

# **FINAL REPORT 2005 – 2008**

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**Center for Economic Analyses (CEA)**

**Skopje**  
**August, 2008**

## **Final Report 2005 – 2008**

August, 2008

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General information about CEA

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## **Foreword**

CEA benefits USAID grant for the period 2005 to 2008. The grant targets to develop an independent and unbiased think-tank that will be a major player in shaping public policy debates and provide good quality macroeconomic analysis and projections. CEA was established in 2003 and the grant period 2005 – 2008 was a new momentum for further success for CEA. It was a period when a number of projects were successfully finished with impact upon policy makers, IFIs, donors, local and central government and businesses in Macedonia. Also, structure was given to the organization, the official web site was rearranged, continuous presence in the media gave CEA the status of opinion maker in the Macedonian research sky and CEA products are regularly used as reference in Macedonia by donors, academia as well as abroad.

CEA members are widely present in Government working groups as experts for preparation of legal framework, one member become minister, another vice governor, and another as economic promoter in Macedonian Embassy in USA; which on one side is a recognition of CEA's capacity but on the other side it depletes its capacity. CEA continues to widely publish and distribute materials: bulletins, journal, project's materials. CEA was initiating the formal networking of similar think tanks in Macedonia to protect common interest. Thus, CEA attracted attention and companies from abroad are regularly asking CEA to be their partners in donor projects in Macedonia. CEA members are frequently asked to meet experts from UNDP, WB, IMF, EC.

On the other side, it still requires raising awareness from the Government about the need for CEA products as so far the Government use analyses made from CEA but paid through donors. The shift for the Government to plan funds for outsourcing consultancy services is difficult to achieve. Similar holds for the business sector. Interesting tough, is that the GoM and business sector are welcoming the products that CEA develops but would like the donors to pay for it.

The instable environment for conducting activity of a highly specialized research think tank producing public goods, as CEA is, is a risk for its sustainability or at least for stable revenue stream to cover its costs of operation. 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 business area is not easy to gain as a partner as CEA provides services that have elements of a public good mostly. However, CEA stays active in the market to face the challenge of the environment where it operates.

Last but not least, I would like to express personally and on behalf of CEA members our gratitude to USAID as they were able to recognize the potential of and the need to first, strengthen civil society and independent thought and second to persist in supporting these fundamental values of democracy so needed in Macedonia as a transition economy.

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  
Giorgio Brosio, Prof. University of Torino

### **Team Leaders:**

Jadranka Kungulovska for Local Governance Department  
Marjan Nikolov for Fiscal Decentralization Department  
Miso Nikolov for Real and External sector

### **Economist:**

Sanela Miteva

### **IT:**

Mile Naskovski

### **PR:**

Vesna Garvanlieva

## **Mission statements, objectives, goals of CEA**

The Mission of CEA is to continuously research economic development and public policy in the Republic of Macedonia and to offer recommendations, suggestions and measures to the government and non-governmental institutions.

CEA members share a common vision of the Republic of Macedonia as a new emerging economy integrated with regional and world markets. They devote their time, efforts and knowledge to help make this vision become a reality.

### **Goals of CEA:**

1. To provide quality policy analyses;
2. To support viable economic policy in Macedonia;
3. To help foster an environment that brings about higher investment, accelerated development and growth of the Macedonian economy, and EU accession;
4. To achieve financial sustainability;
5. To encourage regional cooperation and collaboration in the Balkans;
6. To strengthen civil society, social capital and trust.

### **These goals will be achieved through:**

1. Building the capacities of CEA's members to do quantitative analyses and conduct themselves professionally so that an institution with widely demanded products and services results;
2. Transitioning to complete reliance on non-donor revenues as quickly as possible;
3. Active identification and recruitment of candidates for CEA's consultant pool;
4. Development of a network of relationships with think-tanks in the Balkans, EU countries, and the US.

### **Specific actions to be undertaken:**

1. Public promotion of CEA and its mission to the market;
2. Construction, maintenance, and further development of economic models;
3. Development of unbiased and consistent analyses relying primarily on quantitative information;
4. Regular monitoring of the economic situation of the country;
5. Development of recommendations on key policy issues facing the Macedonian economy;
6. Building links with think tanks and institutes in other Balkan countries, transition countries of central and eastern Europe, and western countries;
7. Close cooperation with international donors and financial institutions;
8. Enhancing of public relations via publishing reports, analyses and other working papers

**Outputs:**

1. Working Papers
2. Columns and articles in media
3. Databases
4. Economic and financial models
5. Seminars, workshops and training courses given

**Outcomes:**

1. A sustainable think tank
2. Significantly improved capacities in using economic models and conducting policy analysis
3. Demand from Government agencies, international organizations and donors, and the business community for CEA products

## **Achievements/Projects in the period 2005 – 2008**

### **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 Meri Cuculoska: [mcuculoska@usaid.gov](mailto:mcuculoska@usaid.gov).

