CENTER FOR ECONOMIC ANALYSES

References and track record

Center for Economic Analyses (CEA)

2011, Skopje

COVER LETTER
TO:
SUBJECT:
DATE:

Dear Sir/Madam

The Center for Economic Analyses - CEA, since its foundation, is committed to using its capacities, intellectual and other, to support those working for an enabling environment for higher investment, accelerated development and growth of Macedonian economy and strengthening civil society, social capital and trust. We believe that the capacity of CEA members for quantitative analyses and professional practice results in a professional institution that will strengthen public policy discussions and that can market appropriate and widely demanded products and services.

CEA has already been contracted by the Government, as well, to provide support in key areas, including fiscal decentralization, economic analysis, and assistance in filling out the EU questionnaire. We contribute to the public private dialog by providing assistance in PPP feasibility studies, tender documentations and PPP contracts as well. CEA has established a solid and respected presence in Macedonian media outlets. Strong guarantee for the quality of our work and expertise are projects and engagements in the Balkans Region and globally, such as in Iraq.

CEA's efforts with regard to design, development, and implementation of the municipality fiscal capacity, will contribute to sustainable municipality capacity building in order to increase the competencies and accountability of municipal administration, increase the participation of citizens in decision-making and ultimately, enhance empowerment at the local level.

We sincerely hope that CEA will meet our client's expectations and lead to successful implementation of the projects that we will conduct in Macedonian society and outside of Macedonia as well. My associates and I strongly believe that our researchers will deliver timely, high-quality, policy-relevant analyses. We believe we are the right team to achieve this goal and help not only the Government of Macedonia because our experience and present occupation have been and it is heavily focused on this actual topic but also the donor and business community as well.

We would be pleased to provide at your convenience further information to clarify or deepen the scope of our work.

Sincerely,

Marjan Nikolov

President of CEA

1. General information about CEA

a) Logo:

b) Address:

CENTER FOR ECONOMIC ANALYSES (CEA)

Bul. Jane Sandanski 63/3,

1000 Skopje Macedonia

Tel: + 389 (0)2 24 44 766
Mob: + 389 71 310 974

TIN: 4030003479278
Reg. 5763061 under the law on NGO

c) Account number:

Stopanska Banka AD Skopje

Account number: 200000856268559

d) Web page and e-mail:

www.cea.org.mk
www.lsg-data.org.mk

info@cea.org.mk
marjan@cea.org.mk
makmar2000@yahoo.com

1. 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.

CEA has been established in March 2003.

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.

2. Ongoing and completed projects

(In inverse chronological order)

In a relatively short period, CEA has managed to acquire and successfully finish the following projects.

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 2005-2008.

CEA was successful in its mission and thus, now benefits a follow up USAID grant for the period 2009-2011. Responsible AOTR at USAID Macedonia is Ms Vesna Stevkovska: vstevkovska@usaid.gov.

In connection to this project CEA have developed so far 6 special reports to USAID, quarterly and monthly monitoring of the Macedonian Economy and will continue to do so in future. Also, with the follow up grant CEA develops new products as well.

Project team

President Marjan Nikolov, CEA team.

OSI Think tank fund Budapest support to USAID

Short description of the project

CEA has proposed an unsolicited proposal to the OSI Think tank fund for institutional and program support. The negotiation was ended by signing a contract with the OSI think tank fund representative Mr. Goran Buldioski: gbuldioski@osi.hu and Mr. Marjan Nikolov as President of CEA for a three year grant 2009-2011. In connection to this project CEA will develop a numerous of products and will strengthen its institutional status.

Project team

President Marjan Nikolov

Borce Trenovski, Hristijan Risteski, CEA team.

Developing web site for the Budget of the Republic of Macedonia

Short description of the project

The purpose of the project is to create an online web portal containing budget data for Macedonia. This information would be culled from in-house data sets, online PDFs and information acquired through the country's Law for Freedom of Information. The portal would consist of "cleaned up" data that has been analyzed and adjusted for bias. It would describe not only public spending (national and municipal), but also promotional campaign spending and unexplained expenses. There would be an interactive feature in which users could "test" different budget policies and measure expected outcomes.

Project period

December 2011 – August 2012

Internship opportunities for students on graduate and postgraduate studies and recent graduates

Short description of the project

On regular basis CEA is accepting interns who are interested to do research and policy analyses in the area of economics.

Project period

Ongoing

"Student Essay Competition on Sustainable Development"

Short description of the project

Project is supported by the World Bank and aims to spread information among students in Macedonia about sustainable development through writing essays, publishing journal with the best essays and organizing conference for promotion of the main findings from the best essays.

