. Through robust analysis, a policy study that measures the effect of state aid granted to private enterprises has been prepared and presented to the key stakeholders.

Donor: Balkan Trust for Democracy – Norwegian Embassy Belgrade

Duration: February 2020 – May 2021



## 2.2 Poverty, employment and skills

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

Within this program the following projects have been implemented.

### In-depth analysis of the multidimensional child poverty in North Macedonia

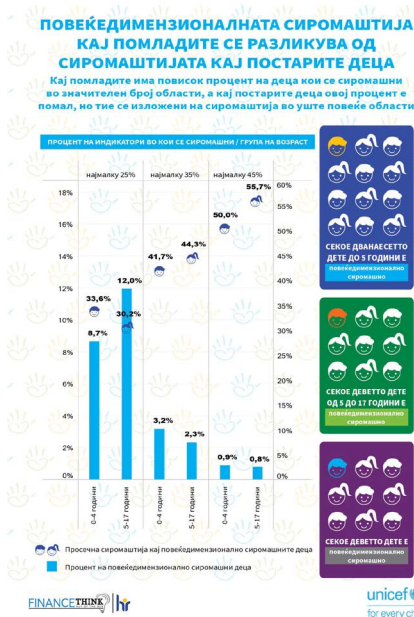
The overarching goal of the analysis is to generate an in-depth map about the various facets of child poverty and establish sound and thorough empirical evidence.

Activities: The project envisaged preparation of an analysis that 1) portray child poverty in terms of demographic and geographic indicators, including a profile of the children who are most at risk of poverty and, consequently, of exclusion; 2) understand how child poverty relates to overall household poverty; 3) investigate non-income aspects of child poverty, primarily education—including early childhood education—and health and set the stage for its multidimensionality; and 4) use generated evidence for increasing the awareness of the public and decision makers on the issue, and for advocacy for tailoring well-targeted policies and measures to improve specific outcomes pertinent to children reducing child poverty in the country.

Achievements: In 2021, a policy study that explains the above-mentioned aspects has been prepared and presented during the high-level economic forum organized in December 2021.

Donor: UNICEF

Duration: April – September 2021



## Follow-up to the assessment of the socio-economic impact of COVID-19 on children

The goal of the follow-up to the assessment of the social and economic impact of COVID-19 on children, is to generate scenarios and expanded policy proposals in a situation where it is certain that this will be a protracted crisis, both from a health and from a socio-economic perspective, and where we can verify the validity of the initial assumptions of its nature and duration.

Activities: The goal of the project is achieved through the implementation of the following activities:

- Collecting data and conducting quantitative simulation on the impact of Covid-19 on children's education, health, social protection and poverty;
- Conducting qualitative analysis through comprehensive stakeholder interviewing;
- Providing recommendations to the key policymakers for informed decision-making of policies that should elevate the negative consequences of the pandemic on the children in North Macedonia.

Achievements: In 2021, a follow-up policy study has been prepared containing a quantitative simulation, using micro-data, on the effects of the crisis on child poverty and related indicators. In a separate section, the analysis focuses on the implications of and on public finances in relation to these sectors.

Donor: UNICEF

Duration: December 2020 – June 2021

## Employment diagnostics in the municipalities in North Macedonia

The aim of the project is to diagnose the labour market in nine municipalities in North Macedonia.

Activities: The goal of the project is achieved through the following activities: collecting data on local labour markets and preparing a policy brief for each municipality.

Achievements: During 2021, policy briefs on the local labour markets have been prepared for nine municipalities in the country and presented in front of the key policymakers.

Donor: International Labour Organization

Duration: November 2020 – January 2021





## 2.3 Fiscal transparency and accountability

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

The following projects have been implemented:

### Budget for all: Citizen consultations to create a budget according to local needs

The aim of the project is to involve the residents of the municipality of Krushevo in the process of creating of the local budget.

Activities: The goal of the project is achieved through the implementation of the following activities:

- Organizing informative campaign to increase public awareness on the possibilities and opportunities to participate in the process of local budget design;
- Organizing local consultations between local citizens and authorities to support participative planning and creating budgets according local needs and priorities;
- Monitoring the organized local consultations and preparing study on the level of given and accepted ideas.

Achievements: In 2021, many visual products have been prepared and disseminated to the citizens of urban and rural areas in Krushevo, in order to increase their knowledge and awareness of the participative budgeting process. In September 2021, four local consultations with citizens of the rural areas have been organized and monitored by the project team, as a first step toward increasing participative planning at the local level.

Donor: The WEBER project through the European Policy Institute, Skopje

Duration: June 2021 – March 2022



## **Rapid assessment of the impact of COVID-19 on selected local programmes and support local planning and budgeting in response to the immediate socio-economic needs of women and men**

The objective of this project is to provide support in the development of rapid assessment of the impact of COVID-19 on selected local programmes and support local planning and budgeting in response to the immediate socio-economic needs of women and men.

Activities: The goal of the project is achieved through the implementation of the following activities:

- Desk analysis of the LSGUs budgets for 2020 and 2021 in order to map the envisaged gender-based program, their categorization and comparative analysis with the local policies and strategies for equal opportunities between men and women, in order to evaluate how many local programs and funds were allocated directly for women, before the Covid crisis;
- Conducting in-depth interviews with LSGUs' officials to discuss in details the LSGUs response interventions to address the local citizen's needs, with reference to the gender impact.
- Organizing (online) focus groups with local citizens to assess their experience and attitudes toward LSGUs' response measures that tackle the Covid-19 impact.

Achievements: All activities have been implemented in 2021, resulting in short gender budget policy analysis (15-18 pages) for each LSGU, with included assessment of the LSGUs response interventions from gender perspective, as well as policy and recommendations for improving the gender-budgeting process in the post-Covid period.

Donor: UN Women Skopje

Duration: October 2020 – March 2021

## 2.4 Competitiveness and EU Accession

**This research program deals with the conceptualization of the competitiveness, i.e. the institutions, policies and reforms to strengthen the market economy of North Macedonia. Moreover, the program specifically deals with how the EU accession helps country competitiveness in light of supporting the capacity to cope with the competitive pressure and market forces within the Union.**

**The following projects have been implemented:**

### Data analysis and report on Balkan Barometer 2021

The objective of the project is to conduct a comprehensive data analysis and write up the underlying report on Balkan Barometer 2021.

Activities: The project goals are achieved through data collection and policy report writing.

Achievements: The report has been completed in 2021 and submitted to client.

Donor: Regional Cooperation Council

Partner: ACIT – Albania

Duration: February – March 2021

### Reaping export-oriented companies' potential to contribute to post-Covid recovery

The project aims to identify potentials of export oriented capacities including already existed foreign investors in the country to support economic recovery.

Activities: The project involved identification of: i) capacities for adjusting and redirecting the current production according to the changed demand, ii) the potentials for regional repositioning and using the global strategy for shifting the geographical distribution and reducing the costs, iii) the potentials for injecting the company the country's subsidiary, export and growth barriers and the need for economic measures that will maximize the identified potentials, all for export-oriented companies in North Macedonia.

