

ANNUAL REPORT 2022



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

at least 3

policies, policy approaches or specific practices changed based on our work

precise

forecasts for the GDP growth and inflation rates

WEBecon

erected as the only regional network of well-established think tanks working on solutions for the economic and social development of the Western Balkans

15.4%

institutional growth

maintained

overall impact

Dear readers

We commenced 2022 with the notion that the post-pandemic recovery was significantly underway and that the economy was on the way to reach its pre-pandemic level. Our analyses that we commenced over 2021 focused on the recovery pathways and provided multitude of policy recommendations, part of which – like the one on the reduction of the custom tariffs on important intermediary products – have been accepted by the government. However, the invasion of the Russian Federation over Ukraine which began in the morning of February 24, 2022, changed the political and economic landscape in Europe and globally, which also implied that our research, analysis and advocacy work should – at least partially – shift towards understanding the channels through which this new crisis would affect the Macedonian economy. This theme was our highlight over 2022, on which we focused much of our research and analytic attention, providing quantifications, opinions and visualizations. The web-site 'box' that was summarizing our work on Covid-19 was hence expanded to cover [‘multiple crises’](#).



Nevertheless, over 2022, we continued paying equal attention to other topics. An important strand of analysis which started earlier but achieved its momentum in 2022 has been the research on the para-fiscal charges at the local level. We implemented a couple of workshops – together with our partners – directly working with local self-government units on their optimization, the full result of such work to become visible over 2023. Our work on the tracking of the economic promises of the government was completed through finalization of the [“Economic Compass”](#). We commenced a more comprehensive research to gauge the effects of the Open Balkan Initiative for the national and regional labor market.

The year was heralded by the establishment and erection of WEBEcon, as the only regional network of reputed think tanks working on solutions for the economic and social development of the Western Balkans, hence comprising six influential think tanks from each of the WB-6. The Network was launched in June 2022, with the first ground activity planned for early 2023 on the topic of food and energy insecurities in the region.

Our research findings remained a reliable source of recommendations for policies. Many policy moves – of which the one of the refined tax regulations is a primer – 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 2023.

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, social and development 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 seven program areas:

- Growth and development policies
- Poverty, employment and skills
- Fiscal transparency and accountability
- Competitiveness and EU accession
- Gender and income inequalities
- Municipal finance and policies
- Green economy

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 research, evidence-based and data-driven advocacy, and steering critical debate on democratic and 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

Uncertainties
The Economic Prospects?



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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 firms' productivity and competitiveness. She is a committed advocate for effective economic policies as well 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 alumnus 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 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

Economist II



Bojan is a senior Economic Analyst at Finance Think. He holds a PhD in Finance from Carlo Cataneo 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. Has is equipped with skills for data analysis using different econometric packages (R, SAS, STATA, EVIEWS, PYTHON) and analysis of complex networks (PAJEK).

Irena Nikolovska

Economist I

Irena has an expertise in tax and finance policies. She holds a Master of Business Administration (MBA) from the University American College Skopje. For more than 20 years, Irena is a tax advisor to domestic and foreign clients, author of expert articles, manuals and reports / research studies in the field of taxation, finance, accounting (International Financial Reporting Standards – IFRS), human resources, corporate governance, anti-money laundering (AML), etc., and is a lecturer at seminars, trainings and workshops on topics in the same fields. She is the founder, manager and business consultant of the company for independent research and innovative solutions IRIS Consulting DOOEL Skopje. Since 2019, she has been an independent non-executive member of the Board of Directors of the Central Securities Depository Inc. Skopje.



Marija Basheska

Junior Economist

Marija is a Junior Economist at Finance Think. She's a senior at Ss. University Cyril and Methodius University – Skopje, where she majored Economics. With more than 3 years of experience in the civil society sector, Marija has worked on various projects on topics such as youth employment and social innovation. She is passionate about economic, social and environmental issues, with the aim of contributing towards sustainable development. Her interest in research spans over topics such as public and local finance, macroeconomics, welfare economics, financial markets, and institutions as well as behavioral economics.



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.



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-Zmejtkova 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).



Stefan Tanevski Collaborator on Data Analytics

Stefan is an external associate at Finance Think dealing with data collection and analytics. He is also a Teaching Assistant at University American College Skopje. Stefan holds a MSc from University American College. His research interest includes financial markets and institutions, behavioral finance, financial literacy and household finance.



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

MUNICIPAL FINANCE AND POLICIES

GREEN ECONOMY

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 2022:

Knowledge, measures and policy dialogue for child protection from the food and energy crisis and sustainable design of policies related to multi-dimensional child poverty

The primary objective of the project is to generate evidence about the impact of the food and energy crisis on overall and child poverty, as well as food and energy poverty, which will be used as a background for designing a roadmap for policy measures at national level. The secondary objective of the project is to increase capacities of the State Statistical Office for multidimensional child-poverty routine measurement and monitoring, to establish a multi-dimensional stakeholder mechanism for designing more coherent policies and to increase stakeholders' knowledge and awareness for the importance of multi-dimensional policy approach.

Activities: The goal of the project is achieved through research and data collection as well as organizing capacity-building activities.

Achievements: The process of updating MK-MOD as basis for conducting simulations commenced at the end of 2022.

Donor: UNICEF

Duration: December 2022 – January 2024

Action for formalization of micro-performers of economic activity in the informal economy

The purpose of this action is to increase the formalization of micro-companies in North Macedonia, i.e. performers of economic activity in the informal economy. Hence, the action addresses legal informality. More specific objectives of the action are to understand the reasons for the informality of micro-operators in the informal economy, to understand the activity of informal micro-performers, to design a map / list of all fees, including parafiscal charges, related to starting a micro-business and running it in the early years and to propose: a) a plan for reduction of the costs for firming of micro-performers of activity, including rationalization of the duties identified in 3; and b) policy measures (fiscal, labour, information) that will encourage greater formalization of micro-operators.

Activities: The objective of the project has been fulfilled through data collection on micro-performers of economic activity and their analysis.

Achievements: In 2022, a study on the informal economy has been conducted and published. A map with potential measures to address the problem has been designed and submitted to the Ministry of Finance.

Client: GIZ North Macedonia

Duration: May – September 2022

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

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 2022, a study about the role of regional integration has been conducted and published.

Donor: International Visegrad Fund

Duration: October 2021 – September 2022

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 2022, 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



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 project has been implemented:

An initiative for a more-inclusive democracy for marginalized groups

The initiative aims to make participatory democracy more inclusive for young people, women and displaced persons (including refugees, immigrants and internally displaced persons).

