



*CENTER FOR ECONOMIC ANALYSES (CEA)*

*Skopje, Macedonia*

# **ANNUAL REPORT 2005**

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**Center for Economic Analyses (CEA)**

**Skopje  
March, 2006**

## **Annual Report 2005**

March, 2006

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General information about CEA

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## **Foreword**

The 2005 was a challenging year for CEA. It was a year when a change in the leadership occurs, the USAID grant was approved, structure was given to the organization, the official web site was rearranged and continuous presence in the media gave CEA the status of opinion maker in the Macedonian research sky.

It is expected that in this 2006 the success will continue, the teams will start to develop, the share of revenues from projects will continue to grow, leading to less dependency of grants and ensuring sustainability of the organization.

The newly employments in CEA is expected to result in more outcome based success not only in Macedonia but regionally as well.

The main risks are the instable environment for conducting activity of a highly specialized research think tank as CEA is. Namely, the macroeconomic, microeconomic and other types of analyses that CEA provides contains a certain level of public good that cannot be covered by the profit driven business sector only. The Government should take the lead in demanding the products that CEA can provide. There is certain progress in that regards but still it is unstable and covered by the donors mostly.

The CEA board recognized the importance of PR and that is why two of our members together with the IT expert are working in promoting CEA's capacity to potential clients.

Not less is expected by the newly hired economist as well as the team leaders in CEA's departments in developing further the regional network, enhancing organizational foundation, promoting new products etc.

For strategic thoughts in future about CEA's position and moves we are grateful to Prof. King Banaian and Mr. Alex Mourmouras for accepting the opportunity to be our management councilors.

I wish you all a success in the 2006.

Cordially,

Marjan Nikolov



President of CEA

## **CEA Organizational Setup**

### **Executive Board:**

Marjan Nikolov, President  
Bryan Roberts, Vice President  
Dimitar Bogov  
Aleksandar Stojkov  
Riste Naumov  
Senaj Daut  
Miso Nikolov

### **Assembly:**

Borce Smilevski, President of the Assembly

### **Management council:**

King Banaian, Prof. St. Cloud State University  
Alex Mourmouras, IMF Institute

### **Team Leaders:**

Jadranka Kungulovska for Local Governance Department  
Marjan Nikolov for Fiscal Decentralization Department  
Filip Blazeski for Microeconomy and Business Department

### **Economist:**

Malgorzata Markiewicz

### **IT:**

Mile Naskovski

### **PR:**

Ilina Ristoska  
Vesna Garvanlieva

**CEA members and expertise:**

**The grading system:**

- 1 – Thorough knowledge both technical and legislation. Ready to take responsibility of a team leader, writing proposal and quality control.
- 2 – Thorough technical knowledge. Ready to take responsibility of being a team leader and writing proposal.
- 3 – Have participated in a project of this area. Ready to take responsibility of a team member.
- 4 – Have participated in a project of this area. Ready to assume responsibility of technical staff.
- 5 – Have not participated in a project of this area. Have preferences to work in the area.
- 6 – Only text book knowledge. Have not participated in any kind of work in the area, but would like to.
- 7 - Only text book knowledge. Have not participated in any kind of work in the area and not interested.
- 8 – Do not want to participate in a project.

	CEA member	Status	Local governance	Fiscal decentralization	Fiscal	Real and external sector	Monetary	Financial, accounting and banking	IT	Microeconomy and Business	Average
1	Marjan Nikolov	President of CEA	1	1	1	2	3	3	3	2	2
2	Borce Smilevski	President of Assembly	8	5	3	8	8	8	8	8	7
3	Dimitar Bogov	Board member	8	8	2	1	1	2	8	3	4
4	Aleksandar Stojkov	Board member	4	2	1	1	3	8	8	3	4
5	Riste Naumov	Board member	3	4	3	3	4	1	7	3	4
6	Senaj Daut	Board member	8	5	5	5	6	6	8	6	6
7	Miso Nikolov	Board member	4	4	2	1	1	2	8	1	3
8	Bryan Roberts	Board member	7	7	2	2	2	3	7	2	4
9	Filip Blazeski	Team leader	8	8	5	1	5	3	8	2	5
10	Dejan Runtevski	Member	8	8	4	3	3	6	8	4	6
11	Hristina Bojadzieva	Member									