Project period

May – December 2011

Increasing employment of youth Roma

Short description of the project

The main project purpose is to contribute in increasing employment by helping in implementation of the active policies for employment. CEA in partnership with Roma Resource Center delivered 2 trainings for job hunting, writing CV and Cover Letter for Roma population in Skopje. Project is supported by the City of Skopje.

Project period
July – December 2011

Developing self assessment tool for Municipalities

Short description of the project
Local Government Initiative (LGI) from Budapest and World Bank Institute engaged Marjan Nikolov as local expert to join a project on self assessment tool development in Budapest.

Project period
November 2011

Global Integrity Report

Short description of the project
CEA conducted research about governance and anti-corruption mechanisms in Macedonia, as a part of The Global Integrity Report. This report is developed according an innovative and award-winning research methodology and is used as a tool for understanding governance and anti-corruption mechanisms at the national level.

Project period
August – December 2011

Open Budget Initiative

Short description of the project

CEA answered the questioner about budget transparency process of RM, part of the Open Budget Initiative - global research and advocacy program for promotion of public access to budget information and adoption of accountable budget systems.

Project period
July – December 2011

Preparing for and conducting field training of Kurdistan Parliament of Iraq MPs

Short description of the project
CEA prepare for and conducted field training of Kurdistan Parliament of Iraq MPs and staff and Iraq Federal Parliament MPs and staff about budget analysis. Almost 50 people (MPs and staff) were trained on how to scrutinize budget once submitted in the

Parliament. NDI for international affairs engaged Mr. Marjan Nikolov to conduct the training

Project period
November 2011

Capacity building for Municipality's staff

Short description of the project
CEA delivered trainings about team work and public relations for the international team responsible for implementation of the project:"Business Incubator – Economic Development and Visibility of the Border region", supported by IPA Cross-Border Program between Macedonia and Bulgaria.

Project period
July – November 2011

PPP feasibility study for solid waste management for Ilinden municipality

Short description of the project
CEA prepared PPP feasibility study, tender and contract for solid waste management for Ilinden municipality.

Project period
February – April 2011

CEA Journal of Economics is indexed in EconLit

Short description
EconLit includes references to articles in economics journals from all over the world, most of which are in English. Journals are selected for inclusion in EconLit on the basis of their peer-reviewed economic content, which must be substantial or of equal emphasis in interdisciplinary journals.

Training for the Macedonian Assembly's heads of sectors about how to plan strategically the activities of the Assembly

Short description of the project
CEA delivered training for Macedonian Assembly's heads of sectors about how to plan strategically the activities of the Assembly for the next fiscal year (within the Macedonian budget process framework). This was two day training for more than 10 heads of sectors. A handbook has been prepared and proper exercises.

Project period
February 2011

PPP feasibility study for Municipality of Gorce Petrov on building administrative building

Short description of the project

For modernizing and increasing the workspace Municipality of Gorce Petrov is planning to build new administrative and business premises for municipal administration and private sector in e form of Public-Private Partnership (PPP). Feasibility study for this project is developed by CEA.

Project team

Marjan Nikolov and other CEA experts.

PPP feasibility study for Municipality Gazi Baba on building administrative building

Short description of the project

For modernizing and increasing the workspace Municipality of Gazi Baba is planning to build new administrative and business premises for municipal administration and private sector in e form of Public-Private Partnership (PPP). Feasibility study for this project is developed by CEA.

Project team

Marjan Nikolov and other CEA experts.

PPP feasibility study for Public transportation company JSP - Skopje for ”smart ticketing”

Short description of the project

CEA is developing feasibility study for implementation of smart ticketing in the public bus transportation in the City of Skopje.

Project team

Marjan Nikolov and other CEA experts.

Feasibility study for Municipality Veles for a loan from the World Bank

Short description of the project

CEA prepared study for Municipality of Veles for a loan from the World Bank through the on lending project: http://www.finance.gov.mk/node/1055

Project team

Marjan Nikolov

Coompetitiveness report for Macedonia according World Economic Forum

Short description of the project

National Council of Entrepreneurship and Competitiveness - NCEC Macedonia, approached CEA to help in developing competitiveness reports according World Economic Forum for 2010 for Macedonia.

