

ANNUAL REPORT 2023

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

evidence contributor

to the 9th Package of Anti-Crisis Measures

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

43.1%

institutional growth

maintained

overall impact

Dear readers

We navigated through 2023 with the notion that we live in the 'new normal', which implies that the shocks may be more frequent than wanted, and that hence the main focus of the economies should be on building their buffers and investing in their resilience. Over the year, hence, our ideas and work have been, in one part oriented towards profound analysis of the effects of the energy and food price crisis, with emphasis on the lessons learnt for a resilient economy. The web-site 'box' that summarizes our work on 'multiple crises' reflects on this work. In another part, we focused on the long-run fundamentals of the economy, by further research and data-driven exploration and policy guidance on critical reform points, frequently spelled out by the European Commission report or the documents of the international financial institutions, including but not limited to the parafiscal charges, state aid, the informal economy and the regional labor market.

Over 2023, our tangible impact has been evident. An important strand of analysis which has been completed in 2023 has been the research on the parafiscal charges at the local level, achieved streamlining of a wide set of parafiscal charges in 18 municipalities, and this is a work we are particularly proud of. Several recommendations relating to the crisis were taken forward by the government and/or served basis for the Anti-crisis Measures Package of December 2023. We also completed the comprehensive research gauging the effects of the Open Balkan Initiative for the national and regional labour market, with recommendation, which served, inter alia, the preparation of the protocols for the mutual recognition of qualifications among the signatory parties (to be signed in January 2024).

Our venture WEBecon Network, the only regional network of reputed think tanks working on solutions for the economic and social development of the Western Balkans, took off in 2023 with full intensity. Over 2024, the Network will benefit of the visibility strategy, by presenting the first significant publications with policy recommendations that have been prepared over 2023.

Our visual content consistently captured the interest of our target groups and the wider public. Simultaneously, our team experienced continuous professional growth. We actively engaged in numerous domestic and international events, including prestigious research conferences like the Annual Meeting of the IMF and the World Bank which was held in Marrakech, the Kingdom of Morocco in October 2023. A series of courses, particularly those focused on ongoing workplace training, played a pivotal role in enhancing the productivity of our employees. This, in turn, bolstered the efficiency and structure of our team.

We persist on this trajectory in 2024.

Enjoy reading this Annual Report.

Cordially,

Blagica Petreski, CEO




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

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.

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 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 and Chief Economist – Executive Director of Finance Think. 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 Associate Professor at the University American College Skopje, teaching Public Economic Policy. In the academic 2022/23, she has been a Fulbright scholar of the US Government, pursuing a research in public finance management at the University of Illinois in Chicago, USA.

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 12 papers in prominent peer-reviewed journals indexed 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, regional integration, 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.

Marija Basheska

Economist I

Marija is an Economist I level at Finance Think. She's a graduate from Ss. University Cyril and Methodius University – Skopje, where she majored Economics. With more than 4 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 (39 articles in Web of Science – indexed journals). For his research, he received numerous domestic and international awards. Prof. Petreski is the Associate Editor of the South East European Journal of Economics and Business, a prominent regional journal indexed in Journal Citation Reports (IF = 1), as well serves the editorial boards of other scientific journals. 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, Myanmar and 14 countries in Africa. He is deeply engaged in the policy dialogue and public debate in the country and the Western Balkan region.



Ana Tomovska-Misoska Associate in 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 features with 15 articles published in peer-reviewed journal on the Web of Science. She is a permanent collaborator of Finance Think on educational issues and policies.



Maja Parnardzieva-Zmejкова Associate in 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).



Irena Nikolovska

Associate in Financial and Tax Policies

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.



Stefan Tanevski

Associate in Data Analytics

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



Bojan Srbinoski

Associate in Econometric Analysis

Bojan is an external associate at Finance Think in the field of economic analysis and modeling of various social phenomena. He is an assistant professor at the University of St. Kliment Ohridski – Bitola. He holds a PhD in Finance from the University of Carlo Cattaneo (LIUC), Italy, and his research focus is on topics related to financial institutions and markets and the behavior of users of financial services. He was a Turkish Government Scholar at Dokuz İle University, Turkey, a visiting researcher at Florida State University, USA, and a recipient of a study residency award at the Rosetta Institute-Sydney, Australia. Uses various economic packages (R, SAS, STATA, EVIEWS, PYTHON) and deals with complex network analyzes (PAJEK).



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 2023:

Diagnostics of the informal economy in North Macedonia

The objective of the action is to diagnose the informal economy, re-estimate its size and the size/importance of its various facets, by relying on tax administration data. By so doing, the action will create a roadmap of actions and direction of resources that will produce the maximal result.

Activities: The goal of the project is achieved through research and data collection.

Achievements: All envisaged activities have been completed in 2023, resulting in producing a roadmap of further actions for decreasing the informal economy.

Donor: International Labor Organization

The perfect storm: Food and energy insecurities threaten the economies of the Western Balkan

The main goal of the project is to generate evidence and foster a policy dialogue for the food and energy insecurities in the Western Balkan economies pertinent to four key fronts: household livelihoods, firms' competitiveness, fiscal space and the regional integration.

Activities: The goal of the project will be achieved through employing the WEBecon network with respect to the national and regional policymaking processes on food- and energy-related policies, by generating evidence on the effects of the crisis on the WB economies and on the regional integration.

Achievements: During 2023, the collection of data on the fiscal stance and available measures for fighting the food and energy crisis in the WB countries has been finished, and the preparation of the policy studies commenced.

Donor: SMART Balkans Project



Action on the move: Monitoring, assessment and proposals for anti-crisis measures in conditions of a tight budget

The general goal of the action is to analyse and monitor budget spending for anti-crisis measures, at the national and local level, and to propose modification and/or new measures in conditions of an emphasized need for rationalization of public money spending.

Activities: The project objectives have been achieved through data collection, analysis and monitoring budget spending for existing anti-crisis measures, creating proposals for proposals for the modification of existing and new measures, based on the need for their targeting and for the rationalization of budget spending in conditions of “expensive money.”

Achievements: In 2023, the implementation of the project has been completed, resulting in producing evidence on the impact of anti-crisis measures on the standard of citizens, operation of the companies and support of the agriculture and security food.

Donor: Civica Mobilitas

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: Several capacity-building activities for representatives of State Statistical Office and institutions in social care, healthcare and education have been organized during 2023.

Donor: UNICEF

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:

Assessment of the findings of the pilot-measure “Make declared work attractive to employers and workers”

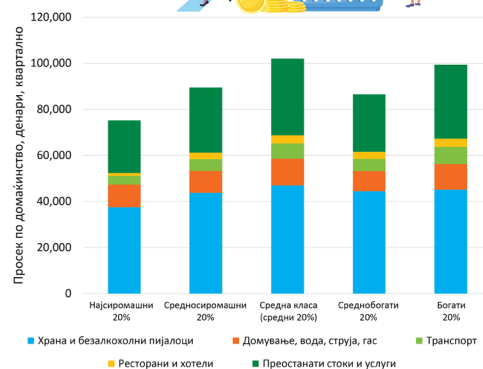
The objective of the project is to assess findings from the pilot measure “Make declared work attractive to employers and workers”, nest them into the Macedonian legal and economic context and propose solutions supporting transition to formality.

Activities: The goal of the action has been achieved using qualitative methods on data collection (interviews with employers and workers) necessary for providing policy recommendations for supporting the formalization of the undeclared work.