12	Aleksandra Sozovska	Member	6	5	5	6	3	5	8	5	5
13	Vesna Petrova	Member	8	6	5	5	5	5	6	6	6
14	Mile Jankievski	Member	3	3	2	6	6	6	3	3	4
15	Jovce Plastinovski	Member	6	6	4	6	6	6	1	6	5
16	Jordan Trajkovski	Member									
17	Marija Sekulovska	Member	8	8	4	3	2	2	8	4	5
18	Maja Parnardzieva	Member	6	5	2	5	2	1	8	5	4
19	Borko Handziski	Member	3	3	3	1	2	2	3	3	3
20	Sanja Bozinovska	Member	4	5	5	3	3	3	8	4	4
21	Slavica Donevska	Member	5	5	5	3	5	3	3	3	4
22	Jadranka Kungulovska	Team Leader	1	5	7	7	7	7	6	6	6
23	Merziha Idrizi	Member	6	6	6	6	6	6	6	5	6
24	Boro Petkoski	Member	8	8	8	3	3	3	3	3	5
25	Vesna Garvanlieva	PR	6	5	8	8	8	6	6	3	6

26	Elena Pehcevska	Member	3	3	5	6	6	6	8	3	5
27	Ristoska Ilina	PR	3	6	6	5	6	3	7	5	5
28	Ristoska Jana	Member	6	6	6	5	6	5	7	5	6
29	Marija Nashokovska	Member	3	8	8	6	7	6	6	6	6
30	Dimitar Bardarov	Member	6	5	6	3	6	6	6	2	5
31	Elena Lukaroska	Member	5	6	8	6	8	6	8	2	6
32	Malgorzata Markiewicz	Economist	5	5	1	2	2	6	8	7	5
33	Mile Naskovski	IT	7	6	6	7	5	5	1	5	5
34	Asa Soderberg	Intern	5	6	8	8	8	8	8	7	7
		Average	5	5	5	4	5	5	6	4	5

## Achievements/Projects in 2005

### Toward sustainable think tank

#### *Short description of the project*

CEA has proposed an unsolicited project to the USAID for a development of a sustainability of its mission and goals. The negotiation was ended by signing a contract with the USAID office and Marjan Nikolov as President of CEA for a three year grant. Responsible officer at USAID Macedonia is Tatjana Markovska: [tmarkovska@usaid.gov](mailto:tmarkovska@usaid.gov)

#### **Project team**

President Marjan Nikolov  
CEA team.

### Forum/Workshop on improving the management of municipality budget organized by CEA and supported by OSI-Skopje office

#### *Short description of the project*

The OSI office in Skopje has asked CEA to help in organizing two economic forums. The second forum was on municipality budget management improving in Macedonia.

#### **Organization, Presentation and moderation of the workshop**

Aleksandar Stojkov  
Marjan Nikolov  
Jadranka Kungulovska

#### **Project period**

November 2005

### Creditworthiness of municipalities

#### *Short description of the project*

CEA has initiated in front of the USAID a training program on municipality to be organized. This is of special importance in Macedonia taking into account the fiscal decentralization process that is ongoing. FSVC facilitated further the training program.

#### **Project team**

President Marjan Nikolov

### Developing an indicators for regional development in accordance with the EU methodology

#### *Short description of the project*

The Sector for EU integration of the Macedonian Government has invited CEA in a competitive bid for NGOs to help in setting up methodology and construct indices for measuring regional development in accordance to EU methodology.

**Project team**

Dimitar Bogov  
Aleksandar Stojkov  
Riste Naumov  
Marjan Nikolov

**Measures for improving the export and fight trade deficit**

*Short description of the project*

The Chamber of Commerce has requested CEA to help in setting up measures and analyze them quantitatively to fight the trade deficit in Macedonia.

**Project team**

Miso Nikolov  
Marjan Nikolov  
Dimitar Bogov

**Forum/Workshop on measuring fiscal capacity of the LSG organized by CEA and supported by OSI-Skopje office**

*Short description of the project*

The OSI office in Skopje has asked CEA to help in organizing two economic forums within the next calendar year. The first forum was on measuring fiscal capacity of the LSG in Macedonia.