Project team

Marjan Nikolov
Senaj Hadzimoustafa, Hristijan Risteski and other CEA experts

Effects of the global economic crisis on the vulnerable groups in the Republic of Macedonia

Short description of the project

This paper was presented on the conference "Poverty and Social Inclusion in the Western Balkans" organized by the World Bank-WB in Brussels on DecAember 14-15th, 2010.

Project team

Hristijan Risteski

Macedonian/Greek economic relations as a main pillar for prosperous neighbor cooperation in the future.

Short description of the project

CEA with the Economic Chamber of Macedonia is organizing this regional conference for enhancing economic cooperation between Macedonia and Greece. In the conference will be discussed three main topics:

1. The dynamics of economic relations between Macedonia and Greece;
2. Future effects of the economic crisis in Greece on the Macedonian Economy; and
3. Relevance of the Think Tanks, institutes and other independent organizations for solid Macedonian/Greek economic relations

Project team

Marjan Nikolov
Borce Trenovski, Hrisitjan Risteski and other CEA experts

PPP training for the Physicians' chamber of Macedonia

Short description of the project

CEA organized one day training for PPP for the Physicians' chamber of Macedonia. The main goal of the training was to present foreign PPP experience in health sector, and to be discussed opportunities for PPP in Macedonia. Also, comments on the new law on health protection in the concessions for secondary health area were prepared.

Project team
Marjan Nikolov

Effects of the economic crisis in Greece on the Macedonian economy

Short description of the project

This study is providing:

- Two scenarios with projections for the negative macroeconomic effects,
- Assessment of the most traded products between Greece and Macedonia,
- Implications on the cross-border trade, and
- Implications on the Greek's investments in Macedonia.

Project team
Borce Trenovski and Hrisitjan Risteski

Study for PPP for JSP (Public Transportation Company SKOPJE – Skopje)

Short description of the project
The subject of PPP is financing the reconstruction and equipping of the bus stops in the city network of lines in the city of Skopje, by private partner, who will use space on the urban equipment of the bus stops and terminals planned for advertizing, for a certain period of time for its own name and own account

Project team
Marjan Nikolov

Effects of the Fiscal Crisis on Vulnerable Groups in the E&E Region

Short description of the project
Economic Policy Institute - EPI from Sofia, Bulgaria invited CEA to participate in this regional project for the part of Macedonia.

Project team
Hristijan Risteski

Strategy for Rural Development of Municipality of Gazi Baba

Short description of the project
CEA is preparing Strategy for Rural Development as a part of the Strategy for Local Economic Development of Municipality of Gazi Baba.

Project team
Marjan Nikolov
Vesna Garvanlieva, Hristijan Risteski.

Professional training for analytical skills in the corporate sector

Short description of the project
Macedonian biggest telecommunication company T-Home, approached CEA for conducting professional training for analytical skills. Training was comprised of two parts: statistical analyses of data and econometrics.

Project team
Marjan Nikolov

Challenges for improvement of the competitiveness of the private sector in Macedonia

Short description of the project
The CEA's assignment refers to conducting a workshop with key representatives from the private sector, chambers of commerce, industry associations, relevant government institutions and donors.

Orderer:
USAID

Project team
Risto Ivanov
Shenay Hadzimustafa
Aleksandar Kostadinov
Hristijan Risteski

Global financial crisis impact on Macedonian economy

Short description of the project
Study on Macedonian economy in time of global financial crisis. The study was presented during the International conference in Yerevan, Armenia.

Project team

Marjan Nikolov

Comparative study on labour market policies in Macedonia

Short description of the project
Comparative study that analyses active and passive labour market policies in Macedonia

compared to Western Balkan countries.

Project team

Aleksandar Kostadinov

Training for the Macedonian Parliament representatives and administration

Short description of the project

The Westminster Foundation for Democracy Limited and the UK Embassy approached CEA to take part in this project together with National Audit Office of UK. Training was on financial scrutiny issues and annual budgetary planning. After successful realization of the activities, Marjan Nikolov was invited to transfer the experience in Montenegro.

Project team

Marjan Nikolov, Shenaj Hadzimustafa, Hristijan Risteski and other experts from CEA.

Developing on line inflation calculator in Macedonia

Short description of the project

With a support of LGI OSI CEA has developed the first on line customized personal inflation calculator.

Project team

Marjan Nikolov, Borce Trenovski, Aleksandar Kostadinov, Hristijan Risteski and other CEA
experts.

Assessing the handicraft share in Macedonian economy

Short description of the project

Non registered economy in Macedonia is assessed at around 40-50% of the GDP. CEA is interested to assess the handicraft share of this in Macedonian economy.

Project team

Hristijan Risteski.