**Achievements:** In 2021, a policy study with recommendations and findings on the companies' potential to contribute to post-Covid recovery has been prepared and presented to the key policymakers and stakeholder.

**Donor:** British Embassy – Skopje

**Duration:** October 2020 – March 2021

## **Institutional know-how transfer to support (swift) Europeanization of North Macedonia**

The objective of the project is to elevate Finance Think at a new international / European level of development to be able to secure streamlining of the European economic values and dynamics into the national economy, as well to be able to robustly engage with EU actors relevant in this domain.

**Activities:** The goal of the project is achieved through the implementation of the following activities:

- Teaming up / twinning with relevant EU-based peers, as well approaching to relevant EU-level economic policy actors, so as to learn how a think tank may engage in the Europeanization processes in its own country, as well to lay grounds for future cooperation with Western peers in joint initiatives;
- Elevating FT's communication and advocacy capacity to communicate at the international level.

**Achievements:** During 2021, many of our publications have been revised and/or upgraded with content relevant for EU ambient, and disseminated in English to relevant stakeholders from EU. Also, within the project, a field visit in Berlin has been conducted, which resulted in networking with relevant institutions and organizations. At the end, a JVI course mentioned in 8.2 has been completed by FT Executive Director, who also attended several round tables and high-level meetings supported by the project.

**Donor:** Open Society Foundations – Berlin Office

**Duration:** November 2019 – April 2021

## 2.5 Gender and income inequalities

**This research program is focused on the application of aspects of newer economic literature advocating for gender equality in wages, employment and opportunities, as well for policies reducing income and wealth inequalities.**

**The following projects have been implemented:**

### **Exploratory analysis of women and men in North Macedonia**

The aim of the project is to identify trends in a series of indicators for women and men in North Macedonia, as well as to identify gaps in gender statistics.

Activities: The goal of the project is achieved through data collection and policy report writing.

Achievements: The data collection commenced in 2021.

Donor: UN Women

Duration: November 2021 – February 2022

## Gender responsive budgeting in times of pandemic

The project aims to improve the position of women and reduce gender inequality in the labour market in the long run.

Activities: The goal of the project is achieved through the implementation of the following activities:

- Desk-analysis of the use of gender responsive budgeting in active employment measures Organizing (online) focus groups with ALMPs' beneficiaries to understand their needs for improvement of the measures;
- Providing specific recommendations for designing new measures and models and/or redesigning the current ones, to improve the position of women in the labour market and mitigate the socio-economic consequences of the crisis.

Achievements: All envisaged activities have been implemented in 2021, resulting in a policy brief with specific recommendations for improving ALMPs according to women's needs and priorities.

Donor: Center for Research and Policy Making through the Gender Budget Watchdog Network

Duration: December 2020 – May 2021





# 3. 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 publications and visualizations.

## 3.1 Analytical publications

The regular publications of Finance Think include:

**Macroeconomic monitor**, regular quarterly publication that observes the Macedonian economy through numbers, with highlighted forecast component. From 2012, this publication offers a numerical forecast for the economic growth of the Macedonian economy, as well as a brief discussion of the associated risks and opportunities. There have been published 40 editions, four of which in 2021.



Во четвртиот квартал од 2021, БДП се зголеми за 2.3% на годишна основа, со што целата 2021 заврши со раст на БДП од 4%. Овој раст е целосно во линија со проекцијата од Finance Think од 4.1%. Остварениот раст е резултат на понатамошната пост-пандемска консолидација на економските текови, остварен на стабилизирани основа од истиот квартал од претходната година. Според дејности, растот произлегува од подобрите остварувања кај услугите, и посебно оние кои беа под директен удар на пандемијата: трговијата, транспортот и хотелиерството (9.2%). Додена, падот на преработувачката индустрија (-4.8%) продолжи (иако на висока споредбена основа), поради изразените неизвесности свързани со ребалансирањето на глобалните пазари на стоки и импликациите за синџирите на снабдување. Сврзано со ова, извозот (1.8%) бележи стагнација, но бруто инвестициите (21.1%) бележат значајно закрепнување. Порелаксираното трошење во однос на 2020 и растот на платите ја поддржаа приватната потрошувачка (5.7%), додека јавната потрошувачка (6.5%) го одржа темпото на поддршка на пост-пандемското заздравување, што е во линија со прогледувањето ја буџетскиот дефицит во однос на приватните пројекции (прајмна проекција 4.9%, а остварување од 5.3% од БДП).

Незработеноста во четвртиот квартал од 2021 понатамошно благо се намали, на 15.2% од претходните 15.7% (К3-2021). Но, се намали и вработеноста, од 47.4% на 47.3%. Овие остварувања се резултат на повторното пасивизирање на населението (помеѓу два квартала, близу 8,000 лица престанале активно да бараат работа).

Неизвесноста во економијата се засили на почетокот на 2022 година, како резултат на зголемените притисоци од цените на храната и енергијата на глобално ниво. Притисоците врз цените и изгледите за растот дополнително се вложија со инвазијата на Руската Федерација врз Украина на 24 февруари 2022. Во услови на неизвесност околу времетраењето и интензитетот на руско-украинскиот конфликт, како и околу можните ефекти од наметнатите санкции врз Руската Федерација за пазарите на енерџис, изгледите за растот на македонската економија во 2022 се изразено надолни, односно претходната проекција за 2022 од 4% станува нереална во новите

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

The following issues have been published in 2021:

1. Do employment measures provide equal access for men and women?
2. The precarious workers through the corona-roller-coaster
3. Do subsidies create better companies? Or, do better companies get more subsidies?
4. Investment and export support economic growth in North Macedonia, but only in the short run
5. What are the potentials of export-oriented companies and how can the government stimulate the use of potentials after Covid-19?
6. Agricultural workers – a silent victim of the pandemic?
7. What made exporters vulnerable in times of Covid-19 crisis?

**FT Comment** is first and condensed commentary of strategic documents, action plans, statements and reports delivered by various institutional players: 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 North Macedonia. Three editions have been published over 2021:

1. FT Comment no. 33 on the economic part of the European Commission Progress Report on the Republic of North Macedonia, October 20, 2021
2. FT Comment no. 32 on the draft changes to the Financial Support to Investment Law, July 28, 2021
3. FT Comment no. 31 on the Budget Supplement 2021, July 28, 2021

**FT Opinion** is a condensed and swift reaction to the moves of the daily economic policy and trends. In 2021, 5 opinions of the FT experts were published:

1. FT Opinion 54 on the draft Budget for 2022
2. FT Opinion 53 on the intention to introduce environmental fuel tax
3. FT Opinion 52 on the erosion of trust in institutions and the economic consequences

4. FT Opinion 51 on the economic consequences of the blockade of the Assembly
5. FT Opinion 50 on the fifth package of economic measures related to Covid-19

## 3.2 Research publications

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

1. Petreski, M. (2021) Return migration and health outcomes in North Macedonia. *International Journal of Migration, Health and Social Care*, 17(3), p.353-371.
2. Petreski, M. (2021) Has globalization shrunk manufacturing labour share in transition economies? *Journal of Comparative Economics*, 49(1), p.201-211.
3. Petreski, M. and Petreski, B. (2021) Macedonian labour market in a stalemate: Forecasting occupational and sectoral labour demand. In: A. Fetsi, U. Bardak and F. Rosso (Eds.) *Changing skills for a changing world: Understanding skills demand in EU neighbouring countries*. ETF Collection of Articles. Torino: European Training Foundation, p.83-97.
4. Petreski, B., Davalos, J. and Tumanoska, D. (2021) Youth Underemployment in the Western Balkans: A Multidimensional Approach. *Eastern European Economics*, 59(1), p.25-50.
5. Petreski, B. and Petreski, M. (2021) Dynamic microsimulation modelling of potential pension reforms in North Macedonia. *Journal of Pension Economics and Finance*, 20(1), p.49-66.