The activities of the initiative include:

- Workshops and in-person convenings among People Powered member organizations to identify best practices for making participatory democracy inclusive.
- Creation of online courses and resource materials to help organizations implement the best practices.
- Development of multimedia stories that bring to life the human impact of this work, to persuade more governments and organizations to make participation more inclusive.

Achievements: In 2022, a couple of meetings with People Powered member organizations have been conducted to share knowledge on participatory initiatives.

Donor: People Powered through the National Endowment for Democracy

Duration: June 2022 – April 2024

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 project has been implemented:

FISCAST Network – Enhancing dialogue for higher municipal financial transparency, with focus on parafiscal charges

The overall objective of the project is to strengthen FISCASAT network's monitoring of and partnering with local stakeholders on LSGUs' financial transparency, with reference to parafiscal charges.

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



Achievements: In 2022, the actions on data collection and para-fiscal charges verification have been completed, resulting in publishing of 18 local and one national policy studies. In the reporting year, a web platform with data on para-fiscal charges has been built, as well as several public events have been organized aiming to increase the awareness on the stakeholders on the para-fiscal charges.

Donor: Delegation of the EU in North Macedonia

Duration: January 2021 – July 2023

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:

Open Balkan: Free regional movement of labour in conditions of shortage of qualified workers

The goal of the project is to assess how the free movement of (skilled) labour in the Open Balkan Initiative will affect the labour market in North Macedonia, and thus to encourage a reasoned debate and adjustment of policies to maximize benefits and minimize risks.

Specific objectives include:

- Generating knowledge about how the free movement of (skilled) labour included in the Open Balkan Initiative will affect the labour market in the country;
- Encouraging evidence-based public debate about the benefits and challenges of the issue;
- Contribution to economic policies related to the labour market and bilateral social security agreements, in the context of the implementation of the requirements of this Initiative.



Donor: Foundation Open Society Macedonia

Duration: September 2022 – September 2023

Data analysis and report on Balkan Barometer 2022

The objective of the project is to conduct a comprehensive data analysis and write up the underlying report on Balkan Barometer 2022.

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

Achievements: The report has been completed in 2022 and submitted to client.

Donor: Regional Cooperation Council

Partner: ACIT – Albania

Duration: February – March 2022

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 2022, field visits to Ljubljana and Podgorica have been conducted, which resulted in networking with relevant institutions and organizations.

Donor: Open Society Foundations – Berlin Office

Duration: November 2019 – October 2022

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 project has been implemented:

Gender-responsive planning at local level: The case of Prilep and Krushevo

The overall objective of the action is to encourage gender-responsive planning that responds to the different needs of women and men at local level.

Activities: The action will be aimed at including gender in the programming through concrete interventions on three fronts: 1) Improving the accountability of local governments in implementing their commitments to gender equality, 2) Empowering local women and men to express their needs and priorities through the process of participative planning, and 3) Strengthening local stakeholders with capacities for monitoring the gender-responsive planning process.

Achievements: In 2022, the analysis of the local programs of both municipalities from gender perspective has been commenced, through data collection and interviews with representatives of the Commissions for Equal Opportunities. Also, in 2022, four focus groups with citizens of Prilep and Krushevo have been conducted, to hear their views and experience on the gender-responsive planning in the local communities. Several visual products have been prepared and published to increase public awareness on the need for increasing the equal opportunities and local level, while in December 2022, a final interactive event has been organized in Prilep, to present the findings of the research conducted within the project.

Duration: January 2022 – February 2023

Donor: Reactor through European Union and Swedish International Development Cooperation Agency



Exploratory analysis of women and men in North Macedonia

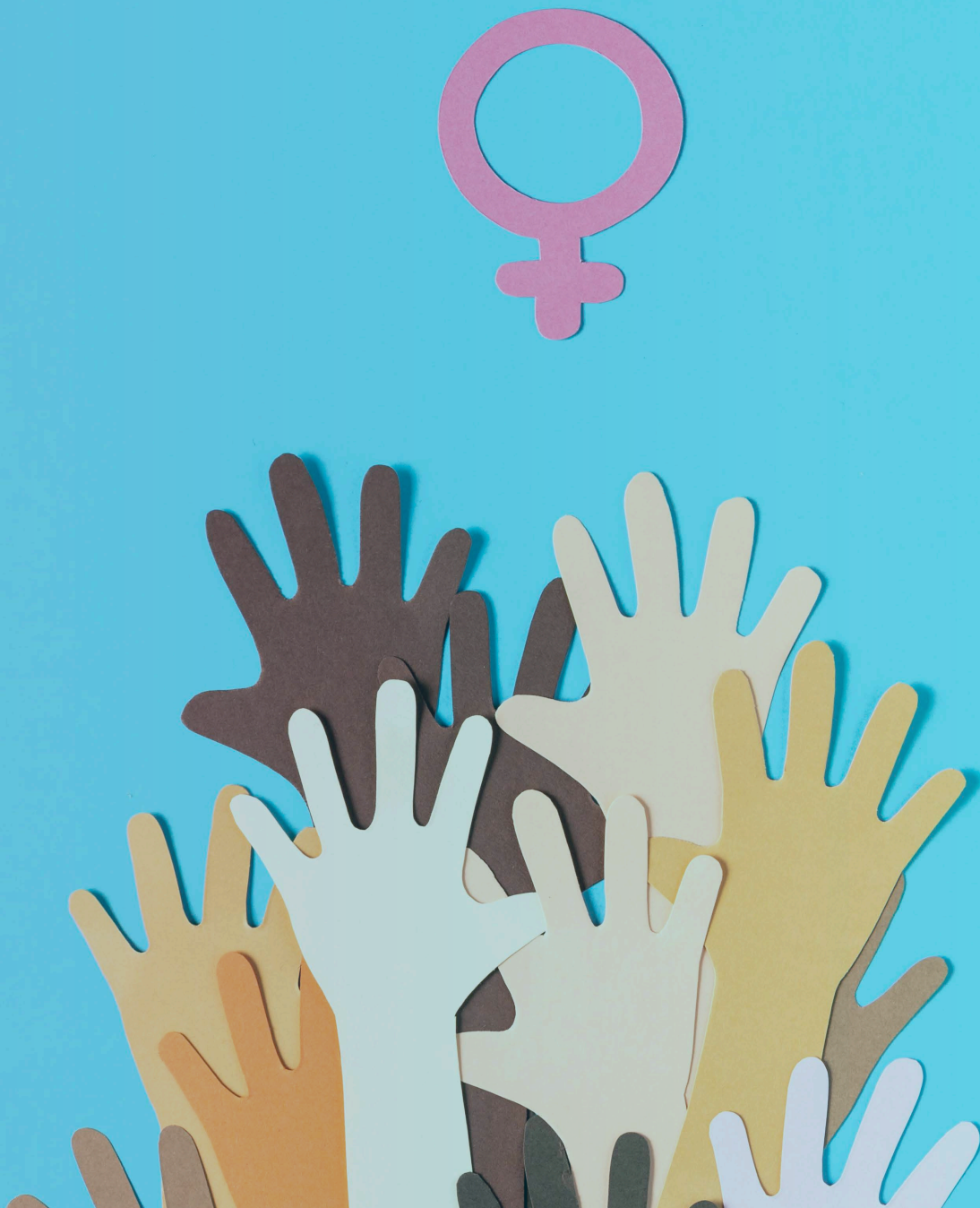
The aim of the project is to identify trends in a series of indicators for women and men in North Macedonia, as well as to identify gaps in gender statistics.