PPP needs assessment and feasibility study on LED at LSG Gorce Petrov

Short description of the project

With a support of USAID BEA CEA will prepare a feasibility study for one municipality in Macedonia.

Project team

Marjan Nikolov and other experts from CEA.

Estimation of the discount rate by sector for Macedonia

Short description of the project

CEA fills the gap for discount rates information in need for public sector, local governments, private investors for capital investment projects.

Project team

Vlado Andonov and Vesna Garvanlieva.

Assessing the 10 measures of the GoM to fight the impact from the global crisis

Short description of the project

CEA makes assessment about the government measures to fight global crisis impact in Macedonia.

Project team

Vlado Andonov and Vesna Garvanlieva.

Assessing the Macedonian Budget process

Short description of the project

OSI Macedonia asked Marjan Nikolov to take part in a project on monitoring the Macedonian 2009 budget. CEA prepared evaluation of the Macedonian budget process in accordance with the IMF Manual on fiscal transparency and the GFOA recommendations on best budget practices.

Project team

Marjan Nikolov.

Cooperation with EVN

Short description of the project

CEA signed a one year contract with the EVN to provide a forecasting of main macroeconomic variables.

Project team

CEA team.

Research on the flat tax policy assessment in Macedonia

Short description of the project

The Government of Macedonia introduced a number of supply-side policy measures at the end of 2006 aiming to reduce the tax burden and improve the business environment.

The main pillars of the tax system reform were the elimination of the progressive system of personal income tax, the reduction and unification of the statutory rates for the personal income and corporate taxes, and introduction of zero tax rate on reinvested profits. The so called flat tax refers to personal income and corporate profits being taxed at one marginal rate (12% in 2007 and 10% in 2008 onwards). That version of the report was further developed by Mr. Aleksandar Stojkov, Mr. Marjan Nikolov and Mr. Borce Smilevski, all from CEA.

Research
IDSCS a partner company conducted the survey Marjan Nikolov
Aleksandar Stojkov
Borce Smilevski

Project period
January - September 2008

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 subnational 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 MDW project.

Research
Marjan Nikolov

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

Cardiology clinic business plan

Short description of the project

CEA is asked to develop a business plan for Cardiology clinic. Project not finished.

Research

Marjan Nikolov
CEA Team

Project period

November - January 2006

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

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 finds 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.

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, Monte Negro, Bosnia and Herzegovina, Croatia, Bulgaria and Romania).

Research, survey and field visits

CEA team

Project period

April - June 2006

Publishing a Journal of Economics

Short description of the project

With this product (electronic 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. Five issues are published so far.

Research, survey and field visits

CEA team

Project period

Ongoing

Local Government Borrowing, supported by the LGI/OSI Budapest

Short description of the project

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

CEA team

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

CEA team

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

Data gathering and processing and methodology set up for competitiveness study of the Macedonian economy

Short description of the project

Booz Allen Hamilton Inc. has requested CEA to help in setting up methodology for data gathering and processing of information for certain indicators for the Macedonia Competitiveness Activity - an USAID project. These data will be used for estimating the competitiveness of the Macedonian economy regionally and between the EU-15.

Project team
Dimitar Bogov
Marjan Nikolov
Jordan Trajkovski

Project period
November 2004 - January 2005

Conference on FDI organized by UNDP and the Ministry of Economy

Short description of the project

UNDP Project office in Skopje has requested an expert opinion on the conference on FDI related to the Republic of Macedonia that should be held 21st of December 2004. CEA team has been contracted by the UNDP related to this conference.

Organization, Presentation and moderation of the Conference
CEA team

Project period

November 2004 -January 2005

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

CEA team

Project period
November 2004 - March 2005

Workshop on Intergovernmental Fiscal Relations organized by the World Bank Institute held in Sarajevo

Short description of the project

Mr. Serdar Yilmaz, Senior Policy Analyst from the World Bank Institute, have invited CEA to give presentation on the recent developments in the area of fiscal decentralization. Marjan Nikolov has prepared and presented a working paper that is available on the CEA web site as well.

Presenter and moderator at the workshop
Marjan Nikolov

Project period
21-23 October 2004

Database development for Local Self Government in the Republic of Macedonia

Short description of the project

This project is sponsored by the World Learning's small grants program. With implementation of this project we will contribute to better and faster implementation of the process of decentralization as very important for the future of our country and the implementation of Framework agreement. Fiscal decentralization is crucial for the stability of the country and for the EU and NATO integration. In the moment our country lacks publicly available data about the local self-government and we will do our best to provide the public and governmental agencies with quality data. There will be data available on several indices developed by CEA. The indices will be on poverty by LSG, administrative efficiency by LSG, CEA MCI (Municipality Composite Indicator) and other relevant data. The database will have a data and links on the proper legislation and other information.