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EXCELLENCE IN RESEARCH

Нашiot постојан соработник,  
проф. Марјан Петрески,  
го публикуваше својот труд

**„Дали глобализацијата го намали  
уделот на трудот во преработувачкиот  
сектор во економиите во транзиција?“**

ВО  
**Journal of Comparative Economics** -  
највисоко-рангираното списание за  
транзициски економии, со импакт  
фактор од **1,992** и припадност кон  
највисокиот квартил на  
Journal Citation Reports.

Journal of  
COMPARATIVE  
ECONOMICS

**Policy studies.** During 2021, the following policy studies were published:

1. Multidimensional child poverty in North Macedonia: Reimagining how to measure and tackle child poverty – Bojan Srbinoski, Blagica Petreski, Marjan Petreski
2. SDG Financing Landscape in North Macedonia – Marjan Petreski
3. A short analysis of the direct economic effects of vaccination in North Macedonia – Bojan Srbinoski
4. The Effect of Covid-19 on Precarious Workers in North Macedonia – Despina Tumanoska
5. Social and Economic Effects of COVID-19 on Children in North Macedonia: An Update – Marjan Petreski, Blagica Petreski, Ana Tomovska Misoska, Despina Tumanoska
6. Measuring economic effects of state aid granted to private enterprises in North Macedonia: The case of the governmental Plan for Economic – Marjan Petreski, Desanka Dimitrova

**FINANCE THINK**  

НОВА СТУДИЈА

**МЕРЕЊЕ НА ЕКОНОМСКИТЕ ЕФЕКТИ ОД  
ДРЖАВНАТА ПОМОШ ДОДЕЛЕНА НА ПРИВАТНИ  
ПРЕТПРИЈАТИЈА ВО СЕВЕРНА МАКЕДОНИЈА**

Случајот на владиниот План за економски раст

 Norwegian Embassy  
Belgrade

**B | T | D** The Balkan Trust  
for Democracy  
A PROJECT OF THE GERMAN MARSHALL FUND





**Analytic reports.** In 2021, analytic reports on the impact of the pandemic of Covid-19 on gender-responsive budgeting in the municipalities of Sveti Nikole, Veles, Strumica, Gorce Petrov and Kochani have been prepared and published at the international web-site of UN Women. The aim of the reports is to support the gender-responsive planning at local level according the needs and priorities of men and women. Also, a compendium of nine local reports on the municipal labour markets in the municipalities of North Macedonia has been published in the reporting year.



**Other publications.** Finance Think contributed to the publication “The COVID-19 pandemic in the Western Balkans: Consequences and policy approaches” from Aspen Institute Germany with the article “Review of the existing evidence on the socio-economic effect of COVID-19 in North Macedonia”.

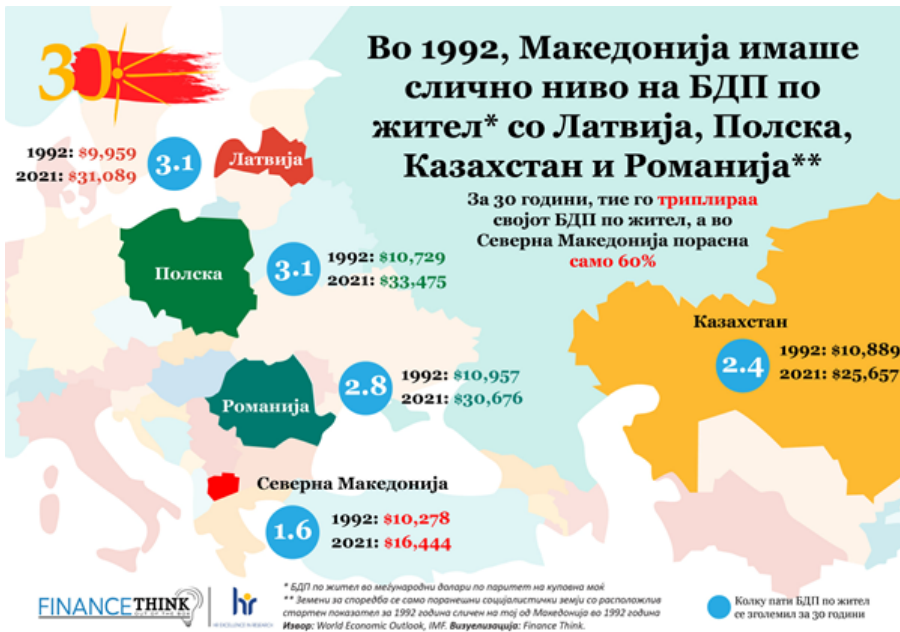
### 3.3 Visualizations

**Graphs and infographs.** During 2021, the economists of Finance Think produced 85 graphs and 21 info-graphs on the following topics:

1. Key factors of the child poverty
2. Multidimensional child poverty in North Macedonia
3. Plan vs realization of the local expenditures
4. Direct economic effect of the vaccination
5. How rich are the municipalities?
6. Gender pay-gap
7. Participative budgeting
8. Impact of Covid-19 on the gender-responsive budgeting at local level
9. Men and women beneficiaries of ALMPs
10. Myths on the low-paid workers in North Macedonia
11. Overtime work
12. Covid-19 and domestic workers
13. Gender gap at the labour market
14. Covid-19 and the agricultural workers



Овај проект е финансиран од страна на Амбасадата на Кралството Норвешка во Скопје. Финансирано е од страна на Министерството за Иновации и Технолошки Развој на РМ. Финансирано е од страна на Фондот за Иновации и Технолошки Развој на РМ. Финансирано е од страна на Фондот за Иновации и Технолошки Развој на РМ. Финансирано е од страна на Фондот за Иновации и Технолошки Развој на РМ.