Achievements: A comprehensive policy study with specific policy recommendations has been prepared and published in 2023.

Client: International Labor Organization

Што кризата со цените на храната и енергијата повеќе ги погоди ранливите домаќинства?



*Графиконот не ги вклучува заштедите

Извор: Студија за политиките бр 48: Влијанието на кризата со храна и енергија врз благосостојбата на домаќинствата во Северна Македонија. Визуелизација: Finance Think.

Roadmaps on Western Balkan Labor Market Policies Database Alignment with the EU and Capacity Building to WB Partners

The project's goal is to evaluate the discrepancy between Western Balkan economies' current practices and the methodology of EU LMP Statistics and offer roadmaps to the key stakeholders for harmonization with the EU practices.

Activities: The project objective has been completed by collecting data on the available labor market policies through the lenses of the EU methodology and LMP statistics.

Achievements: The action has been completed in 2023, providing a roadmap for harmonization of the WB labor market policies with the EU practices.

Client: Regional Cooperation Council (RCC)

A sustainable design of policies related to multi-dimensional child poverty

The 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 project goal will be achieved through different events organized to increase the capacities and awareness of the target group (SSO) for correct measurement and monitoring of the multidimensional child-poverty,

Achievements: Several workshops and debate clubs have been organized in 2023, as an opportunity to increase the knowledge and policy dialogue on the multidimensional child poverty measurement.

Donor: UNICEF

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 2023, 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



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 para-fiscal charges

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

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

- Building capacities of local CSOs and of the FISCAST Network to become active stakeholders in the municipal financial transparency processes;
- Establishing evidence-based, multi-stakeholder policy dialogue for monitoring of financial transparency and building effective municipal policies;
- Collecting data on the local budgets and para-fiscal charges to increase local financial transparency;
- Writing up several local and national policy studies with specific recommendations for increasing financial transparency and adjusting local para-fiscal charges;
- Organizing informative campaign to increase public awareness about the benefit that higher transparency, accountability and sustainability have for citizens and businesses, in their roles and capacities to act at the local level.

Achievements: In 2023, the actions on data collection and para-fiscal charges verification have been completed, resulting in publishing of two national policy studies, promoted during the economic forum organized in June 2023.

Donor: Delegation of the EU in North Macedonia



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:

State aid and foreign direct investment in the Western Balkan countries: Fostering transparency and generating space for regional coordination of investment policies

The overall objective of the project is to improve transparency of and to generate evidence on the FDI-related state aid in the context of the regional integration of Western Balkan countries.

Activities: The goal of the project will be achieved through identification of the available state aid programs and key measures and producing evidence on the state aid granted to foreign companies in view of its effectiveness and support of the regional integration.

Achievements: In 2023, the preparations for data collection on the available state aid for FDIs have started.

Donor: Foundation Open Society Macedoni

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.

The **activities** of the project 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;

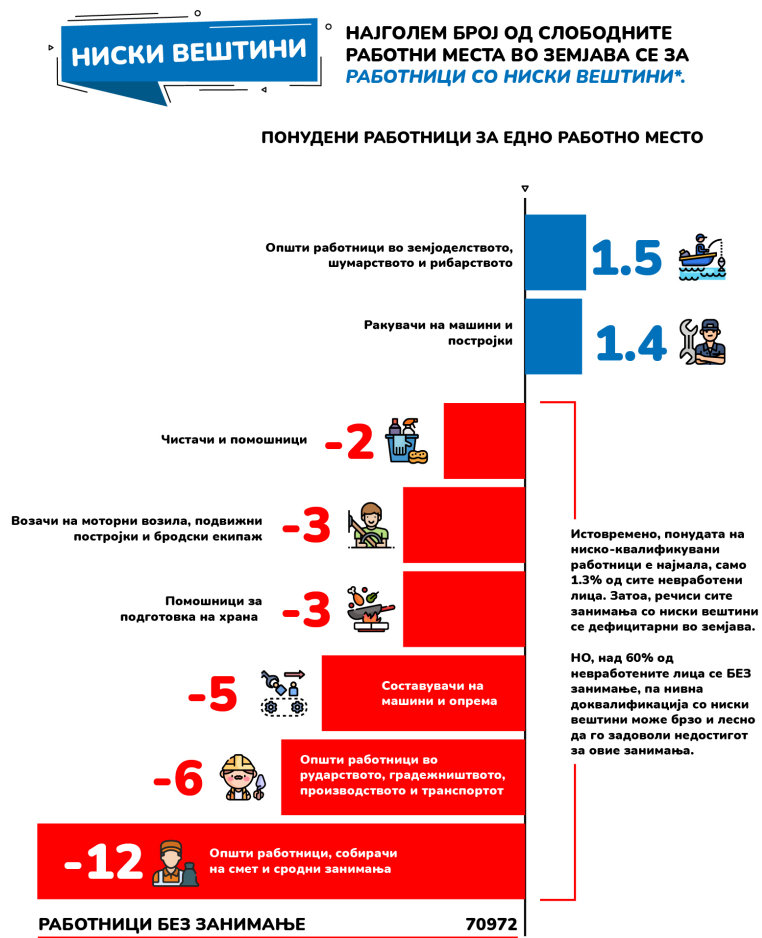
- Encouraging evidence-based public debate about the benefits and challenges of the issue;

- 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.

Achievements: The project has been completed in 2023, leaving behind strong evidence on the existing occupational gaps in North Macedonia and providing recommendations for increased labour mobility within regional integration context.

Donor: Foundation Open Society Macedonia

КОИ ЗАНИМАЊА СЕ БАРААТ И СЕ НУДАТ НА МАКЕДОНСКИОТ ПАЗАР НА ТРУД?



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:

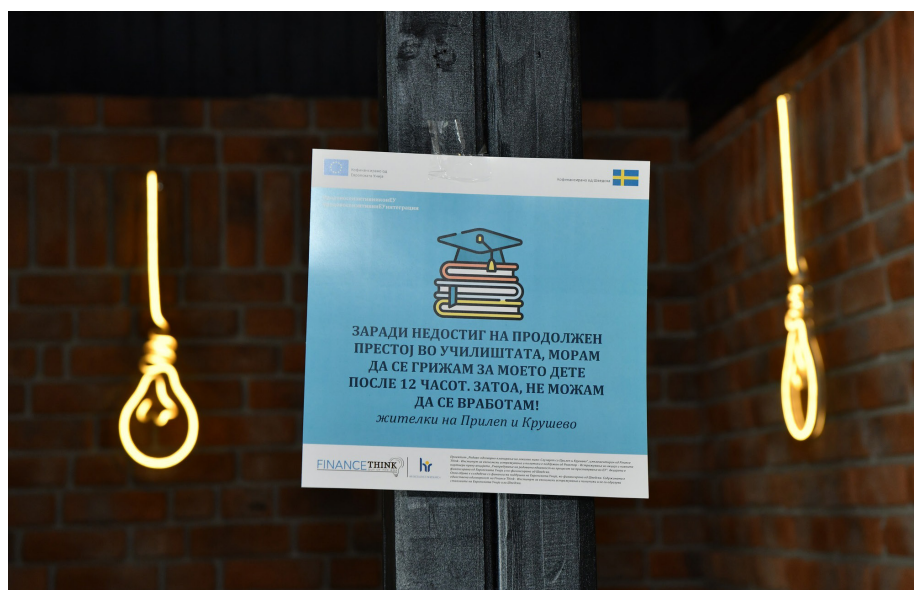
Gender-responsive planning at local level: The case of Prilep and Krushevo

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 2023, a workshop on the gender-responsive budgeting has been organized for the representatives of the municipal administration of Prilep and Krushevo, and NGOs that deal with gender issues.