Project team
Mile Janakievski
Jovce Plastinovski
Marjan Nikolov

Consultancy services for assisting in framing responses to the EU questionnaire in the economic sphere

Short description of the project

Through this engagement CEA will provide support to the Government in the preparation of the answers related to the development of the Macedonian economy and the conditions of all

industrial sectors. CEA will make an effort to encompass relevant statistical indicators from the Macedonian statistical information system, assess the degree of harmonization of the methodology and present the requested answers along with relevant tables and comments.

Orderer
Ministry of Economy
Sector for EU Integration

Project team
Marjan Nikolov, MSc
Dimitar Bogov
Jovce Plastinovski
JordanTrajkovski
Risto Naumov
Mile Janakieski

Project period
August-October 2004

Analysis of the Industrial Production Decline

Short description of the project

The recent sharp decline of the industrial production index has caused serious concerns among relevant ministries in the Government of Macedonia (most notably, the Ministry of Economy and the Ministry of Finance). Since the drop in industrial activity was anomalous in light of other macroeconomic indicators (rise in exports, electricity consumption, excellent collection of VAT revenues etc), the Ministry of Economy has asked the Government Cabinet for external expert opinion. In accordance with a Government Decision, the Ministry of Economy was allowed to hire the CEA to conduct a thorough macroeconomic analysis based on econometric and statistical techniques.

The goal of the project was to locate the sources of industrial production index decline. Faced with a serious time constraint, CEA made exceptional efforts to analyze time series of several macroeconomic variables, reviewed the official sample used by the State Statistical Office for calculation of the industrial production index and assessed the methodology and dynamics of sample revisions.

Orderer
Ministry of Economy

Project team
Bryan Roberts, PhD
Marjan Nikolov, MSc
Aleksandar Stojkov, MSc
Dimitar Bogov

Project period
15 July - 31 July 2004

Design, development and implementation of regional and municipal profiling in the Republic of Macedonia

Short description of the project

The aim of this project was to provide a ranking of Macedonian municipalities and regions according to their socio-economic characteristics. CEA research team has made a selection of 26 appropriate demographic, economic, social and infrastructure indicators and constructed municipal composite indices. According to the values of the municipal composite index for each municipality, a ranking was done for the 123 municipalities, 34 groups of municipalities and 8 regions (in accordance with the NUTS classification of the territorial units in the Republic of Macedonia). As an appendix to the final study, for the first time in the Republic of Macedonia, an experimental calculation was made on the Human Development Index (HDI) according to the UNDP methodology for all Macedonian municipalities and regions.

Orderer
Community Development Project (World Bank)

Project team
Dimitar Bogov
Marjan Nikolov, MSc
Aleksandar Stojkov, MSc

Project period
February-May 2004

Cost-benefit analysis of proposal for reduction of customs duties on certain inputs

Short description of the project

The Ministry of Economy has launched a plan for reduction of customs duties on certain inputs (raw materials and repro-materials), which aimed at strengthening the competitiveness of the Macedonian firms. This initiative called for substantial reduction of the fiscal burden of imported raw materials and other inputs in the production in order to reduce companies' costs. Thus, research team of CEA has prepared quantitative analysis of the effects from proposed reduction on the tariff rates of 393 products. The study has quantified the implications of this measure on the budget revenues, firms' costs, their production and exports.

Orderer
Ministry of Economy

Project team
Dimitar Bogov
Marjan Nikolov, MSc

Project period
March 2004

"Decentralization - Our Goal"

Short description of the project

In accordance with its strategic plan, CEA has launched quarterly bulletin (printed as well as electronic version), which covers decentralization topics. This is a joint initiative with the USAID and Bearing Point aimed at animating the general public and public finance experts for the challenges imposed by the ongoing decentralization. The first issue was published in June 2004 and inter alia, it encompassed several articles submitted by worldwide-known experts (for instance, prof. Jorge Martinez-Vasquez).