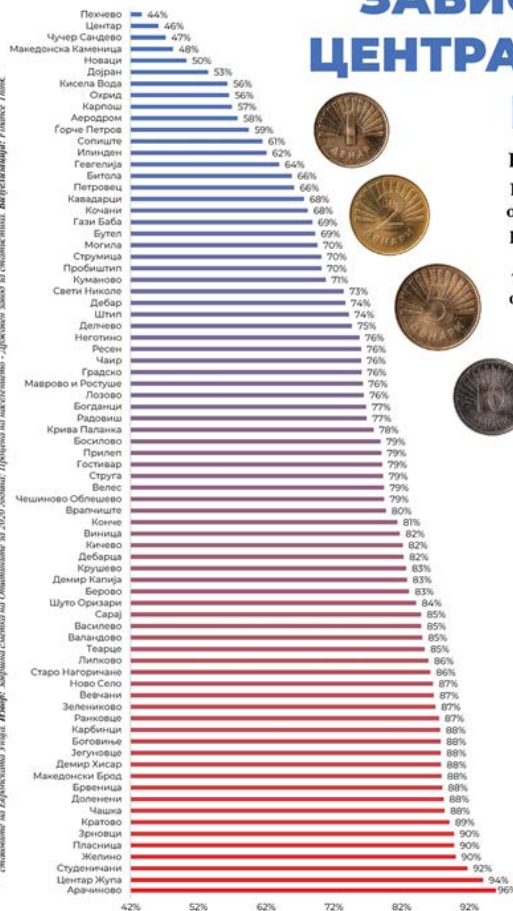


Graphs are communicated through social networks, and infographics are placed on the Flickr platform and then disseminated through other channels. <https://www.flickr.com/photos/140581571@No7/albums>



## КОЛКУ СЕ ОПШТИНИТЕ ЗАВИСНИ ОД ЦЕНТРАЛНИОТ БУЏЕТ?

Својата зависност од централниот буџет ја покажуваат општините со процентот на трансфери и донации од централниот буџет во вкупниот буџет. Извор: Статистика на Република Македонија, 2020 година. Приоритет на максимално - Процент на максимално. Визуелизација: Finance Think.



**ВО ГОЛЕМА МЕРА!**  
 Во просек, **76 ДЕНАРИ** од вкупно **100 ДЕНАРИ** расположлив буџет на Општините доаѓа од трансфери и донации од централниот буџет.



**Let's chat economics!** In 2021, two editions of this visualization that present the possibilities and opportunities of participative budgeting process at local level have been prepared.

**GIFs.** A GIF on the increased inflation and its impact has been prepared and disseminated on the social media.

**Video.** A video on the methodology for the impact evaluation of the grants disbursed to private companies has been prepared and published.

**Web platforms.** As a result of the already implemented projects, the following web platforms were built and/or upgraded during 2021:

1. [www.fiscast.mk](http://www.fiscast.mk) – Web platform for promotion fiscal transparency and accountability at national and local level.
2. [www.kompanii.mk](http://www.kompanii.mk) – Web platform with extensive database of domestic and multinational companies that can present themselves and their demand and supply of goods and services.
3. [www.adventuretrails.mk](http://www.adventuretrails.mk) – Web platform for promotion of the country as an adventure tourism destination
4. [www.odkrusevo.mk](http://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”.
5. [www.edplako.mk](http://www.edplako.mk) – Web platform that assesses the fair wage and its aim is to reduce the gender wage gap in Macedonia.
6. [www.vrabotime.mk](http://www.vrabotime.mk) – Web platform that provides information related to the project “Promoting active inclusion of disadvantaged persons excluded of the labour market”.
7. <http://grupacivitax.wixsite.com/home> - The repository web page of the Group CIVITAX.



# 4. Advocacy and communication

## 4.1 Traditional media

Our opinions and results of the analyses have been communicated with the public, which produced many statements, interviews and articles, through which we continue to nurture close and continuous cooperation with the media. Representatives from Finance Think were regularly present through statements in many leading printed and electronic media like: Kapital, Telma, TV 24, Sitel, Nova Makedonija, AlsatM, Makfax, Al Jazeera Balkans and many others.

## 4.2 Web site

The web site is our most widely used tool for informing the public about our research, analyses, events, opinions, publications, participation at conferences, etc. During 2021, the website has been visited by 31.212 visitors, or on average, 85 persons per day. The web platform is also linked to both blogs: “The blog of free-minded economic thought” and “Economic conversations - information view” and social networks: Facebook, Linkedin and Tweeter.

## 4.3 Blog platforms

The Institute expresses its opinions for current economic topics and steers a critical debate for the economic processes through its blog platform. In 2021, the team wrote two blog posts “Dividend, two layers and a rover” and “The pandemic inflation saga”.

## 4.4 Social media

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

The following statistical info is relevant for the FB profile:

- The institute had 22,538 Facebook friends at the end of 2021, an increase of 1% compared to the end of 2020
- During 2021, more than 1,000 information pieces, links, videos, analyses, graphs, and our views on economic issues from the country and the region were posted, which is roughly the same level maintained as in the previous year
- During 2021, Finance Think’s timeline was visited by over 25.000 visitors, which is equal to, on average, 68 visits per day, an increase of 25% compared to the previous year
- The average daily reach of the profile posts was 1.880, excluding the sponsored posts, which is about 4.3% increase over the previous year



# 5. Sparking public debate

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

## 5.1 Economic forums

The objective of the economic forum, besides encouraging the public debate on the current topic, is to present a product from Finance Think, including but not limited to: book, policy study, internet platform, video product, etc. In 2021, the following economic forums were organized:

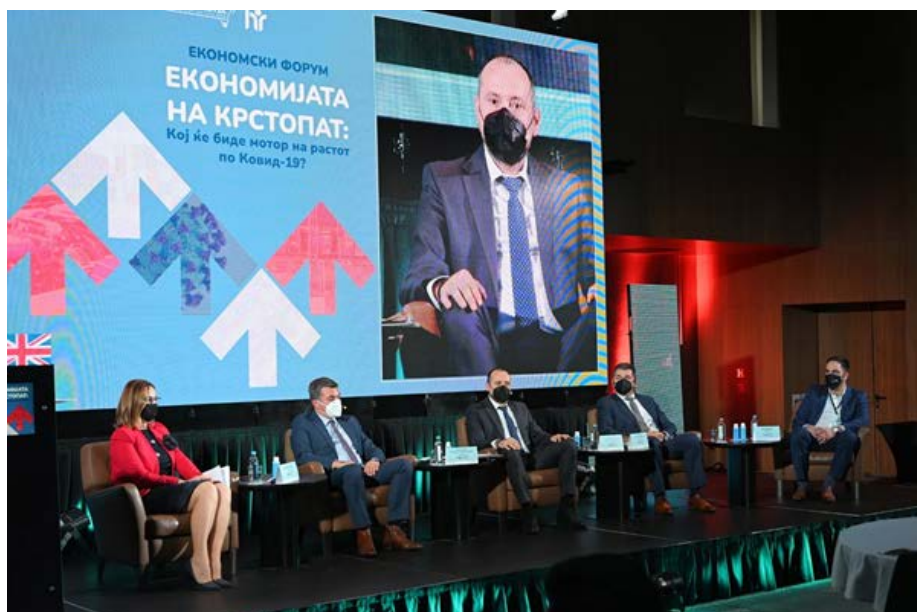
1. **“Child poverty in North Macedonia: Income is not the only factor”** was held on 7 December 2021 with high-level national and international representatives, UN Agencies and the President of North Macedonia in order to discuss the dimensions of the child poverty and tools for its reduction.