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



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. 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 48 editions published, four of which in 2023.

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 2023:

1. How did LGUs deal with the energy and food price crisis?
2. How large is the transmission of international food prices in the domestic economy?

3. Are para-fiscal charges an impediment to competitiveness? Number and optimization
4. Does 'My VAT' contribute to reducing the grey economy?
5. How will the workforce move in the Open Balkan? Critical review of the proposed regulatory framework and the existing regulation on work for foreigners
6. Gender-responsive planning in Prilep and Krushevo: Do local activities improve the lives of women from these municipalities?



Како ќе се движи работната сила во Отворениот Балкан? Критички осврт на предлог рамката за регулација и на постојната регулатива за работа за странци

Бриф за политиките
бр. 61

Овој бриф на политиките препорачува хармонизација на регулативата од иницијативата Отворен Балкан со постојната регулатива, водејќи сметка и за потребата од хармонизација со легислативата на Европската Унија. Главен фокус на иницијативата Отворен Балкан треба да биде имплементација на планот преку олеснување на административните бариери и процедури за слободно движење на работната сила помеѓу земјите од оваа иницијатива.

Вовед

Иницијативата Отворен Балкан (ОБ) е создадена од Северна Македонија, Албанија и Србија со визија за регионално поврзување и економска отвореност. Насочена кон приближување и забрзување на интеграцијата во Европската Унија, ОБ се заснова на четирите клучни слободи на единствениот пазар на ЕУ: слободно движење на луѓе, стоки, услуги и капитал. Во рамки на иницијативата, досега се потпишани меморандуми за разбирање, договори и заеднички декларации на неколку полиња, меѓу кои е и Меморандумот за соработка во врска со слободен пристап до пазарот на трудот во Западниот Балкан. Слободното движење

на работната сила е од особена важност за регионот, ако се земе предвид недостигот од работната сила и вештини во повеќе сектори. Оттука, важно е да се разгледаат документите што го регулираат слободното движење на пазарот на трудот, како и нивната усогласеност и потенцијални преклопувања со постојната легислатива за работа на и вработување странци во Северна Македонија.

Цел

Целта на овој бриф е да направи преглед на регулативата за слободно движење на работната сила во рамки на Иницијативата Отворен Балкан и преглед како таа ќе биде вградена во постојната регулатива.



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. In 2023 we have prepared a FT Comment on the economic part of the European Commission Progress Report on the Republic of North Macedonia.

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. 58 on the proposed Law on solidarity tax / Extra profit tax
2. FT Opinion no.59 on the pensions and the condition of the Pension and Disability Insurance Fund
3. FT Opinion no. 60 on the 9th package of anti-crisis measures

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 2023, two editions of this publication have been prepared:

1. Living standards on a fine line? The cost of living in 2022, with a view to 2023
2. Citizens expect higher prices now and, in the future

Books and handbooks. In 2023, a handbook on budget and financial transparency has been prepared, aiming to provide guidance on increasing the financial transparency of the local self-government units (municipalities) and explain ways to involve all stakeholders in the policy design process and monitoring of the budget spending.

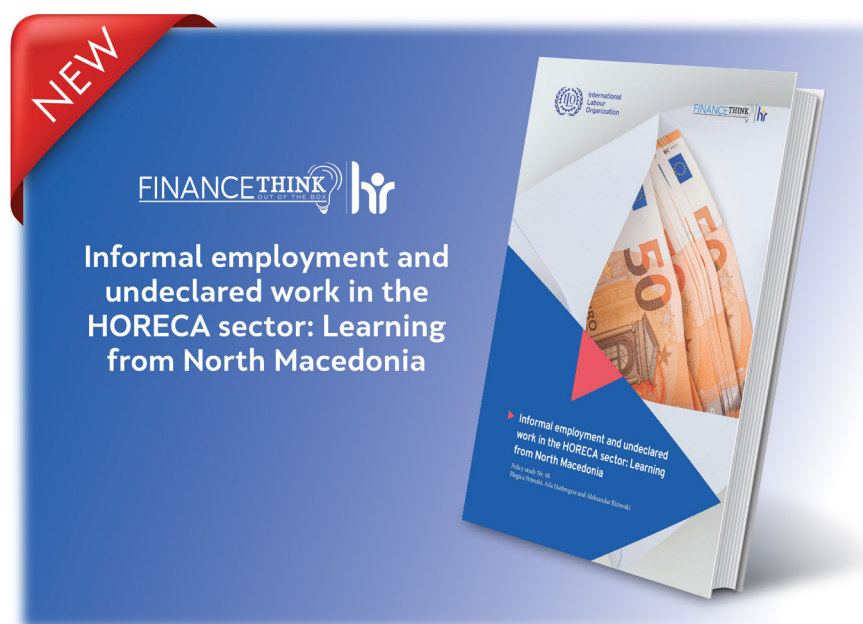
3.2. Research and policy publications

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

1. Petreski, M. (2023) Labor share in transition economies: Brief firm-level investigation. *Applied Economics Letters*, 30(13), p. 1838-1842.
2. Srbinoski, B., Petreski, B. and Petreski, M. (2023) Measurement of Multidimensional Child Poverty: Evidence from North Macedonia. *Child Indicators Research*, 16(1), p.247–271.

Policy studies. During 2023, the following policy studies were published:

1. Informal employment and undeclared work in the HORECA sector: Learning from North Macedonia
2. The impact of the food and energy crisis on household welfare in North Macedonia
3. Labor mobility preconditions for the regional economic integration: Pros and cons from Macedonian perspective
4. The impact of the crisis induced by the conflict in Ukraine on firms in North Macedonia: Evidence from a micro-survey
5. Study on parafiscal charges at national and local level in the Republic of North Macedonia



Analytic reports. In 2023, an analytic report on the gender-responsive planning in the municipalities of Prilep and Krushevo has been prepared and published, in order to provide analysis of the existing programs that support the different needs and priorities of women and men at local level.

3.3. Visualizations

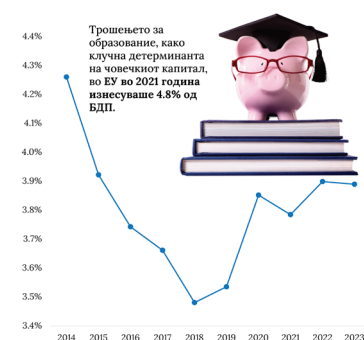
Graphs and infographs. During 2023, economists of Finance Think produced 69 info-graphs on the following topics:

1. The occupational gaps at the labour market
2. The expectations on the inflation rate
3. The rise of the energy and food prices
4. The anti-crisis measures of the government
5. Para-fiscal charges
6. Western Balkan's economies
7. Childrens' wellbeing
8. Gender-responsive local budgeting

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



БУЏЕТСКИТЕ ТРОШОЦИ ЗА ОБРАЗОВАНИЕ СТАГНИРААТ НА НИВОТО ОД 2015 ГОДИНА



Let's chat economics! In 2023, two editions that present the gender-responsive budgeting at local level have been prepared.