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

Achievements: The report has been completed and submitted to the client in 2022.

Donor: UN Women

Duration: November 2021 – February 2022



2.6 Municipal finance and policies

The goal of this research program of Finance Think is to devise local policies and budget that are conducive to local development and the wellbeing of citizens and local communities. Community-based programs are particularly pursued. The participative approach is highly favoured.

The following project has been implemented in 2022:

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 2022, a policy brief has been prepared and published, in order to inform local authorities on the policy interventions needed to increase the participatory democracy in the local community. The findings and results of the research have been presented during the final event organized in Krushevo in March 2022. Also, 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.

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

Duration: June 2021 – March 2022

2.7 Green economy

The program on Green economy captures topics as growth in employment and income which are driven by public and private investment into such economic activities, infrastructure and assets that allow reduced carbon emissions and pollution, enhanced energy and resource efficiency.

In 2022, the following project has been implemented within this research program:

Scoping study to investigate the demand for green and social financing in North Macedonia

The objective of this study is to conduct the diagnosis – market analyses of high potential sectors in North Macedonia from a green and social standpoint and to assess the market potential for new development credit lines.

Activities: The project scope has been achieved through data collection and analysis of the market potential for green credit lines.

Achievements: A consultative meeting has been conducted for the preparation of a study for examining the space for new green and socially-oriented loan programs in North Macedonia, with the main partner GFA Consulting Group GmbH. By the end of 2022, a scoping study on the respective topic has been prepared and submitted to the client for their further considerations.

Client: Agence Française de Développement

Partner: GFA Consulting Group

Duration: July – September 2022

3. Organizational development

In the trajectory of its development, Finance Think has been conducting projects directly supporting the Institute, or supporting activities whose objective has been directly attributable to the strengthening of Finance Think's capacity to advocate for better policies and steer the public debate. Over 2022, there has been one project of such type:

Expanding civic space through establishing WebEcon – the network of economic think tanks in the Western Balkans

The objective of the proposed action is to lay the grounds for a regional civic space in the socio-economic domain, by establishing the WebEcon network of economic think tanks.

Activities: Establishing the WebEcon network, through devising strategic documents, thematic areas, governance structure and conduct of the first in-person strategic workshop.

Achievements: The founding meeting has been held at the end of June 2022 in Skopje, with all participating partners. Subsequently, strategic documents, thematic pillars and governance structure were accordingly established and presented in the web site www.webeconnetwork.com.

Donor: Balkan Civil Society Development Network (BCSDN)

Duration: May – August 2022

4. 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.

4.1. Regular publications

The regular publications of Finance Think include:

Macroeconomic monitor, regular quarterly publication that observes the Macedonian economy through numbers, with highlighted forecast component. Since 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 44 editions published, four of which in 2022.





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 2022:

1. Vaccination saved at least EUR 2.8 million during the delta wave!
2. Child poverty in North Macedonia: Towards a better understanding of its complexity and multidimensional nature
3. Big economic promises, big failures?
4. Towards a sustainable increase of the minimum wage?
5. What determines the transparency of the LSGUs: the budget characteristics, the political factors or the environment?
6. Participatory budgeting in rural settlements in the municipality of Krushevo
7. How large is our grey economy? How do key economic policies affect it?

FT Comment is first and condensed commentary of strategic documents, action plans, statements and reports delivered by various institutional players: The Government and its agencies, European Commission, IMF, the World Bank and other regional and international financial and economic organizations; on issues falling in the working domain of Finance Think and concerning North Macedonia. Three editions have been published over 2022:

1. FT Comment no. 34 on the Budget Supplement 2022, May 27, 2022
2. FT Comment no. 35 on the economic part of the European Commission Progress Report on the Republic of North Macedonia, October 13, 2022
3. FT Comment no. 36 on the Draft Budget of the Republic of North Macedonia for 2023, 28 November 2022

FT Opinion is a condensed and swift reaction to the moves of the daily economic policy and trends. In 2023, three opinions of the FT experts were published:

1. FT Opinion no. 55 on the economic consequences of the developments in Ukraine for North Macedonia
2. FT Opinion no. 56 on the proposed amendments to the Law on Pension and Disability Insurance and on the increase of pensions
3. FT Opinion no. 57 on the proposed tax reform (opinion of CIVITAX Group)

Quality of Life. The purpose of this publication is to shed light on data for the quality of life in North Macedonia. The publication is ad-hoc and is based on survey and administrative data. Each issue of the publication is thematic. In 2022, one edition of this publication has been prepared, titled “**How to achieve larger registration of the micro-performers of economic activity in the informal economy?**”.

4.2 Research publications

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

1. Petreski, M. and Petreski, B. (2022) Unregistered micro-performers of business activity: The “who” and “why” in North Macedonia. Croatian Economic Survey, 24(2), p.45-77.
2. Srbinoski, B., Petreski, B. and Petreski, M. (2022) The Covid-19 Impact on Exports in North Macedonia – Firm-Level Analysis. Economic Research – Ekonomska Istrazivanja, 35(1), p. 7147-7174.
3. Petreski, M. (2022) State aid causing distinct incentives? Quasi-experimental measurement of effects from grants to private enterprises in North Macedonia. Evaluation Review, 46(2), p200-230.