**Project team**

President Marjan Nikolov  
CEA team.

### **Developing LED strategy and promotion of PPP at subnational level**

*Short description of the project*

The municipality of Gazi Baba approached CEA to develop LED strategy and to identify projects where PPP can be used as an instrument.

**Project team**

President Marjan Nikolov  
CEA team.

### **Cooperation with SSK (Association of Macedonian Chamber of Commerce)**

*Short description of the project*

CEA signed a one year contract with the SSK for advocacy and preparation of policy briefs for the SSK.

**Project team**

Miso Nikolov  
CEA team.

### **Seminar for civil society organizations organized by the IMF at the JVI in cooperation with the Stability Pact for South Eastern Europe**

#### *Short description of the project*

The seminar was organized on the bases of the constant effort of IMF to introduce as much as possible transparency into its work with the wider sector of the civil society. The Civil Society Organizations (CSOs) are in the core and in fact shape the civil society. Thus, it is a perfect target group for transmission of the already achieved, the present engagements and the future projects and intentions of IMF.

#### **Project team**

Mico Apostolov

### **Research on the determinants of raising capital through credit and/or equity in Macedonia**

#### *Short description of the project*

In Macedonia generating capital for the firms is mostly through loans. USAID BEA asked CEA to conduct a study on the determinants of the decision making at firm level on raising capital.

#### **Research**

IDSCS a partner company conducted the survey and statistics analyses

Marjan Nikolov

Vesna Garvanlieva

External experts: Vlado Andonov and Saso Arsov

#### **Project period**

September - Novemeber 2007

### **Upgrade of the CEA Macro model with sub-national data level and simulating macroeconomic stability**

#### *Short description of the project*

Further operationalization of the FPM Macro model for Macedonia. Integrating the local level fiscal data and public debt at local level data to the model. Simulations done by using financial and fiscal data from the strategic documents of the LSG in Macedonia

#### **Research**

Marjan Nikolov

Aleksandar Stojkov

#### **Project period**

September - Novemeber 2007

### Update of the CEA Macro model

*Short description of the project*

Operationalization of the FPM Macro model for Macedonia. A study tour to The Nederland and the MMC organization. USAID BEA sponsored.

Developing and integrating a LSG module in the model.

**Research**

Marjan Nikolov  
Aleksandar Stojkov

**Project period**

August - December 2007

### System engineering in the area of financial management and tax administration at LGU level

*Short description of the project*

An UNDP sponsored project conducted by Urban Rural Consulting. CEA conducts system engineering of the financial management – tax administration.

**Research**

Marjan Nikolov

**Project period**

July - September 2007

### Evaluation of the process of decentralization and financial analysis of the LSG financial statements

*Short description of the project*

An OSCE sponsored project conducted by Urban Rural Consulting. CEA developed methodology for evaluation, was involved in survey preparation, field and desk research.

**Research**

Marjan Nikolov

**Project period**

June - September 2007

### A study on remittances in Macedonia

*Short description of the project*

The main objective of this project is to better understand and quantify as much as possible the following: sources of remittances in Macedonia, main determinants for sending remittances, channels through which remittances are transferred, methodology of

calculation of official statistics on remittances. The beneficiary is the National Bank of Macedonia and the sponsor is the USAID BEA project.

**Research**

Marjan Nikolov  
Aleksandar Stojkov

**Project period**

May - December 2007

**Methodology for economic development ranking of Macedonian LGU for the Law on balanced regional development**

*Short description of the project*

The main objective of this project is to develop a tool for ranking the Macedonian LGU in accordance with the requirements of the Law on balanced regional development. The beneficiary is the Ministry of local self government.

**Research**

Marjan Nikolov

**Project period**

March 2006 – September 2007

**Preparing criteria for distribution of capital fund from the Ministry of transportation and communication**

*Short description of the project*

The main objective of this project is to develop a tool for distributing the capital grants to the local level from the central budget. The beneficiary is the Ministry of transportation and communications.