GIFs. Three GIFs have been prepared in 2023, on the following topics:

1. [The Macedonian economy in 2023](#)
2. [Energy and food crisis](#)
3. [Projections for the Macedonian economy](#)

Video. Four videos related to the para-fiscal charges have been prepared and disseminated via YouTube channel and the other social media:

1. Municipal budget: Where do the money come from? – Local taxes
2. Municipal budget: Where do the money come from? – Local charges and fees
3. Municipal budget: Where do the money come from? – Para-fiscal charges
4. Optimization of para-fiscal charges

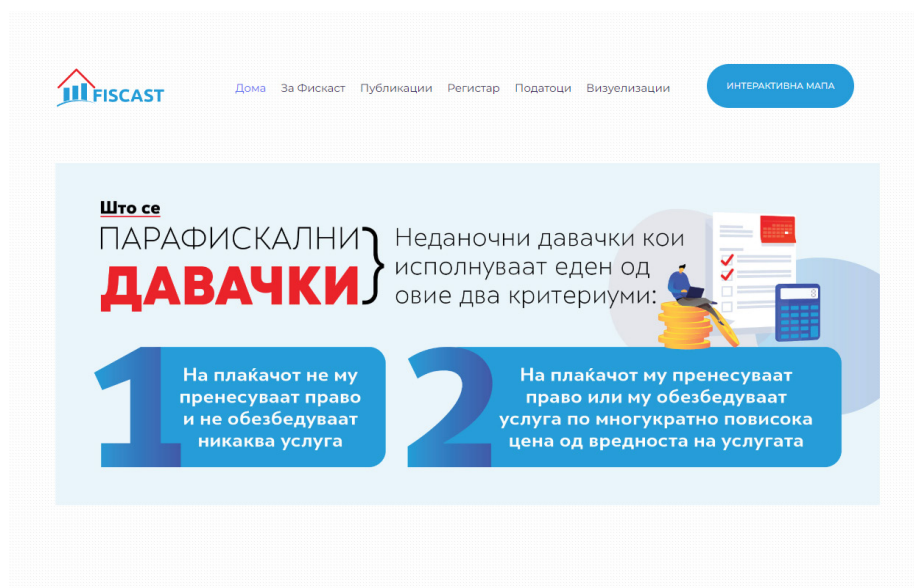
Web platforms. As a result of the EU funded project related to the para-fiscal charges, in 2023 the web platform www.parafiskalni.mk has been built, as a novel platform showing the existing para-fiscal charges at local and national level, and an extensive database on the para-fiscal revenues of all 80 municipalities in the period 2017-2021.



Со цел справување со енергетската криза и кризата со цени на храна во 2022 година, Владата воведе сет **антикризни мерки** со програмирана вредност од околу

**760
МИЛИОНИ
ЕВРА.**





During the year, the following web platforms were upgraded and maintained:

1. www.fiscast.mk – Web platform for promotion of 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.edplako.mk – Web platform that assesses the fair wage and its aim is to reduce the gender wage gap in Macedonia.
5. <http://grupacivitax.wixsite.com/home> - The repository web page of the Group CIVITAX.

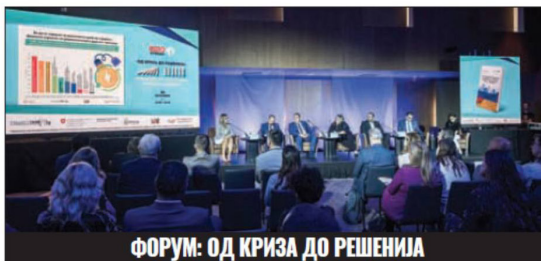
4. Other forms of advocacy and communication

4.1. 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: Bloomberg Adria, Kapital, Nova Makedonija, Al Jazeera Balkans, Faktor, Lokalno and many others, and provide interviews for the national TV media like: MTV, Telma, TV 24, Sitel and others.

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ЕКОНОМИЈА



ФОРУМ: ОД КРИЗА ДО РЕШЕНИЈА

СТАНОВМЕ ЛИ ПООТПОРНА ЕКОНОМИЈА ДЕНЕС?

Во иднина мерките за справување со енергетската и следствено економската криза треба да бидат насочени кон подпорноста и поголема одржливост на нашата економија преку таргетирање и инвестирање во домашно производство на храна и сировини. Пропортивно со тоа треба да биде продолжена иницијативата за домашно производство на електрична енергија и паралелно со тоа инвестиции во системот за апсорпција на домашното производство на електрична енергија, беше истакнато на економскиот форум организиран од Finance Think денес.

Пакетот мерки за справување со енергетската криза тежи 700 милиони евра од кои 90 проценти се однесуваат на справување со енергетската криза, а само еден процент одат во делот на справување со храна, покажуваат резултатите од мапирањето на мерките што го спроведе Институтот за економски анализи Finance Think.

„Од вкупниот износ, 12,6% е наменет за поддршка на ранливите домаќинства кои во еден дел се и таргетиран мерки за напорните. Најзначајна мера беше мерката за субвенционирање на електричната и топлинската енергија. Резултатите покажаа дека купувача мој на трговите беше заштитена и доколку не беа

овие мерки нивната куповна моќ ќе беше драстично поразена“, изјави Благница Петрески, извршен директор на Finance Think на економскиот форум. „Од криза до решение: Становме ли подпорна економија денес?“ што Институтот го организираше денес.

Тоа иницијатива мерките нелеа да бидат подобро дефинирани во полза на нивната линеарност за време на дискусијата на којашто стана збор за можностите за справување со кризата во иднина, плановите за престојните мерки и потребата како да станеме подпорна економија.

„Мерките во голема мера беа линеарни и заштитени и доаѓањето кои можеа да ја издржат кризата. Во иднина очекувам мерките да бидат повеќе во насока на таргетираност и тоа да се направи во еден дел и со

ДДВ-то кое беше намалено од 18% на 5%, на повторно се врати“, рече Петрески.

Поголема одржливост преку инвестирање во домашно производство на храна и сировини. Пропортивно со тоа треба да биде продолжена иницијативата за домашно производство на електрична енергија и паралелно со тоа

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инвестиции во системот за апсорпција на домашното производство на електрична енергија“, рече Петрески и додаде дека со мерките беше поттикнато домашното производство на електрична енергија.

За зголемувањето на стапката на ДДВ за преобразбените производи од 5% на 10% рече дека се уште не ја потврдиле листата на производи кои масовно се конзумираат на дневна основа од граѓаните.

„Затоа треба да се ревидираат стапките и исклучиво да биде ДДВ-то 10% само за оние луксузни преобразбени производи кои ние се купуваме од мал број граѓани или се конзумираат ретко. Во спротивно одлуката за зголемување на ДДВ-то ќе се коси со намерата за зачувување на цените и справување со домашните извори на пораст на цените“, потенцира Петрески и додаде дека ДДВ-то треба да биде 5% за сите производи кои се за широка потрошувачка и се конзумираат на дневна основа.

Мерките за заштита на стандардот на граѓаните биле добри и за компаниите. Вицепремиерот за економија Фатмир Битиџи пак, потенцира дека во периодот на кризата Владата донела и имплементирала околу 110 мерки дефинирани во шест пакети.

„Заради фактот што животниот стандард на граѓаните ни беше најважен мерките ги насочивме за да ја зачуваме нивната куповна моќ во екстремни услови и на тој начин да обезбедиме општеството од загрозување на основните потреби“, рече Битиџи на форумот организиран од Finance Think.