Policy studies. During 2022, the following policy studies were published:

1. Integrating WB6 towards integrated EU – A view from North Macedonia
2. Minimum wage and manufacturing labour share: Evidence from North Macedonia
3. Participative Budgeting in Rural Settlements in the Municipality of Krushevo
4. Unregistered micro-performers of business activity in North Macedonia: Analysis with recommendations for a policy action
5. Assessment of the financial transparency and budgetary position of local self-government units in North Macedonia, with a focus on public enterprises under their jurisdiction



Analytic reports. In 2022, analytic reports on the financial transparency of 18 municipalities, with reference to para-fiscal charges have been prepared and published, in order to provide analysis of the current budgeting process at local level, and recommendations for improving the process of collecting revenues, focusing on those from para-fiscal charges.

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”.

4.3 Visualizations

Graphs and infographs. During 2022, economists of Finance Think produced 47 graphs and 20 info-graphs on the following topics:

1. The labour force mobility between Open Balkan countries
2. Prices are skyrocketing
3. Companies closed-down during COVID-19 pandemic
4. The impact of COVID-19 pandemic on youth unemployment
5. Informal economy
6. Para-fiscal charges
7. Western Balkan's economies
8. Participative budgeting
9. Women and men at the labour market
10. Economic promises of the Government

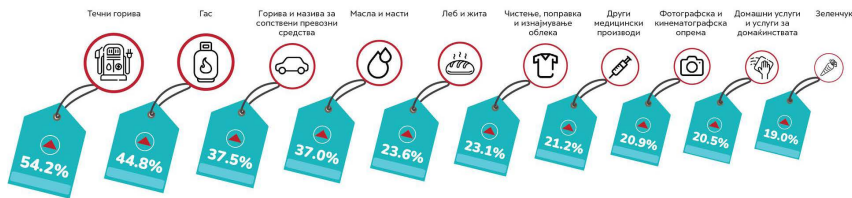
Graphs are communicated through social networks, and infographics are placed on the Flickr platform and then disseminated through other channels.



ЦЕНИТЕ ВРТОГЛАВО РАСТАТ НО НЕ НА СИТЕ ПРОИЗВОДИ И УСЛУГИ

РАСТЕЧКИ ЦЕНИ (% , јануари-август 2022 во однос на истиот период лани)

Цените на основните прехранбени производи и производите и услугите сврзани со енергентите се во топ 10 растечки цени

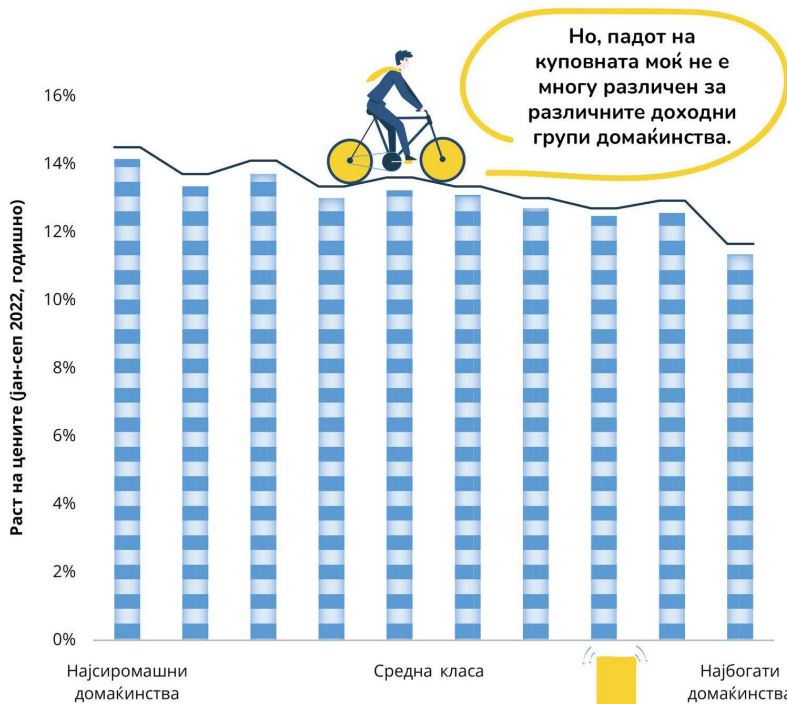


ОПАЌАЧКИ ЦЕНИ (% , јануари-август 2022 во однос на истиот период лани)

Цените на услугите што ги дава државата или општините се, главно, тие кои не се променија или се намалија



Најсиромашните домаќинства сносат поголем релативен товар од растечките цени



FINANCE THINK
OUT OF THE BOX

hr
IN EXCELLENCE IN RESEARCH

Извор: Брџ за политиките бр. 59: Растечките цени и товарот при домаќинствата: Визуелизација: Finance Think.

Let's chat economics! In 2022, two editions of this visualization that present the possibilities and opportunities of participative budgeting process at local level have been prepared.

GIFs. 16 GIFs on the financial transparency of 16 municipalities have been prepared in 2022. Also, GIFs on the budget cycle and parafiscal charges have been disseminated via social media.

Video. A video on the financial transparency of the municipalities 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 2022:

1. www.fiscast.mk – Web platform for promotion fiscal transparency and accountability at national and local level.
2. 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 – Web platform for promotion of the country as an adventure tourism destination
4. 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 – Web platform that assesses the fair wage and its aim is to reduce the gender wage gap in Macedonia.
6. 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.

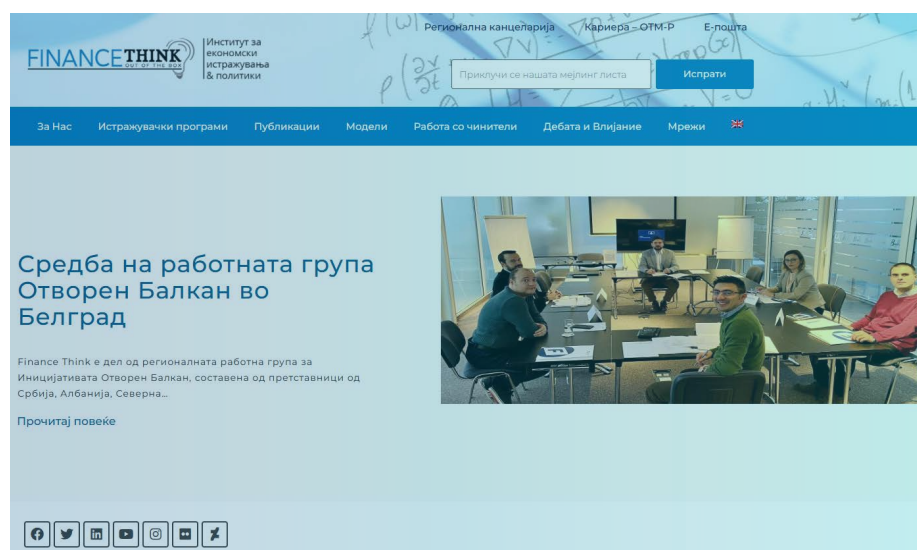
5. Other forms of advocacy and communication

5.1 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, Nova Makedonija, Al Jazeera Balkans and many others, and provide interviews for the national TV media like Telma, TV 24, Sitel and others.