The publishing of the following issues of the bulletin was enabled by the support of OSCE Spillover Monitor Mission to Skopje:

1. The second issue of the newsletter was about: Municipality competencies.
2. The third issue of the newsletter was about: "Measuring fiscal capacity of Macedonian LSG"
3. The fourth issue of the newsletter was about: Training in Local Self Government Credit Rating
4. The fifth issue of the newsletter was about: Cross country study on LGU borrowing: Romania, Bulgaria and Macedonia
5. The sixth issue of the newsletter was about: Measuring the fiscal capacity of selected Macedonian municipalities

Project team
Marjan Nikolov, MSc
Aleksandar Stojkov, MSc
Mile Janakieski

Design of horizontal equalization scheme for municipalities

Short description of the project

The aim of this project was to design objective and transparent criteria (formula) for distribution of the equalization grant from the central government to the municipalities. Horizontal equalization scheme was prepared in several alternative scenarios, thus facilitating the decision-making process. The project was upon the request of Budget Department (MoF) as a background analysis during the preparation of the

Draft Law on Financing the Local Self-Government.

Orderer
Ministry of Finance (Budget Department)

Project team
Marjan Nikolov, MSc
Aleksandar Stojkov, MSc
Mile Janakieski

Project period
August 2004

Expert opinion on cost-benefit analysis of proposal for excise duty reduction

Short description of the project

Skopje Brewery (through Bearing Point) has requested an expert opinion on the cost-benefit analysis made by independent research group with regard to the proposal for excise duty reduction on beer. CEA team has reassessed the price and income elasticity of the demand for beer, analyzed the marked shares of the breweries and re-estimated the fiscal implications of this proposal. The client has given compliments for the in-depth analysis and expressed willingness for future cooperation.

Project team
Dimitar Bogov
Aleksandar Stojkov
Marjan Nikolov
Risto Naumov

Project period
November 2003

Follow up on the USAID's Fiscal Reform Project activities

The USAID Macedonia Fiscal Reform Project (FRP) was providing assistance to the Ministry of Finance of Republic of Macedonia in the areas of macroeconomic forecasting. CEA continues some of the major activities of the Fiscal Reform Project in order to continue to build capacity for economic policy analysis in Republic of Macedonia. More specifically, CEA is determined to work in the following areas:

1. Macro ABC model - This model was acquired during the Study Tour in Holland. It was created with assistance of MicroMacroConsultants (MMC) from the Netherlands. Since CEA has shareware rights, as soon as possible, CEA intends to prepare the first medium-term model operated by Macedonian economists. Most of the activities of CEA will be directed towards testing of the behavioral equations and preparing a publication in which it will announce the economic forecasting results from this model. Since currently no government or private institution works on macroeconomic forecasting, CEA could

use the model to give timely warnings to the policy makers and the public in cases when there is economic downturn in the country. Also, this model can be used to evaluate specific fiscal policies of the Government and their impacts on the GDP growth of the country.

2. Trade Policy Model - This model was developed by a BearingPoint expert (Lorris Mizrahi PhD) for the needs of the Ministry of Finance and Ministry of Economy to conduct trade policy analysis. CEA gives high importance to trade policy and was already engaged by the MOE in the analysis for evaluation of specific trade measures. The Trade Model uses general equilibrium framework for simulation of trade measures. CEA may carry out training for its staff in order to acquire experience in general equilibrium modeling. If there is prospect for cooperation, CEA will closely work with MoE and MoF during the training process and the trade policy analysis. CEA has comparative advantage because there are two licenses in Macedonia for using this model. One is transferred to CEA and the other one will most likely be transferred to the ministry of economy. Who ever get the second license will depend on CEA related to training and actual usage of the model.

3. Fiscal Sustainability Analysis - A BearingPoint expert, John Anderson PhD, has conducted analysis of the fiscal program of a Government and has looked on the pattern of revenue collection and expenditures for goods and services. Knowing the importance of fiscal sustainability, CEA has capacity to use the same exercise to evaluate the Government fiscal policy on regular time intervals and when major fiscal changes take place. CEA would publish its opinion whether certain fiscal program is sustainable over a long period of time by looking at the level of revenues in relation to the expenditures, and also the debt situation. CEA members have gained additional training at the Center of Excellence in Finance in Ljubljana during the training in Macroeconomic Management and Financial Sector Analyses organized by the IMF. Two CEA members Mr. Marjan Nikolov and Mr. Jordan Trajkovski had presentations at the outset of the training program on fiscal sustainability in which they have presented the upgraded fiscal sustainability model by CEA.