**2. “Do subsidies create better enterprises? Or, better enterprises get more subsidies?”** was held on 6 May 2021, to present the findings of the research on the economic effects of state aid granted to private enterprises in North Macedonia. The forum has been attended by the Vice-President of the Macedonian government and the Directors of the Innovation fund and the Directorate for the technological and industrial zones in the country.



**3. “The economy on the crossroad: Who will be the engine of growth after Covid-19?”** was organized in March 2021 to discuss the role of the export-oriented companies in the post-pandemic period.



## 5.2. Round tables

The goal of the round tables is to encourage a critical debate on a particular topic that most often stems from ongoing research. In 2021, a round table „Precarious workers through the corona-roller-coaster“ has been organized as a final event to present the results on the effects of the pandemic on the low-paid, domestic, informal, unpaid family workers and workers on atypical working arrangements.



## 5.3. Workshops

The purpose of the workshops is direct transfer of skills to the immediate target groups. They are usually organized within the current project activities. In 2021, Finance Think organized nine workshops:

- **Workshop on para-fiscal charges with municipal administrations and public enterprises** – on 19 November, a one-day training has been delivered to representatives of public administration to increase their knowledge on para-fiscal charges.
- **Training on Data analysis and Visualization** – in November, training has been delivered to young economists.
- **Training on Statistical and econometric analysts in STATA** - in November, one-day training has been delivered to young economists.
- **Webinars on the impact of state-aid** – during February - March, six webinars have been delivered to representatives of public administration, CSOs and interested public.





## 5.4. Press Café

Finance Think maintains regular meetings and consultations with the economic journalists. “Press café” is a format within which economic journalists may suggest ways of cooperation with FT and to gain information for the direction of our work. On 19 May 2021, a meeting with the journalists has been organized to discuss current economic topics.

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ВЕ ПОКАНУВА НА

**КАФЕ СО  
 НОВИНАРИ**

19 Maj 2021  
 16.30-17.30 часот  
 Limak Skopje Luxury Hotel

## 5.5. Press conferences

The purpose of press conferences is to publish a new result and/or a new finding, and based on that, advise policy-makers and/or recommend changing a policy/law. On 1 June 2021, a press conference “**The Social and Economic Effects of COVID-19 on Children in North Macedonia: An Update**” was organized jointly with UNICEF, to present the findings on the research on Covid-19 impact on children.





# 6. Impact and evaluation

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

## 6.1 Changes in policies

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

Several Finance Think's recommendations and propositions pertinent to the design and deployment of the measures related to the economic consequences of Covid-19 were implemented or taken forward. By the end of 2020, the need for an additional round of the "14.500 MKD" measure for the affected workers from Covid-19 became clear. We provided estimates on the need for narrow targeting of the measure, as well argued that the round should be considered final. The design the government adopted closely followed the recommendations, along an announcement that this was the last wave of the measure, which indeed happened to be the case. Few of our other recommendations related to technical aspects of the anti-Covid-19 economic measure were likewise incorporated in the policy moves of the government in the first half of 2021.



Our research on export-oriented companies during pandemic, published at the end of 2020, recommended a set of measures to support the post-Covid-19 recovery, among which one of the key measures proposed was a reduction of import tariffs on key import inputs, to support the price competitiveness of exporters. Slightly after, the Government announced that the tariffs of 71 identified inputs will be reduced temporarily over 2021, along a discussion if some of these cuts need to turn permanent afterwards. Later in the year, such changes have been introduced as permanent.

Усвојувањето на Предлог-законот за изменување на Законот за царинска тарифа, со кој трајно се намалуваат или укинуваат царинските стапки на сировини и репроматеријали за индустриско производство претежно наменето за извоз

Препораките од  
**FINANCE THINK** OUT OF THE BOX | hr

од Студија за политиките бр. 33 за усогласување на царинските стапки согласно ЕУ на клучните компоненти, што ќе придонесе за поголемо производство, инвестиции, конкурентност и привлекување нови производни линии кај извозниците.

A number of our findings and recommendations have found their way into the newly adopted National Employment Strategy 2021-2027. Namely, the following results of our work have been cited and used as basis for drafting the objectives and the action plan of the Strategy: results on the education and social protection costing; results for the effect of the state aid for the enterprises; the assessment of the financial assistance during Covid-19; our earlier estimates for the ‘envelope wage’ and the results related to the minimum wage.

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**Нашата работа е нашироко цитирана во новата Национална стратегија за вработување 2021-27**

- Наодите за трошоците во образованието и социјалната заштита
- Наодите за ефектот од државната помош за претпријатија
- Оценката на финансиската помош во време на ковид-19
- Пресметките за „плата во плико“
- Наодите сврзани со минималната плата

A number of other issues, part of a long-term, and part of daily interest, were part of the debate in 2021. For most of them, Finance Think communicated its opinion and position, for which policy makers expressed appropriate appreciation, taking arguments in public debate and taking for further respective articulation in policies.

## 6.2 Changes in target groups

In order to exhibit direct impact on target groups, Finance Think undertook field activities and initiatives with its target groups/stakeholders. In 2021, our main target group were municipalities of North Macedonia, whose representatives were included in the verification process of para-fiscal charges, as well as capacity building activities directed toward increasing their knowledge and skills for improving local fiscal transparency and accountability.

The second target group were young economists who were embedded with skills and knowledge for statistical and econometric analysis and data visualization. Three-day training on soft-skills improvement was delivered to more than 30 young people.

Finally, during 2021, Finance Think worked with representatives of the public institutions who work on the state aid topic and the Commission for Protection of Competition. In order to increase their knowledge on the effects of the granted state aid, we have conducted five webinars where participants gained new knowledge and skills for the concept of state aid, harmonization of Macedonian legislation with EU Acquis and measuring its effects.

**FINANCE THINK**  
FOR THE NORTH MACEDONIA

Ве поканува на

**СЕРИЈА ВЕБИНАРИ ЗА ДРЖАВНАТА ПОМОШ**

Кога субвенции се неопходни, а кога се забранети?  
Важни ли се правилата за државната помош при пристапувањето во ЕУ?  
Како да ги измериме ефектите од државната помош?

Учесството на семинарите е бесплатно.  
Датумот на одржување и регистрацискиот линк ќе биде објавен за секој семинар посебно.