**Research**

Marjan Nikolov

**Project period**

December 2006 – June 2007

**Preparation of methodology for assessing creditworthiness in Macedonian LGU**

*Short description of the project*

The objective of the assignment is to develop a methodology for assessing a creditworthiness of the Macedonian LGU. The first step was to assess the fiscal capacity of identified sample of Macedonian LGU. Donor is USAID BEA and CEA and USAID MDW project.

**Research**

Marjan Nikolov  
Gorgi Josifov

**Project period**

February - August 2007

**Measuring fiscal capacity at 15 Macedonian LGU**

*Short description of the project*

Measuring the fiscal capacity of identified sample of Macedonian LGU. Donor is USAID MDW project.

**Research**

Marjan Nikolov

**Project period**

February - August 2007

**Study on bonds; legal and institutional framework in Macedonia**

*Short description of the project*

The objective of the assignment is to screen the legal and institutional framework in Macedonia for establishing bonds as an instrument for financing the operations of MCIC and MEDF.

**Research**

Maja Parnardzieva  
Borko Handziski  
Miso Nikolov

**Project period**

January 2007

**Preparing competitiveness report for Macedonia; client: NCEC**

*Short description of the project*

National Council of Entrepreneurship and Competitiveness-NCEC Macedonia approached CEA to help in developing competitiveness report for 2007 for Macedonia.

**Research**

Marjan Nikolov  
Senaj Daut  
Bogov Dimitar

**Project period**

November – February 2007/2008

**Publishing a Journal of Economics**

*Short description of the project*

*Skopje, Macedonia*

With this product (electronic and printed version) CEA expects to enrich the economic problems faced by Macedonia by providing a forum where economists can practice technical quantitative analyses of economic problems (5 issues so far).

**Research, survey and field visits**

CEA team

**Project period**

Ongoing

**Publishing a Bulletin: Decentralization our goal**

*Short description of the project*

CEA continues to prepare and publish the bulletin (8 issues so far).

**Research,**

Marjan Nikolov

**Project period**

Ongoing

**Cardiology clinic business plan**

*Short description of the project*

CEA is asked to develop a business plan for Cardiology clinic.

**Research**

Marjan Nikolov

CEA Team

**Project period**

November – January 2006

**Preparing criteria for distribution of capital fund from the Ministry of transportation and communication-MTC**

*Short description of the project*

The MTC each year allocates funds to the LGU for communal activities. CEA will develop the system for transparent allocation of the funds to the LGU.

**Research**

Marjan Nikolov

**Project period**

November – January 2006

**Preparing competitiveness report for Macedonia; client: NCEC**

*Short description of the project*

National Council of Entrepreneurship and Competitiveness-NCEC Macedonia approached CEA to help in developing competitiveness report for 2006 for Macedonia.

**Research**

Marjan Nikolov  
Senaj Daut  
Bogov Dimitar

**Project period**

November – December 2006

**Preparing economic analyses for electronic media in Macedonia**

*Short description of the project*

Center for media development-Macedonia approached CEA to help in developing strategy for the electronic media in Macedonia.

**Research**

Marjan Nikolov  
Miso Nikolov  
Bardarov Dimitar

**Project period**

August 2006 – September 2006

**Preparation of comments to the new 2006 EBRD strategy for Macedonia**

*Short description of the project*

The EBRD has prepared a strategy for the Republic of Macedonia for 2006. CEA comments are available at: [www.cea.org.mk](http://www.cea.org.mk).

**Research, survey and field visits**

Marjan Nikolov, Malgorzata Markiewicz

**Project period**

September 2006

**Monitoring of transparency in the privatization process of the electric power company of Macedonia**

*Short description of the project*

Transparency International Macedonia asked Marjan Nikolov to be Editor in Chief of the publication and to participate in the organization of the debates upon monitoring the transparency of the privatization process of the ESM.

**Research, survey and field visits**

Marjan Nikolov

**Project period**

May 2005 – May 2006

**Preparation of comments to the new EBRD strategy based on the 2004 strategy**

*Short description of the project*

The EBRD has started work on the revision of its strategy for the Republic of Macedonia. Comments are invited by EBRD to help them in revising the strategy. The current Strategy for Macedonia, which has been available on the EBRD web site since August 2004, is a basis on which CEA gave its comments.