5.2 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 2022, the website has been visited by 29.552 visitors, or on average, 81 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 Twitter.



5.3 Blog platforms

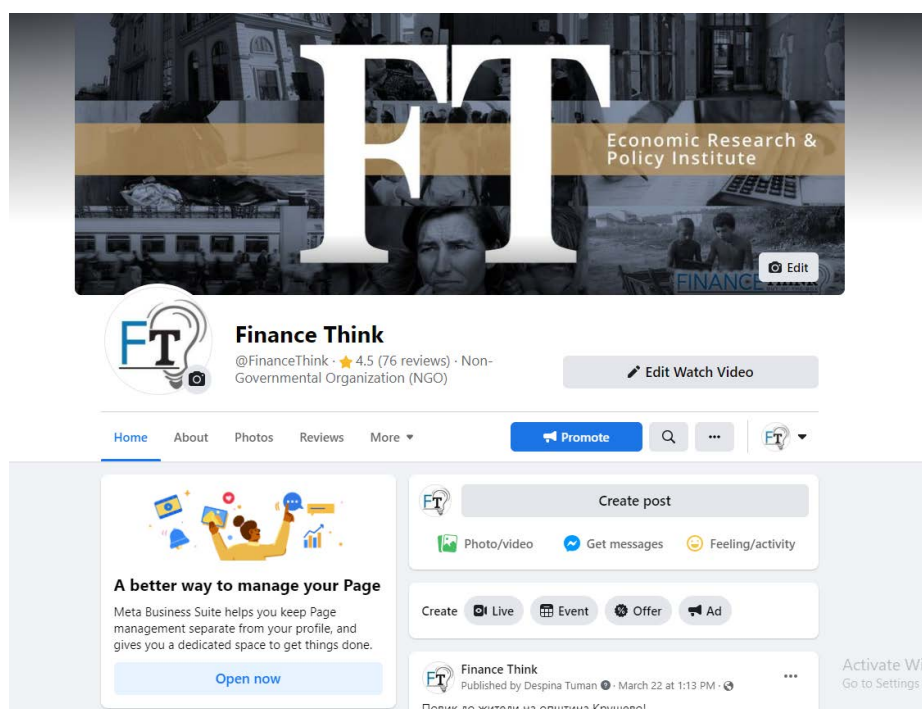
The Institute expresses its opinions for current economic topics and steers a critical debate for the economic processes through its blog platform. In 2022, the team wrote two blog posts “Subsidy for Ringo Star” and “Economic policies in a clinch”.

5.4 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 22,668 Facebook friends at the end of 2022, an increase of 0.6% compared to the end of 2021
- During 2022, 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 2022, Finance Think’s timeline was visited by over 25.000 visitors, which is equal to, on average, 68 visits per day, approximately the same level as the previous year
- The average daily reach of the profile posts was 1.226, excluding the sponsored posts



6. Sparking public debate

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

6.1 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:

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 2022, the economic forum **“A gloomy look forward: Multiple Uncertainties Undermine Economic Prospects”** has been organized on April 14, to steer public debate with high-level national and international representatives of local ministries, UN Agencies and the Prime-Minister of North Macedonia on the economic situation in the country, needed measures for sustaining the domestic growth, post-pandemic recovery and EU accession prospects.



6.2. 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 2022, the following round tables have been organized:

1. A budget tailored to all citizens – an event held on April 16 in Krushevo aiming to present the findings and results of the project on participative budgeting in the local community.

2. Microenterprises in the informal economy: What is the way to formalization – held on July 26 in Skopje, to present the policy study on the micro-performers of economic activity in the informal economy.



6.3. Press conferences

The objective of the press conferences is to announce new result and/or new finding, and based on that to advise policymakers and/or recommend a policy/law change. Two press conferences have been organized in 2022:

1. How large is our grey economy? How do key economic policies affect it? – organized in Skopje on 13 May

2. Regional market initiative for the Western Balkans – organized online on 8 February



7. Stakeholder engagement

Several activities of Finance Think are aimed to engage a variety of stakeholders in a variety of manners.

7.1. 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 2022, Finance Think organized six workshops:

- **Strategic workshop of the WEBecon regional network** – a regional workshop held in Skopje on May 28 and 29, to discuss the opportunities of the WEBecon network, for joint efforts toward better life quality in the Western Balkan
- **Optimization of parafiscal charges in the municipalities** – three workshops have been organized during May and June, to increase the capacities of local stakeholder for para-fiscal charges optimization.
- **Data analysis and interpretation of findings and their translation into strategies and plans** – a workshop held on February 1 in Skopje, with representatives of public administration.
- **Journalism based on economic data** – a workshop held on January 27 in Skopje, to steer capacities for data analysis among economic journalists.



7.2. Town-hall meetings/ Meeting with Mayors



These meetings are mostly local in nature and are an important tool in implementing our local actions. Meetings with mayors most often refer to the coordination of work in the field of local policies and financial transparency. Town Hall meetings include a wider range of local stakeholders, such as representatives of the municipal administration, the local business community, the local NGO community, local media, etc. In 2022, a meeting with Mayors of the municipalities involved in our FISCAST project have been held on March 11, to discuss the need for para-fiscal charges optimization.