**ДРЖАВНА ПОМОШ: ПРАКТИКИ ВО РЕПУБЛИКА СЕВЕРНА МАКЕДОНИЈА**  
Прод. д-р Владимир Наумовски  
Претседател на Комисијата за заштита на конкуренцијата

**ПРЕГОВОРТЕ ЗА ЧЛЕНСТВО ВО ЕУ: ПОГЛАВЈЕ 8 – ПОЛИТИКА НА КОНКУРЕНЦИЈА**  
Руѓица Гело  
Консултант за ЕУ преговори, Хрватска

**ПОИМ ЗА ДРЖАВНА ПОМОШ И УСОГЛАСЕНОСТ НА МАКЕДОНСКОТО ЗАКОНОДАВСТВО СО ЕУ ACQUIS**  
Десанка Димитрова  
Економски аналитичар во Finance Think

**ПАЗАРНИТЕ ДИСТОРЗИИ ОД ДРЖАВНАТА ПОМОШ**  
Д-р Бојан Србиноски  
Економски аналитичар во Finance Think

**МЕРЕЊЕ НА ЕФЕКТИТЕ ОД ДРЖАВНАТА ПОМОШ: ПРИМЕРОТ НА ВЛАДИНИОТ ПЛАН ЗА ЕКОНОМСКИ РАСТ**  
Д-р Марјан Петрески  
Професор по економија,  
Универзитет Американ Колеџ Скопје

„Овој проект е финансиски поддржан од Амбасадата на Кралството Норвешка во Скопје и Финансискиот фонд за демократија, проект на Германскиот Маршалов фонд за САД.“  
„Оваа иницијатива е поддржана од Амбасадата на Кралството Норвешка во Скопје и Финансискиот фонд за демократија, проект на Германскиот Маршалов фонд за САД.“  
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**FINANCE THINK** | **BITD** The Balkan Trust for Democracy  
A PROJECT OF THE GERMAN MARSHALL FUND

**Norwegian Embassy**  
Skopje

## 6.3 Changes in the public discourse

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

Generally, Finance Think's work continues to strengthen the public debate as evidence-based and data-driven. The inclusion of quantitative assessments and other evidence obtained through research in public debate helped maintain objectivity and balance in political and electoral contexts.

## 6.4 Qualitative and quantitative evaluation

Based on our estimates of the impact of efforts on policy makers, direct target groups and public discourse, it is estimated that the targeted impact in 2021 increased by 3.6% compared to the previous 2020, while the increase compared to 2019 amounted to 14.8%. Details are presented in the following table:

**Table 1: Quantitative measurement of the total impact**

	Number of...		Estimated impact (0 = no impact 10 = very high impact)			Increase in the impact in 2019 compared to 2018		
	2020	2021	Immediate target groups	Policymakers	Public discourse	Immediate target groups	Policymakers	Public discourse
<b>PUBLICATIONS</b>	35	45	0	6.8	5.8	0.0%	24.6%	-9.8%
Macroeconomic monitor	4	4	0	4	8			
Policy briefs	6	7	0	10	6			
FT Comment	3	3	0	8	4			
FT Opinion	9	5	0	10	10			
Quality of Life	2	0	0	5	8			
Articles	3	5	0	5	2			
Policy studies	7	6	0	10	4			
Report articles	0	14	0	10	2			
Others	1	1	0	8	4			
<b>VISUALIZATIONS</b>	99	117	4.4	6.5	8.3	17.9%	14.2%	19.1%
Graphs	68	85	2	2	10			
Infographs	17	21	4	6	10			
Let's chat economics	6	2	4	6	10			
Videos	0	1	10	6	10			
GIFs	0	1	8	6	10			
Web platforms	8	7	4	2	8			
<b>EVENTS</b>	28	38	4.6	8.4	6.0	91.0%	15.9%	-41.7%
Economic forums	2	3	2	8	10			
Round tables	2	1	1	10	10			
Workshops	0	9	10	4	0			
Direct meetings with policymakers and/or target groups	16	22	10	10	0			
Number of changed regulations/policies	8	3	0	10	10			
<b>MEDIA APPEARANCES</b>	371	313	3.0	6.5	9.5	-3.6%	-3.6%	-1.5%
Number of media statements	42	71	2	4	10			
Number of media citations	308	225	2	4	10			
Interviews and media participations	16	12	4	10	10			
Blogs	5	2	4	8	8			
Press conferences	0	2	0	6	10			
Press café	1	1	0	6	10			
	<b>INCREASED IMPACT BY GROUPS</b>					14.0%	3.8%	1.0%
	<b>TOTAL INCREASE IN THE IMPACT</b>					<b>3.6%</b>		

The following table provides the achievement of the targets of the Monitoring and Evaluation Strategy 2021-2023. As it can be seen, almost all indicators are realized, and in many cases they are significantly exceeded.

**Table 2: Evaluation of achievement of Finance Think's objectives**

Objectives and outcomes	Objective	Indicator	Baseline	2020 Realization	2021 Realization
<b>Objective 1: To contribute to improved economic policies and reforms through producing evidence, based on economic research and driven by economic data</b>					
Long term outcomes	1.1. Increased supply of economic research	Number of key research results that could be articulated in a policy recommendation	3-4	12	10
	1.2 Increased capacity among stakeholders (employees, Advisory Board, experts, trained individuals and CSOs) for understanding and/or conduct of economic analysis and usage of economic data	Number of persons of stakeholders affected	25	25	70
	1.3 Strengthened quality review process	Number of internal and external reviews conducted	10 internal 3-4 external	14 8	14 9
Short term outcomes	Increased number of FT research publications (policy studies, journal articles, books/ manuals)	Number of research publications	10	10	11
	Increased number of the FT regular publications (Macro-monitor, Graphometrix, FT Comments, Briefs etc.)	Number of regular publications	30	22	34
	Increased number of the FT visual publications (graphs, infographs, GIFs, videos etc.)	Number of visual publications	60	99	118
	FT publications: <ul style="list-style-type: none"> <li>• are source of information</li> <li>• credible</li> </ul>	% of persons who responded "to some or to a large extent"	70%	97%	97%

	Increased number of external experts, who participated in FT projects	Number of experts	10	10	10
	Increased number of journalists, who participated in FT projects, writing about the local and/or regional economy	Number of journalists writing about economic/social issues, based on FT's findings and products	10	8	12
	Enhanced cooperation between FT and think tanks, specifically on economic/social issues from other countries.	Number of think tanks from other countries with which FT cooperates in economic issues  Number of think tanks which FT cooperates intensively (e.g. on particular project)	10 3	11 4	11 4
	Generated new data	Number of data-collecting instruments applied (survey, focus-groups, interviews etc.)	5	27	25
	Increased amount of web resources (data, evidence, research, regulations)	Number of web platforms maintained	5	8	9



<b>Objective 2: To increase the effect that Finance Think's products (work) have on target groups (skills), economic policymaking (policies and reforms), and society (awareness)</b>					
2.1. Increased uptake of research results by policymakers	Number of FT key policy recommendations put in the pipeline by the government	Number of FT key policy recommendations put in the pipeline by the government  An issue is added on policymakers' agendas  An issue is discussed, or framed differently due to the institute's work	NA	Many recommendations related to measures for dealing with the economic consequences of Covid-19 were taken into account in the current or the revised design of measures. Elective promises were aligned by the realities of forecasts of ours MK-MOD in government program.  Our findings for para-fiscal charges were taken into account for further action. See section 6.1 for further details.	The issues of physical persons in the VAT system, measures undertaken to support companies in the process of standardization (particularly, announcing a subsidy for introduction of a production standard), proliferation of social services at municipal level, all have been framed based on FT's work. See section 7.1 for further details.
	2.2 Increased impact of the FT's research and materials on Macedonia's economy and economic policies	Number of government moves in line with FT recommendations/ opinions/ advice	Few moves	Same as before. In addition, many other moves of smaller importance have been inline with FT recommendations.	Same as before. In addition, many other moves of smaller importance have been inline with FT recommendations.
	2.3. Increased positive impact of FT's work on immediate target groups	% of immediate target groups who expressed satisfaction with the participation in FT activity (workshop, seminar, training, regrant)	70%	N/A  Due to pandemic, no training and workshops were organized in 2020.	95%