4. Estimation of municipality fiscal capacity and design of alternative equalization schemes. The Republic of Macedonia is undergoing a process of decentralization. The IMF is suggesting a phased approach for decentralization from phase zero to faze three. However, we believe that the process of fiscal decentralization must be followed with the administrative and fiscal capacity of the LSG on place. Whereas during the socialist regime the organizational scheme of local administration was tailored to its function of virtually serving as local offices of central level ministries, the new model municipality should respond to and mirror the new powers and responsibilities of the local authorities. In this perspective, concepts such as civil society, decentralization, social capital, synergy and citizens' participation are becoming centerpieces of contemporary developmental discourses.

3. Public relations

In a relatively short period of time, CEA has managed to establish decent relations with media. It edits one page in Capital, renowned Macedonian weekly magazine for business and economics. Published articles in Capital deal with certain economic policy decisions made by the Government, offer an assessment of the macroeconomic outlook of the country, provide comments on legislation etc. According to the Editor-in-Chief of Capital, Mr. Ljupco Zikov, critics are positive and in general, have welcomed CEA ideas and proposals.

CEA members are also columnists in the daily newspaper Vreme. The editors of this highly competitive newspaper have an excellent opinion on the articles prepared by CEA members. CEA members have been invited at the recently organized forum by the daily newspaper Vreme on the fiscal burden and the efficiency of the administration to give presentations. Many journalists from printed media frequently request opinion from CEA members on some economic events or government policies. Most of the articles cite their views and give them publicity in the same manner as the most prominent economists' statements. In addition, several representatives of our think tank were interviewed and their expert opinion was presented on the top news on Macedonian TV stations (National Macedonian Television, A1, Kanal 5 etc) as well as radio stations (Macedonian radio - third program and Radio Free Europe).

From this perspective, CEA has made remarkable progress in obtaining massive media coverage in a less than 6 months. In order to meet the increasing demand for its economic views, it has established ambitious plan for its web site-http://www.cea.org.mk. Presently, the reader can download most of the columns and articles of CEA members, certain publications, other relevant economic analyses as well as macroeconomic data, estimates and forecasts.

4. Letters of support

Municipality of Gazi Baba

"We appreciate very much the dedication of CEA and the final work of developing the LED strategy for our community."

Koce Trajanovski
Mayor of Gazi Baba

NCEC

"We would like to extend the positive cooperation we had with the CEA. The competitiveness report prepared by CEA was on high quality level as it was expected from them."

SasoTtrajkovski
Executive Director

Ministry of Transportation and Communication

"CEA members have shown high degree of expertise, analytics and professionalism, completing their tasks in timely and precise manner."

Minister of Transportation and Communication
Mile Janakievski

Ministry of Local Self Government

"The Ministry benefited the expertise of CEA in few projects. We recommend them both for legislation preparation and for analytical work."

Minister of LSG
Zoran Konjanovski

Economic Institute Skopje

"The Economic Institute Skopje have worked with some of the members of the Center for Economic Analyses as external cooperates on some projects. These young professionals were always fulfilling their tasks in orderly and timely manner. The Economic Institute Skopje supports their initiative for developing an independent think tank in order to enhance the independent thought in the area of economic theory and practice"

Antonija Josifovska
General Manager of the Economic Institute Skopje

The daily newspaper Vreme

CEA members are columnists in the daily newspaper Vreme. The editors of this highly competitive newspaper have an excellent opinion on the articles prepared by CEA members. We hereby present their opinion on CEA:

"The economy news desk at daily "Vreme" has cooperated with the Center for Economic Analyses (CEA) since the first issue of our newspaper. In the past seven months, the CEA team has enriched our economy section and opinion pages with insightful information and commentaries. The young CEA experts have offered fresh and original initiatives for economic reforms in Macedonia"

Zoran Andonovski
Managing Editor "Vreme"

Nikola Stojanov
Economic journalist in "Vreme"

Gazmend Kadriu, General Manager New Bank of Kosovo, Prishtina

"Although it is already proverbial to say that economics is not science, too many people in Macedonia (including professional economists) act 100% that way, going into economic issues in a completely undisciplined way, delivering strong opinions and even outright verdicts based on a rule-of-thumb perspective. The intention of these economists to subject economic issues to independent hard thinking and formal deliverables is a long-needed novelty in Macedonia. CEA might not, and probably will not, bring the long-awaited economic surge in Macedonia, as even formal science has its limits. However, CEA can nevertheless bring some discipline to the discussion of economic issues and shed a very welcome light to this discussion, putting quantitative dimension alongside the much used value dimension (which anyway tends to be cheaper than hard analysis).During a decade-long involvement in Macedonian banking (including being Head of Banking Supervision, World Bank consultant, bank auditor, and, still, bank Board Member) the need for such hard analysis was clear just too often. Having recently moved to the position of a General Manager of a Kosovar commercial bank, I see the same need not only in the perspective of another country, but also in the perspective of regional economic cooperation between the countries in this region. It will be interesting to see how CEA will tackle also issues in that dimension. I am confident that their current investment in hard work in Macedonia will open the way for them to engage in cross-border activities, communication and cooperation. In the end, I reaffirm my full support for CEA and wish them many successes in their future work.