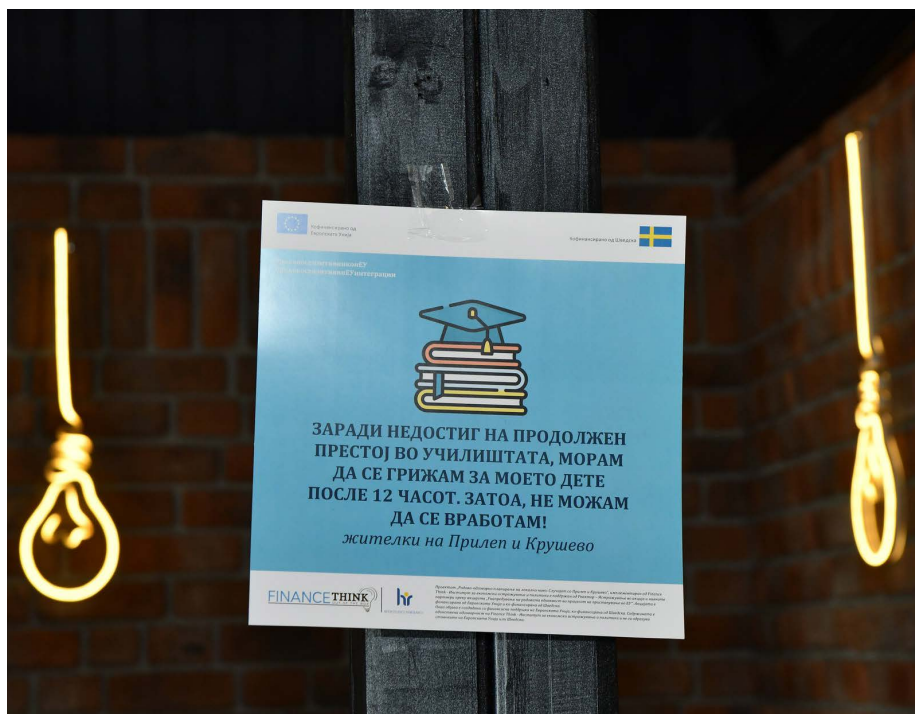
7.3. Press Café

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 January 27, a meeting with the journalists has been organized to discuss current economic topics.



7.4. Info-session and corners

The purpose of the info sessions and info-corners is to bring our work closer – a certain finding, fact, conclusion, to the target groups, most often the citizens. On December 28, in Prilep, has been organized an interactive corner to present the findings on the need and priorities of local women and men toward increasing the equal opportunities within the local community.



8. Impact and evaluation

Several activities of Finance Think are aimed to engage a variety of stakeholders in a variety of manners.

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.

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

Finance Think's recommendations on the proposed Tax Reform in August 2022, provided together with the CIVITAX Group have been fully accepted by the Government, as the ultimate contours of the tax revisions have been almost entirely aligned with the opinions and recommendations based on evidence. Moreover, by the end of 2022 and beginning of 2023, the Government opened the discussion on the Excessive Profit Tax, which constituted a proposal of Finance Think, and which entered a parliamentary procedure with effect for the profits realized over 2022.

Several of our results, findings and recommendations have been taken forward by other research, either as basis for further research of the matter or basis for drawing comparisons and reinforcing policy recommendations.



In order to exhibit direct impact on target groups, Finance Think undertook field activities and initiatives with its target groups/stakeholders. In 2022, our main target group continued to be 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.

Forecasts of the economic activity that Finance Think maintains in its Macro-monitor have been verified by the sources of the national statistics and constituted a source of Institute's credibility.



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.



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 2022 was maintained at the level of the previous 2021, while the increase compared to 2020 has been 4.2%. 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 2022 compared to 2021		
	2021	2022	Immediate target groups	Policymakers	Public discourse	Immediate target groups	Policymakers	Public discourse
PUBLICATIONS	45	45	0	6.8	5.8	0.0%	-0.3%	-0.9%
Macroeconomic monitor	4	4	0	4	8			
Policy briefs	7	8	0	10	6			
FT Comment	3	3	0	8	4			
FT Opinion	5	3	0	10	10			
Quality of Life	0	1	0	5	8			
Articles	5	3	0	5	2			
Policy studies	6	5	0	10	4			
Analytic reports	14	18	0	10	2			
Others	1	0	0	8	4			
VISUALIZATIONS	117	88	4.4	6.5	8.3	18.2%	6.0%	-19.0%
Graphs	85	47	2	2	10			
Infographs	21	20	4	6	10			
Let's chat economics	2	2	4	6	10			
Videos	1	1	10	6	10			
GIFs	1	18	8	6	10			
Web platforms	7	7	4	2	8			
EVENTS	38		4.6	8.4	6.0	18.0%	19.4%	-28.6%
Economic forums	3	1	2	8	10			
Round tables	1	2	1	10	10			
Workshops	9	6	10	4	0			
Direct meetings with policymakers and/or target groups	22	31	10	10	0			
Number of changed regulations/ policies	3	2	0	10	10			
MEDIA APPEARANCES	313	244	3.0	6.5	9.5	2.1%	1.5%	1.7%
Number of media statements	71	48	2	4	10			
Number of media citations	225	310	2	4	10			
Interviews and media participations	12	14	4	10	10			
Blogs	2	2	4	8	8			
Press conferences	2	2	0	6	10			
Press café	1	1	0	6	10			
INCREASED IMPACT BY GROUPS						9.3%	4.1%	-3.5%
TOTAL INCREASE IN THE IMPACT						0.6%		

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
Objective 1: To contribute to improved economic policies and reforms through producing evidence, based on economic research and driven by economic data					
Long term outcomes	1.1. Increased supply of economic research	Number of key research results that could be articulated in a policy recommendation	3-4	10	8
	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	70	75
	1.3 Strengthened quality review process	Number of internal and external reviews conducted	10 internal 3-4 external	14 9	8 7
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, FT Comments, Briefs etc.)	Number of regular publications	30	11	8
	Increased number of the FT visual publications (graphs, infographs, GIFs, videos etc.)	Number of visual publications	60	117	88
	FT publications: • are source of information • credible	% 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	8
	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	12	14
	Enhanced cooperation between FT and think tanks, specifically on economic/social issues from other countries.	Number of think tanks from other countries with which FT cooperates in economic issues Number of think tanks which FT cooperates intensively (e.g. on particular project)	10 3	11 4	17 5
	Generated new data	Number of data-collecting instruments applied (survey, focus-groups, interviews etc.)	5	25	9
	Increased amount of web resources (data, evidence, research, regulations)	Number of web platforms maintained	5	9	9

Objective 2: To increase the effect that Finance Think's products (work) have on target groups (skills), economic policymaking (policies and reforms), and society (awareness)