	2.4. Increased debate on economic policies and reforms	Number of media appearances and citations	150 20	371 28	380 38
Short term outcomes	Growing confidence in and reach of the FT research and expert opinions on economic issues.	Number of views in social media of the FT`s posts, number of FT Facebook and Twitter page followers, LinkedIn posts	FT followers, 18.500	22.756	22.538
			Twitter followers, 100	367	419
			FB post engagement,	16.176	17.801
			FB posts, 5 weekly	12	13
			FB page views, 1.000 monthly (average)	1.723	1.982
			LinkedIn posts, 2 per week	3	2
		% of FT products published in popular media (even shortly)	50%	90%	90%
	The FT`s public events on economic issues (economic forums, round tables, press coffees etc.) attended and positively responded by relevant government decision makers	Certain number and quality of feedbacks from decision-makers on FT`s events (e.g. letters from the government with promise to use FT recommendation / adopting any official document).	3 feedbacks from officials (feedback on policy briefs or inviting for cooperation)	12 Numerous feedbacks were received, large part of which informal, while meeting policymakers in various occasions.	14 Numerous feedbacks were received, large part of which informal, while meeting policymakers in various occasions.
		% of FT`s public events attended by government relevant decision makers (or number of experts)	70% FT`s public events attended by government relevant decision makers	100%	100%

	Increased number of media appearances	Number of media appearances (statements, interviews, expert opinions...)	50	65	83
	Increased number of citation of research/ advocacy publications in media	Number of media citations	100	308	225
	FT publications: <ul style="list-style-type: none"> <li>raise awareness</li> <li>spark debate</li> </ul>	% of persons who responded "to some or to a large extent"	40%	90%	91%
	Growing number of opinion leaders participating in the FT's public events on economic issues.	Number of opinion leaders, who take part in FT's events	N/A	The events of FT sparked wide attention, among participants and media. Key policymakers and influential persons in the public discourse attended these, mainly as speakers.	The events of FT sparked wide attention, among participants and media. Key policymakers and influential persons in the public discourse attended these, mainly as speakers.

**Objective 3: To develop the institutional capacity of Finance Think, in terms of research, advocacy, funding and communication, to have a stronger impact on economic reforms and the effects economic policies have for citizens**

Long term outcomes	3.1 Increased demand for FT research materials from the government, business and international community (increased relevance of these research materials)	Request for conducting research from the government, business and international community	3 requests to conducting research from the government, business and international community	13 Some of the requests were not accepted due to limited resources.	16 Some of the requests were not accepted due to limited resources.
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	3.2 Financial sustainability of FT	Improved financial sustainability (strengthened fundraising)	Application approval rate (>25%)	48%	57%
		Implementing auditor`s recommendations	100% of recommendations are implemented	100%	100%
	3.3 Improved quality of FT materials	Stakeholders which take part in the opinion poll of FT give positive evaluation of FT`s research/ advocacy materials (% of those who responded “yes, to a full extent”)	70%	83%	86%
	3.4 Increased capacity for operational and strategic planning	All operational and strategic plans are designed, their fulfilment is monitored	Yes / No	Yes	Yes
Short term outcomes	Increased demand from the government for research materials of FT or feedback, implementing more projects together with the government	Feedbacks form the government	Most of feedbacks from the government are positive	Yes	Yes
	FT produces positive societal change	Average grade of persons who responded on a 1-9 scale (1 = fully negative, 5 = no change, 9 = fully positive)	6.5	8.1	8.3
	FT provokes trust with stakeholders	% of persons who responded “I trust fully” or “I trust to a certain extent” on a 1-5 scale (1 = fully trustful, 3 = indifferent, 5 = fully doubtful)	80%	97%	97%

	Increased transparency and financial discipline by improving accounting policies as well as through annual public reporting.	Fulfilment of Audit recommendations	Audit recommendations: 100% complete	100%	100%
	Implementing of procedures aimed at ensuring quality of research materials as well assurance sufficient number of qualified analysts	Increased confidence in the FT's research and materials	100% of research and materials are peer reviewed internally 100% of policy studies are peer-reviewed externally	100% 100%	100% 100%
	Improved procedures for strategic and operational planning and evaluation	Participation of stakeholders in planning and evaluation	80% of stakeholders participate in planning and evaluation	All internal stakeholders participated in such activities. During 2020, FT did not organize such activities for external stakeholders.	All internal stakeholders participated in such activities. During 2021, FT did not organize such activities for external stakeholders.
	Increased skills in FT	Increasing the skills of the current FT's employees	50% of FT's employees completed trainings and courses to upgrade their skills	100%	100%
		Hiring new employees	NA	2, to replace outgoing staff	0
		Number of adopted best practices of leading foreign think tanks after employees participate in experience projects	1	1	1

	Enhanced cooperation between FT and think tanks, specifically on economic/social issues from other countries.	Number of think tanks from other countries with which FT cooperates in economic issues	10	10	10
	Increased exposure to the international academic and CSO scenes, through participation at regional and international forums, conferences and networks.	Number of regional/ international forums/ conferences / similar events visited/ attended	5	5	6

# 7. Network and cooperation

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

## 7.1 Memberships

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

## 7.2 Memoranda of understanding

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

- State Statistical Office
- National Bank of North Macedonia
- Foundation for advancement of the economics (FREN) from Belgrade, Serbia.
- Institute for social sciences and humanities (ISSHS) from Skopje.

## 7.3 Tour de NGOs & Think Tanks

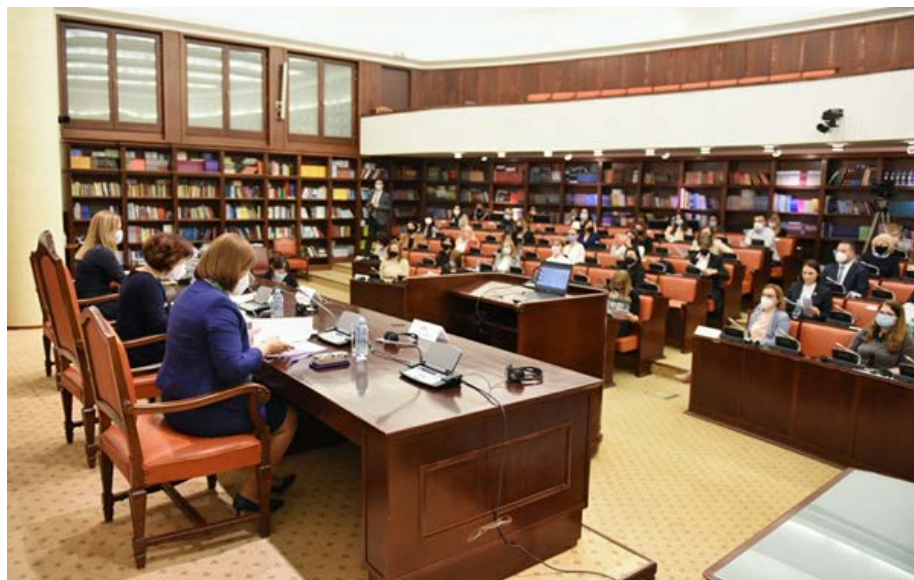
In January and February 2021, Finance Think participated in a series of online meetings organized by the Aspen Institute Germany within the Berlin Policy Hub for Western Balkans, in order to exchange practices and ideas, as well to spur networking with Germany-based organizations and institutions.