**Organization, Presentation and moderation of the workshop**

Marjan Nikolov  
Aleksandar Stojkov

**Project period**

November 2004 – March 2005

CEA was also involved in:

**(A). Doing One-Off Projects on Specific Topics**

**(B). Participation in Government Working Groups and Councils**

**(C). Developing Government Capacities through Contract Work and Independent Ongoing Analysis**

**I. Local Self Government as a client**

**II. Macedonian Private Sector as CEA client**

**III. The International Community as CEA Client**

**IV. Media activities, conferences, roundtables and forums**

## Annex 1. Stages of CEA development

<i>CEA life cycle (anticipated as from September 2005)</i>					
<i>Achievements</i>		<i>Done</i>	<i>In progress</i>	<i>Plan</i>	
	Full-time Employees	Specialization	Funding	Financial	Administrative
<b>Stage I (Within one year)</b>	At least one	NA	Stable	Regular	Regular
<b>Stage II (Within two to three years)</b>	At least three: 1. President 2. Economist 3. IT	Team structure: 1. Local governance (Team Leader Identified) 2. Fiscal decentralization (Team Leader Identified) 3. Fiscal 4. Real and External Sector 5. Monetary 6. Financial, Accounting and Banking 7. IT 8. Microeconomy and Business (Team Leader Identified)	Progress toward sustainability: 1. Regular projects 2. Regular revenues inflow	Regular with independent audit: 1. Independent Accounting company conducts the financial and accounting matters of CEA 2. Regular submission of financial statements to the state bodies	Regular with formal classification system for positions 1. IT activities conducted by the IT person 2. PR activities conducted by PR persons 3. Team Leaders developing administrative procedures and structure
<b>Stage III</b>	At least five	Independent team units	Sustainable		Document flow

(Within five to seven years)				Management information system/Accounting information system	management
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**Annex 2. USAID Grant**

	2005 (Sep-Dec)		2006		2007		2008 (Jan-Aug)	
	Monthly Cost	Sep-Dec Cost	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost
<b>CEA COSTS covered by USAID Grant</b>								
<b>Personnel Costs</b>								
Package for the Executive Director	\$1,280	\$5,120	\$1,318	\$15,816	\$1,358	\$16,296	\$1,399	\$11,192
Gross salary for the Economist	\$0	\$0	\$480	\$5,760	\$495	\$5,940	\$509	\$4,072
<b>TOTAL STAFF COST</b>	<b>\$1,280</b>	<b>\$5,120</b>	<b>\$1,798</b>	<b>\$21,576</b>	<b>\$1,853</b>	<b>\$22,236</b>	<b>\$1,908</b>	<b>\$15,264</b>
<b>Accounting services</b>	<b>\$100</b>	<b>\$400</b>	<b>\$103</b>	<b>\$1,236</b>	<b>\$106</b>	<b>\$1,272</b>	<b>\$109</b>	<b>\$874</b>
<b>Office Costs</b>								



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Office Rent	\$400	\$1,600	\$410	\$4,926	\$420	\$5,040	\$420	\$3,360
Communications	\$374	\$1,496	\$375	\$4,500	\$375	\$4,500	\$375	\$3,000
Utilities (heat, water, electricity)	\$100	\$400	\$100	\$1,200	\$100	\$1,200	\$100	\$800
<b>TOTAL OFFICE COST</b>	<b>\$875</b>	<b>\$3,496</b>	<b>\$885</b>	<b>\$10,626</b>	<b>\$895</b>	<b>\$10,740</b>	<b>\$895</b>	<b>\$7,160</b>
<b>TOTAL USAID GRANT</b>	<b>\$2,255</b>	<b>\$9,016</b>	<b>\$2,786</b>	<b>\$33,438</b>	<b>\$2,854</b>	<b>\$34,248</b>	<b>\$2,912</b>	<b>\$23,298</b>
<b>GRAND TOTAL</b>	<i>\$100,000</i>							

Budget narrative:

1. The Communications initially were envisaged for Internet. In mean time CEA won a grant for wireless Internet for the next two years thus, the money will be reallocated to:
  - i. Honoraria to the IT person (\$ 75 monthly)
  - ii. Intranet networking
  - iii. Virus back up of PCs
  - iv. Monthly back up of directories
  - v. Update and Maintenance of CEA's web sites
  - vi. Subscriptions to International magazines
  - vii. PR activities



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**Annex 3. Profit and loss statement**

**Annex 4. Balance sheet**

Will be available on the [www.cea.org.mk](http://www.cea.org.mk)

**NOTE:**