**Research, survey and field visits**

Marjan Nikolov, Malgorzata Markiewicz

**Project period**

May 2006

**Identification and measuring transaction costs in the Macedonian economy**

*Short description of the project*

OSI asked Marjan Nikolov to participate in a project for identification and measurement of transaction costs in the Macedonian economy. Marjan Nikolov have prepared practical measurement on the basis of the WB's Doing Business in 2005.

**Research, survey and field visits**

Marjan Nikolov

**Project period**

December 2004 – May 2006

**Credit expansion in the region**

*Short description of the project*

FREN, a Serbian research think tank, and CEA are cooperating in a regional project on doing research on credit expansion in the region (Serbia, Macedonia, Montenegro, Bosnia and Herzegovina, Croatia, Bulgaria and Romania).

**Research, survey and field visits**

Malgorzata Markiewicz

**Project period**

April – June 2006

**Local Government Borrowing, supported by the LGI/OSI Budapest**

*Short description of the project*

*Skopje, Macedonia*

CEA submitted unsolicited proposal to LGI/OSI Budapest for a project on local government borrowing. The main objective of the project is to study the cases of Bulgaria and Romania and draw the lessons learned for Macedonia.

**Research, survey and field visits**

Marjan Nikolov  
Malgorzata Markiewicz  
Bogov Dimitar  
Senaj Daut

**Project period**

May-December 2006

**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

CEA and its members were 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**

### **Outputs**

As project deliverables, CEA has to date produced the following reports specifically for USAID:

- Labor market study
- Building leading indicators in Macedonia
- Social Capital and its impact on the economic growth
- Migration and Remittances
- Capital Market Analysis
- Report on the process of decentralization in Macedonia
- The new face of the IMF
- Report on some ex-post aspects of decentralizing primary education in Macedonia

In addition, CEA has published quarterly and monthly economic monitoring on the Macedonian economy regularly and prepared and delivered a plethora of various reports as listed above.

Also, CEA is working extensively with the GoM, USAID MDW and USAID BEA project and other donors. CEA is expanding its cooperation with the NCEC as well.

## **Impact**

The various analyses, reports and publications by CEA have had a significant effect upon the general public, but more specifically on the professionals and GoM officials:

- The Measures for improving the export and fight trade deficit become a policy recommendations of the Chamber of commerce in front of the government. Many suggested measures in that policy document are implemented by the Government or are part of their program,
- Findings from the Labor market study were used by USAID to prepare the Scope of Work for BEA,
- The Capital market analysis and the Report on the process of decentralization were used by BEA,
- The Journal of economics has an impact on setting some discipline in the debate on economic issues in Macedonia,
- CEA continues to be a leader in specific issues related to decentralization process. It finished successfully its pioneering work on LGU borrowing which was a regional project and has had an impact to the Debt Management Department, Ministry of Finance in the preparation for the borrowing of the LGU. The mayors from the pilot municipalities expanded their perception of what generating debt means for capital investment planning.

### **CEA work has been used as reference also by:**

- UNDP Mission reports. *(CEA publication with OSI Skopje on Measuring fiscal capacity of Macedonian LSGU,)*
- UNICEF Child Poverty Study. *(CEA publication on the Labor market in Macedonia),*

- OIR-Informationdienste GmbH. (*CEA publication on the Migration and remittances in Macedonia*),
- MPI Migration Information Source for the article: Macedonia at a Quiet Crossroads. (*CEA publication on the Migration and remittances in Macedonia*),
- University of Trieste Faculty of Political Science. (*CEA Decentralization our goal bulletin*),
- PhD and MSc students on prestige universities in the world.
- CEA has been registered as a scientific institution by: Social Science in Eastern Europe Newsletter September 2007. Publisher is Social Science Information Centre, Member of the German Social Science Infrastructure Services, Bonn.

**Excerpt about CEA from the Social Science in Eastern Europe Newsletter September 2007:**

**Publications/ papers:** CEA offers online-papers and series: Quarterly Economic Monitor, Journal of Economics (biannually).  
[http://www.cea.org.mk/Documents/CEA\\_Journal\\_of\\_Economics\\_1.pdf](http://www.cea.org.mk/Documents/CEA_Journal_of_Economics_1.pdf)

**Services:** The web site <http://www.lsg-data.org.mk> is a contribution of CEA to the space of information about Macedonian Local Self Governments (LSG). The database contains general information about the basic LSG regulations and links to decentralization sites.