Long term outcomes	2.1. Increased uptake of research results by policymakers	Number of FT key policy recommendations put in the pipeline by the government	NA	<p>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.</p> <p>Our findings for para-fiscal charges were taken into account for further action. See section 6.1 for further details.</p>	<p>The key recommendation on the proposed tax reform have been fully reflected into the final contours of the reform.</p> <p>Our findings for para-fiscal charges were taken into account for further action. See section 6.1 for further details.</p>
	2.2 Increased impact of the FT's research and materials on Macedonia's economy and economic policies	Number of government moves in line with FT recommendations/ opinions/ advice	Few moves	Same as before. In addition, many other moves of smaller importance have been in line with FT recommendations.	Same as before. In addition, many other moves of smaller importance have been in line with FT recommendations.
	2.3. Increased positive impact of FT's work on immediate target groups	% of immediate target groups who expressed satisfaction with the participation in FT activity (workshop, seminar, training)	70%	95%	97%

	2.4. Increased debate on economic policies and reforms	Number of media appearances and citations Number of events	150 20	313 38	372 42
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	22.538	22.668
			Twitter followers, 100	419	439
			FB post engagement,	16.176	17.801
			20.000 weekly (average)	30.005	39.771
			FB posts, 5 weekly	13	7
			FB page views, 1.000 monthly (average)	1.982	1.226
		% of FT products published in popular media (even shortly)	LinkedIn posts, 2 per week	2	3

	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)	14 Numerous feedbacks were received, large part of which informal, while meeting policymakers in various occasions.	10 Numerous feedbacks were received, large part of which informal, while meeting policymakers in various occasions.
		% of FT's public events attended by government relevant decision makers (or number of experts)	70% FT's public events attended by government relevant decision makers	100%	100%
	Increased number of media appearances	Number of media appearances (statements, interviews, expert opinions...)	50	83	51
	Increased number of citation of research/ advocacy publications in media	Number of media citations	100	225	188
	FT publications: <ul style="list-style-type: none"> raise awareness spark debate 	% of persons who responded "to some or to a large extent"	40%	91%	93%
	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	16 Some of the requests were not accepted due to limited resources.	9 Some of the requests were not accepted due to limited resources.
	3.2 Financial sustainability of FT	Improved financial sustainability (strengthened fundraising)	Application approval rate (>25%)	57%	33%
		Implementing auditor`s recommendations	100% of recommendations are implemented	100%	100%
	3.3 Improved quality of FT materials	Positive evaluation of FT`s research/ advocacy materials (% of those stakeholders who responded “yes, to a full extent”)	70%	86%	90%
	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	8.3	8.0
	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%	92%
	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 2021, FT did not organize such activities for external stakeholders.	All internal stakeholders participated in such activities. During 2022, 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	0	2, to replace outgoing staff
		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	9

9. 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.

9.1. Memberships

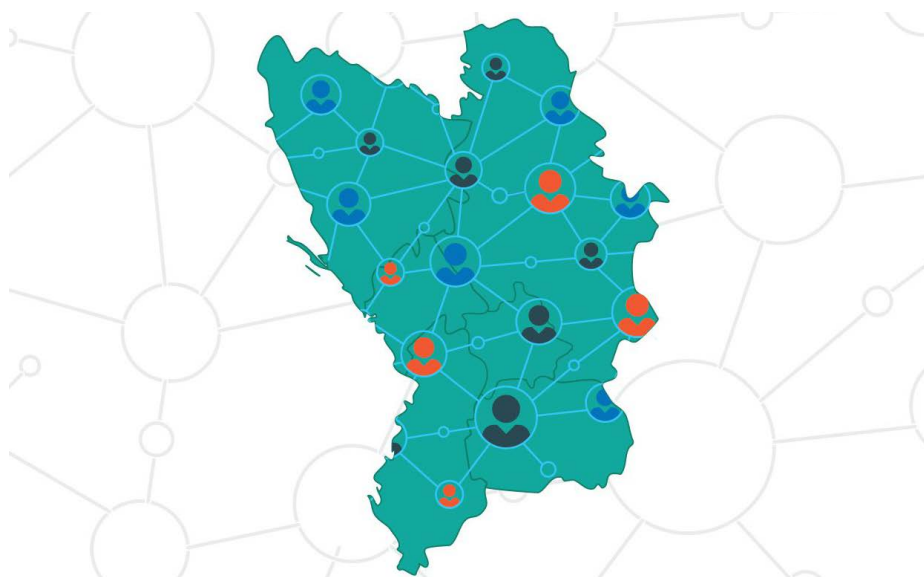
The Institute continued to take advantages of the membership in eight international institutions/platforms: European charter for researchers, ILO Decent Jobs for Youth, People Powered Network, UNCTAD Virtual Institute Geneva, IDEAS/Repec, Global Youth Network, International Budget Partnership and CAMMIGRES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



9.2. Networks

FinanceThink is a founder or member in the following networks of organizations and think tanks who work on economic, social and development issues:

- **FISCAST Network** - a network of civil society organizations, economic experts and journalists that aims to contribute to more transparent, accountable, sustainable, effective and efficient policies for spending public funds. In 2022, the network worked on the project related to the parafiscal charges at local level.
- **WEBecon Network** – a regional network composed of well- established and reputed think tanks working on economic, social and development issues. On 28-29 July 2022, the network held its first strategic workshop aimed to gather members together, discuss the strategic orientation of the network, set up key documents of the network, and pave the way for its further activities, and a regular meeting on 2 December, where we discussed governance issues and activities for the forthcoming period.
- **People Powered Network** – an international network of CSOs who work on introducing participative democracies in the world, through programs such as participatory budgeting, policymaking, planning and citizen assemblies. In 2022, several meetings for resource development and capacity building for inclusive practices for marginalized people have been organized and attended by our representatives.
- **Civitax Group** – group for fiscal issues in the civil and academic sector, as well as among the natural persons. In 2022, FT Opinion of the Civitax Group, on the proposed tax reform has been prepared and submitted to authorities.
- **The future of the welfare state** – a regional initiative of think tank organizations and social policy researches focused on the welfare state issues in the six Western Balkan countries. There was no activity in 2022.



9.3. 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 Economics (FREN) from Belgrade, Serbia
- Institute for Social Sciences and Humanities (ISSHS) from Skopje.

9.4. Tour de NGOs & Think Tanks

During 2022, Finance Think visited several NGOs and think tanks from Slovenia and Montenegro, in order to exchange practices and ideas, as well to advance networking and establish grounds for future cooperation:

- Visited institutions in Podgorica, Montenegro: Institute Alternativa and Institute for Strategic Studies and Prognoses – 18-20 May
- Visited institution in Ljubljana, Slovenia: Center of Excellence in Finance, 23-25 February.