## 7.4 Consultative processes

During 2021, Finance Think participated in consultative processes with the World Bank, the EU Delegation in Skopje, the United Nations Development Program - UNDP, the International Labour Organization, and so on.

In addition, we also participated in the public debate and consultative processes for the tax reform and the 6th PFM policy dialogue.

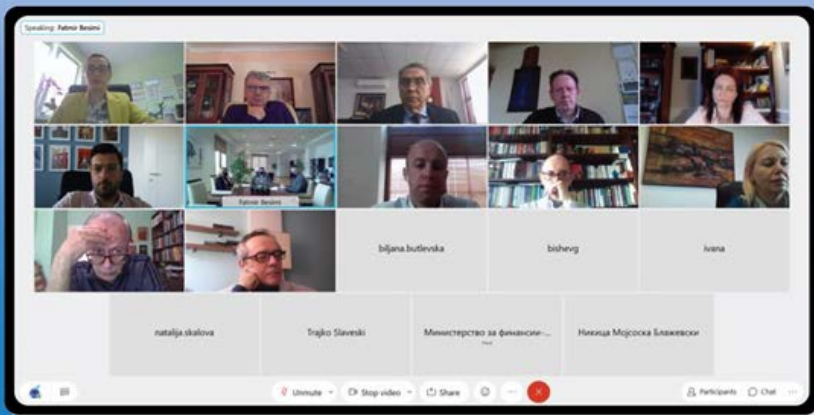
On the international stage, we took part in the People Powered Network planning of the budget for 2021.







### Јавна расправа на тема „Даночна реформа”



# 8. Investing in internal capacity

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

## 8.1 Conferences attended

Representatives of Finance Think participated at the following conferences:

- **8th Western Balkans Civil Society Forum** – 30 September – 01 October organized by European Economic and Social Committee
- **6th National Group meeting on RIA in North Macedonia** – 13 July organized by European Policy Institute
- **Prespa Forum Dialogue** – 1-2 July 2021 organized by the Ministry of Foreign Affairs of North Macedonia
- **The impact of COVID-19 in economic activities of Western Balkans** – 31 March 2021 organized by Open Society Foundations
- **Vulnerable groups in the agriculture** – 17 March 2021 organized by Open Society Foundations
- **Assessment of the Progress and Impact of the National Strategy for Gender Equality (NSRE) (2013-2020) and the National Action Plan for Gender Equality (NAPRE) (2018-2020)** – 5 March 2021 organized by the Government of North Macedonia
- **The EU Accession Process: A Key to Socio-Economic Development in the Western Balkans?** - 11 February 2021 organized by Aspen Institute Germany

## 8.2 Workshops

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

- **Fundraising for Participatory Democracy learning workshop**  
- 18 November 2021 organized by People Powered Network, New York,
- **Software on grant management usage** – 2 July organized by Civica Mobilitas
- **Competitiveness, growth and crisis** – February-March 2021 organized by JVI Joint Vienna Institute.

# 9. Regulatory framework

**Institute's work is regulated by the internal regulatory framework designed 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 Research Rulebook;*
- *A Rulebook for Recruiting Researchers;*
- *A Guide for Research Ethics and Governance;*
- *Anticorruption policy and principles;*
- *Procurement policy, principles and procedures;*
- *Rules and procedures for financial operations;*
- *Policy for flexible working conditions;*
- *Media Communication Strategy;*
- *A Rulebook and Procedure for financial operations;*
- *Publication and visualization procedures and formats;*
- *A Procedure for organization of events;*
- *A Procedure for usage of vacation days;*
- *A plan for archival signs, archival materials and storage periods, approved by the State Archive of North Macedonia;*

# 10. Financial statements

## 10.1 Balance sheet

In denars

### ASSETS

1	Denar account	12.179.754,00
2	Foreign currency account	10.364.068,00
3	Cash	1.600,00
4	Account receivables	370.230,00
5	Other receivables	34.094,00
6	Fixed assets	578.743,00
<b>TOTAL ASSETS:</b>		<b>23.528.491,00</b>

In denars

### LIABILITIES

1	Earmarked funds for 2022	7.175.471,00
2	Account payables	533.343,00
3	Other payables	789.512,00
4	Operational fund	578.743,00
5	Accrued income	14.451.422,00
<b>TOTAL LIABILITIES:</b>		<b>23.528.491,00</b>

## 10.2 Income statement

In denars

### INCOME

1	Income from membership	0,00
2	Income from interests and exchange differences	742.692,00
3	Project income	3.503.894,00
4	Income from own business activity	7.662.839,00
5	Other income	726.576,00
6	Transferred surplus from previous year	19.125.806,00
	<b>TOTAL INCOME:</b>	<b>31.761.807,00</b>

In denars

### EXPENSES

1	Expenses for fixed assets	333.423,00
2	Expenses for office and other materials	177.591,00
3	Expenses for intellectual services	7.201.810,00
4	Transport and per diems	181.532,00
5	Bank provisions	83.832,00
6	Other expenses	5.785.398,00
7	Gross wages	4.159.806,00
8	Taxes	10.979,00
9	<b>TOTAL EXPENSES:</b>	<b>17.934.371,00</b>
10	Income tax	66.628,00
11	Earmarked funds for 2022	13.760.808,00
	<b>TOTAL EXPENSES AND EARMARKED FUNDS:</b>	<b>31.761.807,00</b>

# ANNEX: Anti-corruption policy and principles

## Anti-corruption policy statement

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

### **Anti-corruption principles at FINANCE THINK**

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

#### **1. Responsibility and commitment**

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

#### **2. Communication and training**

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

#### **3. Advisory and complaints channels**

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

#### **4. Project contracts**

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

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

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

#### **6. Procurement processes**

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

#### **7. External audits and audit agreements**

For all audits, the International Standards of Auditing shall be followed. All project audit reports shall be written in English. Finance Think annual audit reports may be written in Macedonian. Upon demand by the donor, projects shall be audited in the field no later than six months after project termination. The overall operation of Finance Think will in addition be audited in connection with the annual audit. For smaller private projects the audit will be included in the annual audit of Finance Think.

#### **8. Consequences of violation**

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

#### **9. External communication**

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



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