Тој истакна дека овие мерки имале позитивни ефекти и кон економијата затоа што одржувајќи ја побарувачката на пазарот се зачувале работните места и губење на работни места, изјави Битиџи. Навел и дека меѓународните финансиски институции укажаа дека доколку не ги биле мерките би биле изгубени 80 илјади работни места во државата.

„Реагираме и во делот на поддршка на ливиноста за компаниите успешно да ги исполнуваат своите краткорочни обврски како што се исплата на плати на вработени дури и во ситуација кога деп од нив се соочуваат со нарушени приходи“, рече Битиџи.



„Мерките во голема мера беа линеарни и заштитени и доаѓањето кои можеа да ја издржат кризата. Во иднина очекувам мерките да бидат повеќе во насока на таргетираност и тоа да се направи во еден дел и со ДДВ-то кое беше намалено од 18% на 5%, на повторно се врати“, рече Благница Петрески, извршна директорка на Finance Think.



„И меѓународните финансиски институции укажаа дека доколку не беа мерките би биле изгубени 80 илјади работни места во државата. Реагиравме и во делот на поддршка на ливиноста за компаниите успешно да ги исполнуваат своите краткорочни обврски како што се исплата на плати на вработени дури и во ситуација кога деп од нив се соочуваат со нарушени приходи“, истакна Фатмир Битиџи, вицепремиер за економски прашања.

4.2. Web site

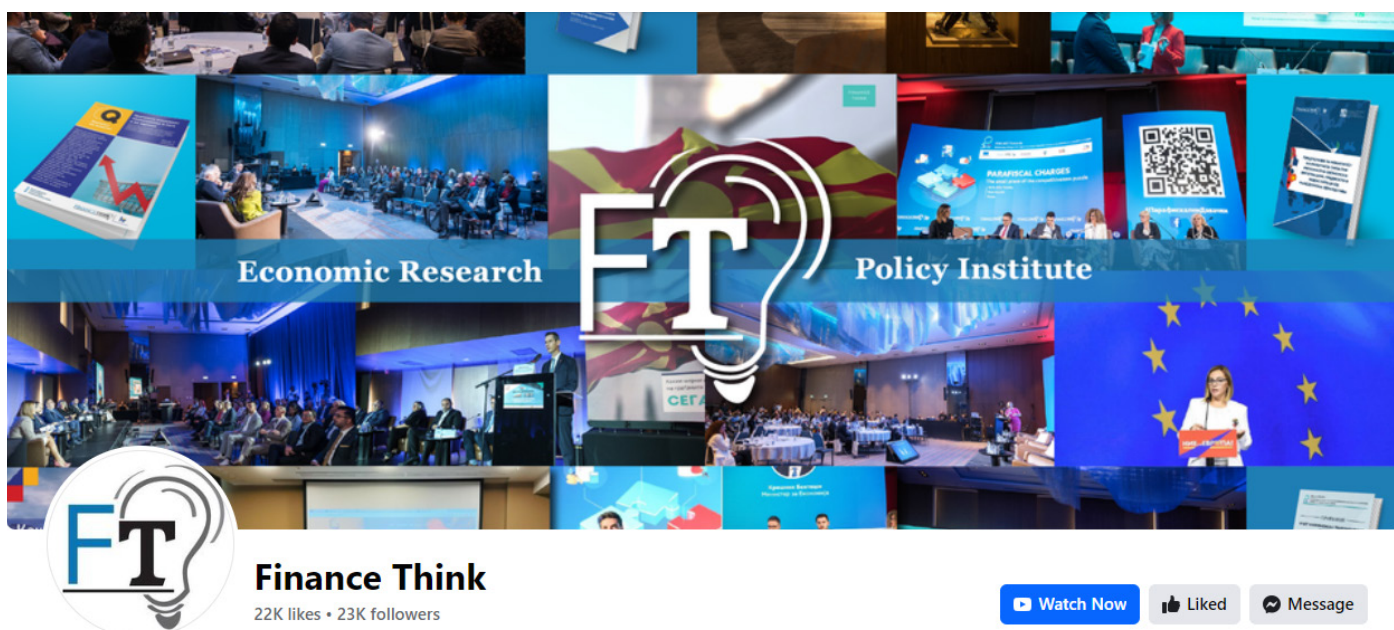
The web site is our most widely used tool for informing the public about our research, analyses, events, opinions, publications, participation at conferences, etc. During 2023, the website has been visited by 31.514 visitors, or on average, 86 persons per day. The web platform is also linked to both blogs: “The blog of free-minded economic thought” and “Economic conversations - information view” and social networks: Facebook, LinkedIn and Twitter.

4.3. 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 23,515 Facebook followers at the end of 2023, an increase of 3.7% compared to the end of 2022
- During 2023, 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 2023, Finance Think’s timeline was visited by over 28.000 visitors, which is equal to, on average, 75 visits per day, approximately 10% more than the level of the previous year
- The average daily reach of the profile posts was 1.773, excluding the sponsored posts



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

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 2023, three economic forums have been organized:



2. Para-fiscal charges: The small piece in the competitiveness puzzle – has been organized on 1 June 2023, to present the findings, impact and best practices of the related EU-funded project, as well as the prepared policy studies and the web-platform www.parafiskalni.mk. Within two panels, we have discussed with ministers and business sector representatives on the policies on para-fiscal charges optimizations, while representatives of the local self-government units presented their practices for increasing financial transparency in their communities. Around 100 high-level participants attended the event. The panelists at the Forum were high level policymakers (the Minister of Finance and the Minister of Economy), Mayors, UNDP representative, representatives from the business sector, and CSOs. The event includes two panels focused on parafiscal charges and municipal transparency. The forum was in a dynamic format, combining presentation on findings, project impact, formal speeches, debates and interactions and feedback from the public through mentimeter questions, part for open debate. The key messages of the panelists are designed and are available [here](#). The Economic Forum was streamlined, and the link is [here](#).





FISCAL Network:
Enhancing dialogue for higher municipal financial transparency, with focus on parafiscal charges



PARAFISCAL CHARGES
The small piece of the competitiveness puzzle

01.06.2023, Thursday
Hotel Marriott
Skopje

10.00 – 10.10	Opening remarks Julian Vassallo, Deputy Head of EU Delegation to North Macedonia
10.10-10.20	Promotion of project impact, findings, optimized parafiscal charges and best practices Blagica Petreski, Executive director, Finance Think
10.20 - 11.00	Panel discussion 1: Policies for streamlining parafiscal charges and reforms agenda for higher competitiveness Kreshnik Bekteshi, Minister of Economy Fatmir Besimi, Minister of Finance Sanja Bojanic, UNDP Deputy Resident Representative Irena Jakimovska, Managing Director & Owner Comfy Angel Aneta Antova Pesheva, President of MASIT ICT Chamber of Commerce, CEO of ULTRA and UNET Moderator: Marina Uzunov
11.00 - 11.15	Discussion
11.15-11.30	Promotion of 18 municipalities, part of the first platform on parafiscal charges
11.30-11.45	Refreshment
11.45 - 12.30	Panel Discussion 2: Transparency and Parafiscal charges at local level Goran Gerasimovski, Mayor of municipality of Centar Zvonko Pelevski, Mayor of municipality of Berovo Urim Bešli, Mayor of municipality of Dojani Irena Micolovska, CEO/Business Consultant at Independent Research & Innovative Solutions - IRIS Consulting Maja Kadjevskaja Vojnovikj, Former Vice Governor and Executive Board member of NBRM Moderator: Daniela Cvetanovska, LAG Agro Lider
12.30-12.40	Promotion of local data resource platform Blagoj Gjelevski, Kvantum Prima
12.40-13.00	Discussion
13.00-14.00	Lunch