9.5. Consultative processes

We are making a continuous contribution to the consultative process in the country, through an objective, evidence- and data-based analysis of current economic trends and economic policies. During 2022, Finance Think participated in consultative processes with the World Bank, the EU Delegation in Skopje, European Bank for Reconstruction and Development, Fitch Ratings, and so on. On May 27, we participated in the meeting with the Minister of Foreign Affairs of the Republic of Austria, Alexander Schallenberg, with heads of think tanks from the country where current economic and political situation and European integration processes were discussed.

In addition, we participated in the public workshop for creating the National Development Strategy 2022 – 2042 and on the meeting for the presentation of the joint conclusions from the Economic and Financial Dialogue between the European Union and North Macedonia, in the Assembly of the Republic of North Macedonia.



10. 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 service contract. The team also participated in numerous domestic and international conferences, trainings and seminars in local frameworks and internationally renowned institutions.



10.1. Conferences attended

Representatives of Finance Think participated at the following conferences:

- Elephants in the civic space – 20-22 December, organized by SMART Balkans
- The Macedonian economy is European - mobility, competitiveness, development – 12 December, organized by the Secretariat for European Affairs
- Public Administration Reform: National Working Group Meeting – 29 November, organized by European Policy Institute
- Civil Society & Think Tank Forum – 1 and 2 November, organized by Südosteuropa-Gesellschaft | Southeast Europe Association and Aspen Institute Berlin
- One market for recovery after covid-19: Visegrad-4 in support of promoting the common regional market of the economies of the Western Balkans – 15 September organized by Crnogorska panevropska unija / Montenegrin Pan-European Union
- Open Balkan Forum – 24 May, organized by Libertarijanski Klub -LibeK
- From CEFTA to a unique EU-marker: Lessons learned from Visegrad 4 for Western Balkan Six, organized by Crnogorska panevropska unija / Montenegrin Pan-European Union and Robert Schuman Institute (Budapest)
- Covid-19 impact on the economy with special focus on social economy – 28 February, organized by the Macedonian Center for International Cooperation – MCIC.

10.2 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:

- Berlin Process Civil Society and Think Tank Forum Digital Preparatory Workshop – 26 October
- Donors and NGOs: Together towards a more accountable civil society in the Western Balkans – 15 October
- The gender perspective in public policies and the role of civil society organizations in RSM – 28 May
- Networking workshop organized by Civica Mobilitas – 4-6 May.

10.3. Research stays and visits

Our Chief Economist, Blagica Petreski, as a Fulbright Scholar of the US Government, stayed at the Great Cities Institute at the University of Illinois, Chicago in the period August 2022 – January 2023. During the study visit, she has been working on research related to the role of public finance management for selected educational, health and institutional outcomes in the countries of Western Balkans.

During her stay in Chicago, she held consultative meetings with representatives of the Chicago Council on Global Affairs, a non-profit organization dedicated to increasing knowledge and engagement in global affairs. The meeting was followed by a networking event in which the US Ambassador to the People's Republic of China, Nicholas Barnes, and the Council's Fay Hartog Levin discussed the major issues in the current relationship and their prospects.



11. 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 Rulebook on Research, Analysis and Advocacy;
- A Rulebook for Recruiting Researchers and Other Professionals;
- Rulebook for Continuous Professional Education and Specialization;
- Rulebook for Systematization of Workplaces;
- Rulebook on Employees' Performance Evaluation;
- Anticorruption policy and principles;
- Procurement policy, principles and procedures;
- Guide for Research Ethics and Governance
- Policy on flexible working conditions
- Media communications strategy
- Policy on knowledge dissemination and sharing
- Policy on protection from sexual exploitation and abuse (PSEA)
- Policy on Open, Transparent, and Merit-based Recruitment of Researchers (OTM-R)
- Rulebook and procedure for maintaining the workplace order and discipline
- Rulebook and procedures for financial operations
- Publication and visualization procedures and formats
- Procedure for organization of events
- Procedure for usage of vacation days
- Guide for procurement conduct
- Procedures related to PSEA

12. Financial statements

12.1 Balance sheet

In denars

ASSETS

		2021	2022
1	Denar account	12.179.754,00	11.869.262,00
2	Foreign currency account	10.364.068,00	10.752.961,00
3	Cash	1.600,00	1.600,00
4	Account receivables	370.230,00	3.674,00
5	Other receivables	34.094,00	41.284,00
6	Fixed assets	578.743,00	590.356,00
TOTAL ASSETS:		23.528.491,00	23.259.137,00

In denars

LIABILITIES

		2021	2022
1	Earmarked funds for 2022	7.175.471,00	8.708.367,00
2	Account payables	533.343,00	0,00
3	Other payables	789.512,00	15.975,00
4	Operational fund	578.743,00	590.356,00
5	Accrued income	14.451.422,00	13.944.439,00
TOTAL LIABILITIES:		23.528.491,00	23.259.137,00

12.2 Income statement

In denars

INCOME

		2021	2022
1	Income from membership	0,00	0,00
2	Income from interests and exchange differences	742.692,00	582.448,00
3	Project income	3.503.894,00	10.283.694,00
4	Income from own business activity	7.662.839,00	2.597.468,00
5	Other income	726.576,00	42.332,00
6	Transferred surplus from previous year	19.125.806,00	7.175.471,00
	TOTAL INCOME:	31.761.807,00	20.681.413,00

In denars

EXPENSES

1	Expenses for fixed assets	333.423,00	59,108.00
2	Expenses for office and other materials	177.591,00	344,089.00
3	Expenses for intellectual services	7.201.810,00	3,056,311.00
4	Transport and per diems	181.532,00	731,646.00
5	Bank charges	83.832,00	94,864.00
6	Other expenses	5.785.398,00	3,863,225.00
7	Gross wages	4.159.806,00	3,780,335.00
8	Taxes	10.979,00	27,493.00
9	TOTAL EXPENSES:	17.934.371,00	11.957.071,00
10	Income tax	66.628,00	15.975,00
11	Earmarked funds for 2022	13.760.808,00	8.708.367,00
	TOTAL EXPENSES AND EARMARKED FUNDS:	31.761.807,00	20.681.413,00

ANNEX: Anti-corruption policy and principles

Anti-corruption policy statement

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

Anti-corruption principles at FINANCE THINK

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

1. Responsibility and commitment

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

2. Communication and training

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

3. Advisory and complaints channels

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

4. Project contracts

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

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

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

6. Procurement processes

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

7. External audits and audit agreements

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

8. Consequences of violation

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

9. External communication

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

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