- The remittances and migration report to USAID was used as a reference to a textbook developed by ICFAI University – India.
- The IMF report to USAID was used by the Munich Personal RePEc Archive: <http://mpra.ub.uni-muenchen.de/6545/>

CEA continue to be a leader in specific issues related to decentralization process. It finished successfully its pioneering work on LGU borrowing which was a regional project and has had an impact to the Ministry of Finance and the Debt Management Department to start to prepare for the borrowing possibility of the LGU. The involved mayors in the project also expanded their perception of what generating debt means for capital investment planning. CEA also, developed the first Credit rating model for LSGUs in Macedonia.

## **Problems/issues requiring follow-up**

At least the following more concrete elements of success should be addressed. The SSK asked CEA to sign a contract for one year cooperation which is for the first time in Macedonia a business association to ask a research think tank for provision of paid services. Thus, things are moving slowly but surely in right direction. It took CEA five years of hard work within difficult environment to gain reputation and trust of business sector and of course the USAID grant had a lot of impact for our success. This should be further supported in this the path toward stable revenue streams for independent thought in Macedonia to continue to exist and grow.

The next figures show the development of CEA revenues and the CEA/USAID grant share in total revenues developments for the period January 2006 – August 2008 when the grant ended.

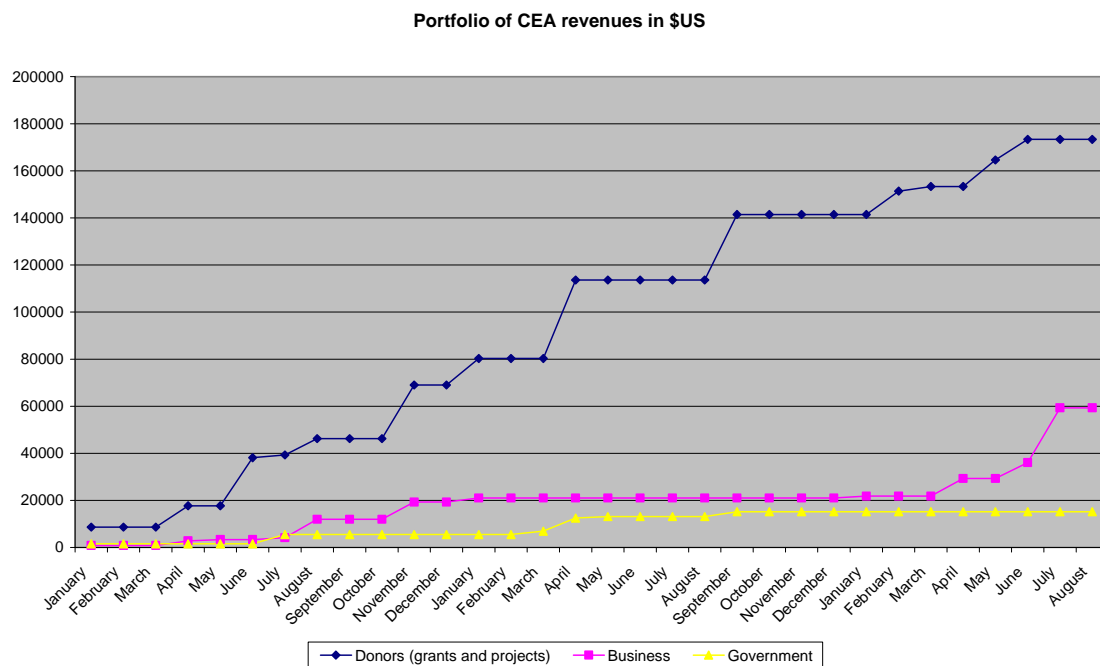


Figure. Cumulative monthly CEA revenues for the period 2006:01-2008:08 by client

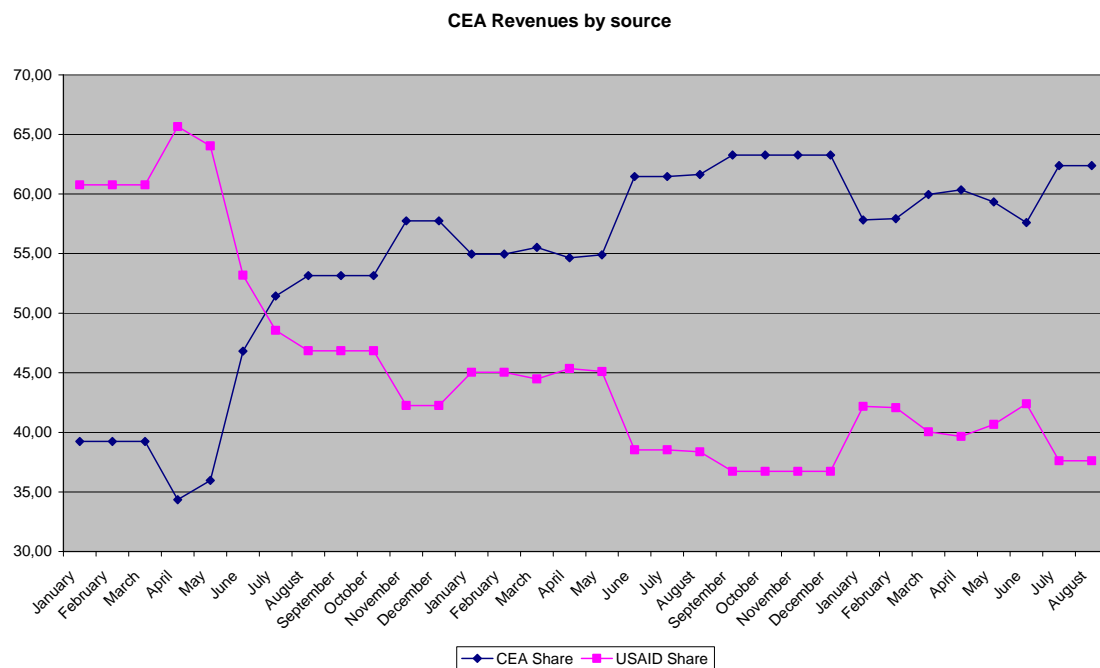


Figure. The share of USAID grant in total CEA revenues for the period 2006:01-2008:08

## **Legacy**

The real question is will CEA be sustainable after the USAID's grant? First of all, the USAID grant helped CEA to strengthen its capacity in terms of facilities, management reporting, managing its funds, distributing its products, and developing specific products which all reflect the CEA strong position in the market.

On the other side CEA products are of specific nature with a characteristic of a public good. There is a narrow market for macroeconomic analysis and the Government is still calculating with policy measures based more on political instead of sound, consistent and quantitative analysis. The situation seems to improve but will it be sustainable for CEA as a market depends on the sustainability of the Macedonian Government as a potential client. Still in Macedonia the donors are the biggest client for analysis that should be actually demanded by the Government.