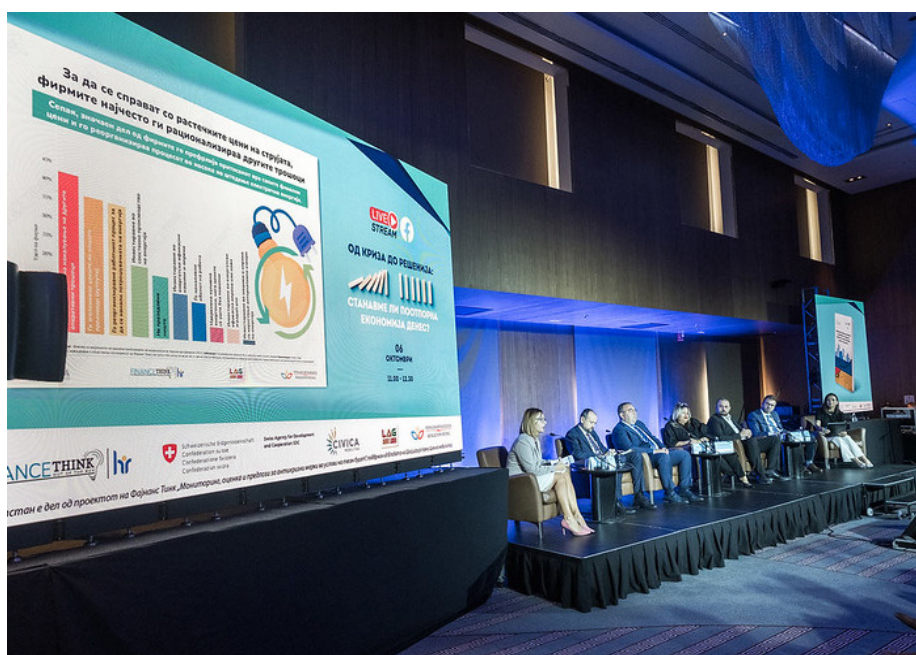








3. From crisis to solutions: Have we become a more resilient economy today? – an event organized on 6 October 2023 to discuss the effects of the food and energy crisis and share potential solutions for overcoming the negative effects. Mr. Fatmir Bytyqi, Deputy of the Prime Minister in charge of economic affairs presented the policy packages and responses for maintaining the households' wellbeing and companies' liquidity during the crisis, while experts in energy and food issues (Mr. Marko Bislimovski, President of the Energy Regulatory Commission and Mr. Nikola Derebanov, Expert in agriculture and circular economy) discussed the potential solutions for overcoming the crisis shocks. The President of the Association of local self-government units, Mr. Orce Gjorgjevski, shared the responses undertaken by the local policymakers as a response to the food and energy crisis. The forum has been streamlined at the following [link](#).



FROM CRISIS TO SOLUTIONS:

HAVE WE BECOME A MORE RESILIENT ECONOMY TODAY?

06 OCTOBER
11.00 - 12.30
HOTEL MARRIOTT, SKOPJE

AGENDA

11:00 - 11:05 WELCOMING SPEECH

Lucien Aegerter - Deputy Head of Mission and Deputy Head for Cooperation in the Embassy of Swiss Confederation in RNM

11:05 - 11:50 PANEL DEBATE

Blagica Petreski - CEO of Finance Think

Fatmir Bytyqi - Deputy Prime Minister in Charge of Economic Affairs in the Government of RNM

Marko Bislimovski - President of the Energy Regulatory Commission

Maja Kadevska Vojnovikj - Member of the Executive Committee of VMRO-DPMNE, Former Vice-Governor and Executive member of the Board of National Bank of RNM

Orce Gjorgjevski - President of the Association of the Units of Local Self-government of RNM

Nikola Derebanov - Expert in Agriculture and Circular Economy, Member of the Board of Directors of a Chamber of Commerce of RNM

Moderator: *Netasha Stojanova, Economic journalist*

11:50 - 12:15 DISCUSSION

12:15 REFRESHMENT

This event is part of the Finance Think's project "Monitoring, assessment and proposals for anti-crisis measures in conditions of a tight budget" supported by the Swiss Government through Civica Mobilitas.

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. On 20 April 2023, a round table **“Regional labour market integration: Challenges and opportunities from the Open Balkan Initiative and EU accession”** has been organized to present the findings on the existing occupational gaps at the Macedonian labour market and estimations if and to what extent the Open Balkan Initiative can change the current condition. Representatives of the government (Mr. Bojan Marichikj, Deputy Prime Minister for European Affairs) and business sector (Mr. Trajan Angelovski, President of the Union of Chamber of Commerce) discussed on the potential policy responses that should ease the labour mobility and satisfy labour market needs, and representatives from Serbia and Albania shared the challenges on the labour markets in their countries.



6. Stakeholder engagement

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

6.1. Workshops

The workshops aim to facilitate the direct transfer of skills to our immediate target groups. These groups encompass representatives from pivotal institutions responsible for shaping socio-economic policies, both within the country and the broader Western Balkan region. This includes representatives from ministries and agencies dedicated to social, education, and health policies, as well as representatives from trade unions, chambers of commerce, workers unions, and municipal officials, among others. They are usually organized within the current project activities.. In 2023, Finance Think organized eight workshops:

- **Peer learning exchange on labour force movement and seasonal work: Addressing undeclared work** – a two-day regional workshop organized in cooperation with ILO, to transfer knowledge on the existing undeclared work among the seasonal workers in the Western Balkan. Over two days, more than 20 representatives engaged in the economic and social dialogue from all six countries came together to exchange experiences and share best practices for effectively addressing the challenges associated with undeclared work.
- **Debate club on identification of policy overlaps, gaps, priorities and common goals related to multidimensional child poverty** – two debate clubs have been organized in August and October, to discuss how to better monitor poverty among children in North Macedonia, how to determine the interrelated relationship between sectoral priorities and existing policies, including identifying gaps in current policies and potential additional measures to support vulnerable categories.
- **Strategic workshop of the WEBecon regional network** – a regional workshop held in Budva in June, to discuss the opportunities of the WEBecon network, for joint efforts toward better life quality in the Western Balkan.

- **Index of multidimensional (child) poverty: Redesigning, identifying data sources and planning data collection and processing** – a workshop organized on 30 May 2023, to open a dialogue with the State Statistical Office and the ministries that have administrative data, to establish a data basis for the calculation of a multidimensional poverty index on a regular basis.
- **Building inclusive democracy: Women's inclusion workshop** – an online workshop for representatives of worldwide NGOs that deal with participatory democracy issues, to present experience on the implementation of the gender-responsive participative budgeting at local level.
- **Workshops on multidimensional child poverty** – a two-day workshop organized in March 2023, with representatives of the sectors of education, social protection and health.
- **Workshop “Gender-responsive creation of local programs and budget”** – organised in Prilep on 17 February, to build capacities of the representatives of the municipalities of Prilep and Krushevo and local NGOs on the introduction of gender-responsive budgeting in the communities.

6.2. Stakeholder mapping

Stakeholder mapping at Finance Think refers to the processes of laying out all the stakeholders of a particular policy which is aimed at particular project. On 9 February 2023, such event has been organized, to steer policy dialogue with representatives of government, public institutions and international organizations, on the opportunities and challenges for overcoming the food and energy crisis.



7. 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.

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. 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. 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's worked with 18 municipalities over the period 2021-2023 on streamlining the parafiscal changes at the local level. Proudly, this work has been completed by having 71 parafiscal charges streamlined, both administratively and financially. Also, at the local level, we strengthened the capacities for gender-responsive budgeting of the Municipalities of Prilep and Krushevo. For the first time, the parafiscal charges at national level, and



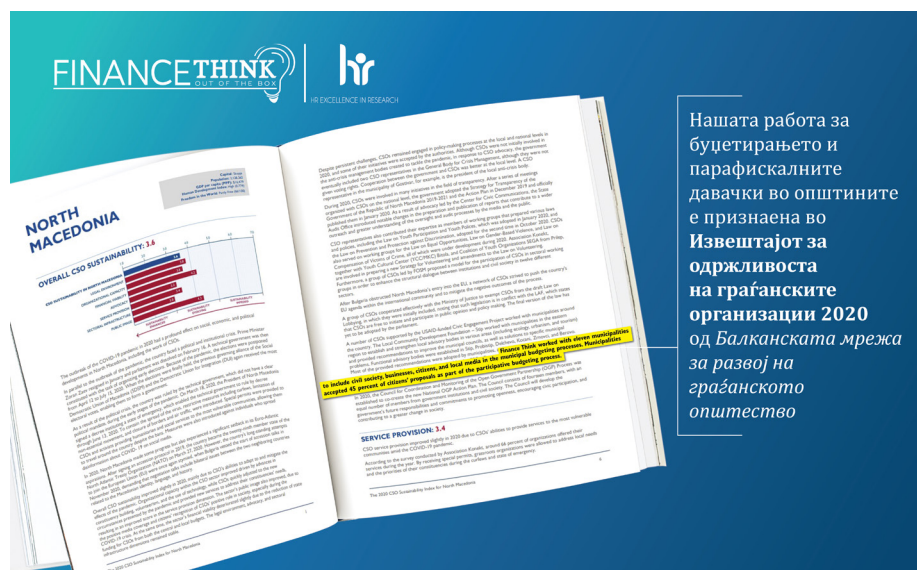
Според проекциите од Finance Think објавени во нашиот Макро-монитор на 12 септември 2022, растот на БДП за 2022 ќе изнесува

2.1%

Групирање / Grouping		Трimester / Quarter				Година / Year			
		2021 ¹⁾				2022 ²⁾			
		I	II	III	IV	I	II	III	IV
Бруто-инвестиции ³⁾		30 713	28 619	33 793	52 563	145 787	40 484	40 502	36 819
Имало на стоки и на услуги		75 021	79 106	80 240	84 450	318 817	83 515	90 366	94 562
Имало на стоки и на услуги		95 844	103 402	104 037	126 133	429 497	110 187	123 845	134 366
Групирање / Grouping		2021 ¹⁾				2022 ²⁾			
Бруто-домашен производ според расходниот метод, волуменски индекси		2021 ¹⁾				2022 ²⁾			
Бруто-домашен производ според расходниот метод, волуменски индекси		2021 ¹⁾				2022 ²⁾			
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for 18 municipalities, have been identified and publicly available on <https://parafiskalni.mk/>. With this, we have direct impact on transparency with a focus on parafiscal charges.

Our results for how the energy and food price crisis affected companies in North Macedonia served basis for the creation of the 9th Package of Anti-Crisis Measures announced by the government in December 2023. Several of the recommendations were taken forward and constituted part of the Package, particularly the measures relevant for companies implemented through the



Development Bank of North Macedonia. Also, our findings of the policy brief [“How large is the transmission of international food prices in the domestic economy?”](#) have been used as a foundation for the design of the anti-crisis measure to freeze the prices of essential food products.

The work on the regional labor market potential has been recognized as pivotal by several government initiatives and directions of work. The recommendations served basis for the final shaping of the agreements between North Macedonia, Albania and Serbia for the mutual recognition of diplomas and eased procedures for obtaining working permits, with the protocols to be signed over January 2024.

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 2023 was maintained at the level of the previous 2022. 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 2023 compared to 2022		
	2022	2023	Immediate target groups	Policymakers	Public discourse	Immediate target groups	Policymakers	Public discourse
PUBLICATIONS	45	25	0	6.8	5.8	0.0%	-46.2%	-35.1%
Macroeconomic monitor	4	4	0	4	8			
Policy briefs	8	6	0	10	6			
FT Comment	3	1	0	8	4			
FT Opinion	3	3	0	10	10			
Quality of Life	1	2	0	5	8			
Books and Handbooks	0	1	0	10	6			
Articles	3	2	0	5	2			
Policy studies	5	5	0	10	4			
Analytic reports	18	1	0	10	2			
VISUALIZATIONS	95	84	4.4	6.5	8.3	-21.4%	-16.4%	-9.8%
Graphs	47	47	2	2	10			
Infographs	20	22	4	6	10			
Let's chat economics	2	2	4	6	10			
Videos	1	4	10	6	10			
GIFs	18	3	8	6	10			
Web platforms	6	8	4	2	8			
EVENTS	42	66	4.6	8.4	6.0	0.8%	58.6%	480.0%
Economic forums	1	3	2	8	10			
Round tables	2	1	1	10	10			
Workshops	6	8	10	4	0			
Direct meetings with policymakers and/or target groups	31	29	10	10	0			
Number of changed regulations/ policies	2	25	0	10	10			
MEDIA APPEARANCES	373	374	3.0	6.5	9.5	0.5%	0.1%	0.3%
Number of media statements	48	58	2	4	10			
Number of media citations	310	302	2	4	10			
Interviews and media participations	14	14	4	10	10			
INCREASED IMPACT BY GROUPS						-4.7%	0.2%	1.8%
TOTAL INCREASE IN THE IMPACT						0.3%		

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	2022 Realization	2023 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	8	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	75	49
	1.3 Strengthened quality review process	Number of internal and external reviews conducted	10 internal 3-4 external	8 7	10 5
Short term outcomes	Increased number of FT research publications (policy studies, journal articles, books/ manuals)	Number of research publications	10	8	8
	Increased number of the FT regular publications (Macro-monitor, FT Comments, Briefs etc.)	Number of regular publications	30	45	25
	Increased number of the FT visual publications (graphs, infographs, GIFs, videos etc.)	Number of visual publications	60	95	84
	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	8	7
	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	14	15
	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	17 5	20 6
	Generated new data	Number of data-collecting instruments applied (survey, focus-groups, interviews etc.)	5	9	10
	Increased amount of web resources (data, evidence, research, regulations)	Number of web platforms maintained	5	8	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	<p>Number of FT key policy recommendations put in the pipeline by the government</p> <p>An issue is added on policymakers' agendas</p> <p>An issue is discussed, or framed differently due to the institute's work</p>	NA	<p>The key recommendation on the proposed tax reform has 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>	<p>Recommendations relevant for the Anti-Crisis Package Measures, as well as related to the regional economic integration have been taken forward by the government. 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	<p>Number of government moves in line with FT recommendations/ opinions/ advice</p>	Few moves	Few moves	<p>Same as before. In addition, many other moves of smaller importance have been in line with FT recommendations.</p>
	2.3. Increased positive impact of FT's work on immediate target groups	<p>% of immediate target groups who expressed satisfaction with the participation in FT activity (workshop, seminar, training)</p>	70%	97%	100%