From all this, CEA survived for almost 5 years now. CEA will continue to operate even after the grant expires but the main risk is that the analyses required as a service from CEA are mostly donor driven. The Government demand is still weak and the businesses demand is concentrated on business plans developments, grants and less (if any) on microeconomic analysis and macroeconomic analysis.

## Annex 1. Budget

### For the Grant to Center for Economic Analysis "Toward a Sustainable Think-Thank"

	2005 (Sep-Dec)		2006		2007		2008 (Jan-Aug)	
CEA COSTS covered by USAID Grant	Monthly Cost	Sep-Dec Cost	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost
<b>Personnel Costs</b>								
Package for the President	\$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>								
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>	<b>\$100,000</b>							

Budget narrative:

1. The Communications initially were envisaged for Internet mainly. In mean time CEA won a grant for wireless Internet thus, the money will be reallocated to:
  - i. Honoraria to the IT person
  - 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 and buying books for the library
- vii. PR activities and journal back up

## Annex 2. CEA Cost sharing

For the Grant to Center for Economic Analysis “Toward a Sustainable Think-Thank”

Revenues from	September 2005 – August 2008
Total CEA revenues for the period (Grant included)	\$ 264,834
<i>CEA other revenues share</i>	<i>62,39%</i>
<i>USAID grant share</i>	<i>37,61%</i>

### Annex 4. Stages of CEA development

<i>CEA life cycle (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</b> (Within one year)	At least one	NA	Stable	Regular	Regular
<b>Stage II</b> (Within two to three years)	At least three: 1. President 2. Economist 3. IT (part time)	Team structure: 1. Local governance (Team Leader Identified and developed program) 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) 9. Environmental management	Progress toward stable revenues  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 web site	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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**Risk assessment:** CEA Board recognizes the problem of actually developing the CEA departments. With low level of activities it is difficult to have a specialization. But CEA Board is satisfied with the interest of CEA members for developing the structure of CEA further.

**NOTE:**