	2.4. Increased debate on economic policies and reforms	Number of media appearances and citations Number of events	150 20	373 42	374 66
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	22.668	23.515
			Twitter followers, 100	439	449
			FB post engagement, 20.000 weekly (average)	27.200	28.000
			FB posts, 5 weekly	7	7
			FB page views, 1.000 monthly (average)	1.226	1.773
			LinkedIn posts, 2 per week	3	3
		% of FT products published in popular media (even shortly)	50%	90%	88%

	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)	10	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	62	72
	Increased number of citation of research/ advocacy publications in media	Number of media citations	100	310	302
	FT publications: <ul style="list-style-type: none"> raise awareness spark debate 	% of persons who responded "to some or to a large extent"	40%	93%	92%
	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.	All events organized by FT have been attended by important policymakers 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	9 Some of the requests were not accepted due to limited resources.	12
	3.2 Financial sustainability of FT	Improved financial sustainability (strengthened fundraising)	Application approval rate (>25%)	33%	42%
		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	8.0	8.7
	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%	92%	94%
	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 2022, FT did not organize such activities for external stakeholders.	All internal stakeholders participated in such activities. Based on an Organizational and Advocacy Capacity Assessment, conducted within a project, the donor provided suggestions for improving the operational planning.

	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	2
	Enhanced cooperation between FT and think tanks, specifically on economic/social issues from other countries.	Number of think tanks from other countries with which FT cooperates in economic issues	10	10	7
	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	9	9

8. 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.

8.1. 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.



8.2. Networks

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

- **FISCASST 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 2023, the network continued to work on the project related to the para-fiscal charges at local level.
- **WEBecon Network** – a regional network composed of well- established and reputed think tanks working on economic, social and development issues. During 2023, network members started to work on three projects related to 1) policy measures for overcoming the food and energy crisis in WB, 2) labour market measures in the WB countries, and 3) state aid programs for supporting FDIs in the WB countries. In 2023, the network held several strategic and regular meetings to discuss issues related to the joint research.
- **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 2023, several meetings for resource development and capacity building for inclusive practices for marginalized people have been organized and attended by our representatives. As a member of the People Powered Network, Finance Think participated at the first in-person member convening in Mexico, 6 – 11 May 2023, where we gained significant experience, capacities and knowledge related to participatory democracy and policymaking, and established networks with NGOs worldwide.
- **Civitax Group** – group for fiscal issues in the civil and academic sector, as well as among the natural persons. There was no activity in 2023.
- **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 2023.



8.3. 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.

8.4. 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 2023, Finance Think participated in consultative processes with the World Bank, the EU Delegation in Skopje, European Bank for Reconstruction and Development, the Credit Rating Agency Fitch and many more. As part of the regional working group on the Open Balkan Initiative, composed of representatives from Serbia, Albania, North Macedonia and Bosnia and Herzegovina, led by Libertarijanski Klub – LibeK, Finance Think attended in-person meetings in Belgrade, to discuss the opportunities for economic cooperation between WB countries.

9. 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.

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.

9.1. Conferences attended

Representatives of Finance Think participated at the following conferences:

- **Unpacking labour shortages** – 12 December in Budapest, Hungary, organized by ILO
- **Digitalization and Democracy** – 10-13 December in Podgorica, Montenegro, organized by Aspen Institute Germany
- **Innovation, learning, action: Answers to formalization and better working conditions** – 5-6 December in Tirana, Albania, organized by ILO
- **Investing in people: How can the society in North Macedonia adapt to the aging of the population?** – 3 December in Skopje, organized by World Bank Republic of North Macedonia
- **Through the prism of youth: Increasing youth potential in the labor market in building the future we desire** – 10 November in Skopje, organized by UNDP North Macedonia
- **9th Western Balkans Civil Society Forum** – 19-20 October in Thessaloniki, Greece, organized by European Economic and Social Committee
- **Annual meetings of the IMF and World Bank** – 9-15 October in Marrakech, Morocco

- **We are Europe** – 31 August in Skopje, organized by Secretariat for Economic Affairs
- **Bilateral forum of think tank organizations from Spain and North Macedonia** – 6 June in Skopje, organized by Prespa Institute



9.2. 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:

- **Training on Basic Econometrics** – 2-6 October in Skopje, organized by The World Bank
- **Gender Data Bootcamp** – 25-29 September in Izmir, Turkey, organized by UN Women North Macedonia and UN Women Europe and Central Asia
- **The future of Western Balkans, 20 years from now** – 16-18 July
- **Forum Europaeum 2023** – 22 June, Skopje, organized by European Policy Institute

- **Networking workshop** – 8-9 May, Skopje, organized by Civica Mobilitas
- **Technical and integrated protection of personal data – workshop for NGOs** – 11-12 April, Skopje, organized by Foundation Metamorphosis
- **The role of think tanks in the EU accession process** – 30-31 March in Tirana, Albania, organized by EU TACSO



9.3. 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. With the presentation of the research “Transmission mechanism from the management of public finances to (better) health and educational outcomes in the Western Balkans” she concluded her stay in the US on 11 January 2023.

10. 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

11. Financial statements

11.1 Balance sheet

In denars

ASSETS		
	2022	2023
1 Denar account	11,869,262.00	4,998,318.00
2 Foreign currency account	10,752,961.00	17,312,711.00
3 Cash	1,600.00	2,000.00
4 Receivables	3,674.00	3,091,728.00
5 Other receivables	41,284.00	0.00
6 Deferrals	0.00	3,674.00
7 Fixed assets	590,356.00	559,476.00
TOTAL ASSETS:	23,259,137.00	25,967,907.00

In denars

LIABILITIES		
	2022	2023
1 Earmarked funds for next year	8,708,367.00	9,773,571.00
2 Payables	0.00	8,246.00
3 Other payables	15,975.00	310,067.00
4 Operational fund	590,356.00	559,476.00
5 Accruals	13,944,439.00	15,316,547.00
TOTAL LIABILITIES:	23,259,137.00	25,967,907.00

11.2 Income statement

In denars

INCOME

		2022	2023
1	Project income	10,283,694.00	17,743,597.00
2	Income from own business activity	2,597,468.00	7,385,299.00
3	Income from membership	0.00	0.00
4	Interest and exchange differences	582,448.00	1,255.00
5	Other income	42,332.00	0.00
6	Transferred surplus from previous year	7,175,471.00	4,459,072.00
	TOTAL INCOME:	20,681,413.00	29,589,223.00

In denars

EXPENSES

1	Purchase of fixed assets	59,108.00	134,690.00
2	Office and other materials	73,059.00	224,127.00
3	Transportation and per diems	547,845.00	582,296.00
4	Rents and insurance premiums	311,732.00	862,589.00
5	Bank charges and exchange rate diff.	89,619.00	243,918.00
6	Utilities and other services	621,198.00	2,462,010.00
7	Intellectual services	3,436,733.00	6,650,811.00
8	Assets transferred	3,146,407.00	4,836,394.00
9	Gross wages	3,643,877.00	3,731,091.00
10	Other taxes	27,493.00	23,861.00
	TOTAL EXPENSES:	11,957,071.00	19,751,787.00
10	Income tax	15,975.00	63,865.00
11	Earmarked funds for next year	8,708,367.00	9,773,571.00
	TOTAL EXPENSES AND EARMARKED FUNDS:	20,681,413.00	29,589,223.00

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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