Gazmend Kadriu,
General Manager New Bank of Kosovo, Prishtina

MicroMacro Consultants research institution from Holland

"We would like to express our support to the Center for Economic Analysis (CEA), a research think tank from Macedonia. We are very happy that we had the chance to work with them during their training on macro modeling at our MMC premises in the Netherlands. See the results on

http://users.bart.nl/~mmc/Macedonia/index.htm The people we met are young professionals from a transition country that in our opinion have the capabilities to conduct sound analyses. Taking into account our experience in working worldwide (The Netherlands, Indonesia, Poland, Ethiopia, Kenya, Curaçao, Suriname) we can recommend support to independent economic research in MK. Developing independent research institution is a benefit to the society and the region that is in the transition"

Dr. Marein van Schaaijk
Director Micromacro Consultants, and
President Foundation for stimulating the research of the Economy of Suriname

BearingPoint Consultant Company from USA

"Mr. Marjan Nikolov, M. Sc. and Jordan Trajkowski, are the two economists BearingPoint hired as part of the USAID/Macedonia Fiscal Reform Project in 2002 to support the project Macroeconomic Activity. Jordan was trained in the Faculty of Economics in Skopje as was Marjan, but Marjan also has a Masters of Science in Economics from the University of Iceland. They worked directly with Dr. Bryan Roberts and the Ministry of Finance Macroeconomic Unit for 2 and ½ years. Both have demonstrated strengths and have acquired significant analytic skills in this assignment. They have joined with other Macedonian economists, including two former heads of the Macroeconomic Unit, to form the Center for Economic Analysis, a think tank, that operates an a non-governmental organization under Macedonian law. Based on the output of this organization over the past 6 months, and given a small amount of donor support in the future, we believe that these local specialists can achieve significant growth in the organization and can ensure sustainable economic analytic capacity for Macedonia in the years to come."

Mr. Lester Sweeting
Chief of Party
USAID Fiscal Reform Project

CASE – think tank from Poland

"CASE - Center for Social and Economic Research played an important role in the transformation of Polish economy as one of the first think tanks in Poland. Support given to CASE by international donors was crucial in building self-sustainable institution, which contributed to development of independent thinking in the country. In September 2003 CASE was glad to host representatives from CEA and transfer its know-how both in managing think tanks and macro economic modeling. Here at CASE we were impressed by the courage, vision and competence of the young founders of CEA. Having behind us fourteen years of experience we strongly support foundation of the first economic think tank in Macedonia. It is the way how a civil society should develop in a country with an economy in transition. We believe, CEA will play a unique role in the process of integration of the Republic of Macedonia in EU"

Ewa Balcerowicz

President of CASE

Artur Radziwill
Vice President

IMF office Skopje

"…We support the overall work of the CEA and in particular, your efforts at improving the quality of the public policy debate in Macedonia. In this regard, I would also like to express my appreciation for CEA work on the recent debate surrounding the reported decline in industrial production. I look forward t o seeing the future output of CEA"

Kevin Ross
IMF Resident Representative in Macedonia

ZELS - association of LSG in Macedonia

"ZELS have known some of the CEA members and have established cooperation related with their work activities with USAID projects closely connected with the LSG reform process in the Republic of Macedonia. ZELS also welcome the publication of the Bulletin "Decentralization-our goal" as it provides relevant to our field analyses and information from worldwide. ZELS therefore support the work of CEA in their dedication to become independent policy research organization, which will represent important values for local authorities in the Republic of Macedonia"

Goran Angelov
President of ZELS

The Government of the Republic of Macedonia; Ministry of Economy

"The Center for Economic Analyses (CEA) has attracted the attention of the Ministry of Economy with its analyses presented in the public in relation to the several current economic issues, which were subject to our current engagement. Believing that CEA personnel could offer fresh ideas and a different point of view based on expertise and analytics, the Ministry of Economy has on two occasions so far, engaged CEA experts. After the realization of the two projects, the CEA members have shown high degree of expertise, analytics and professionalism, completing their tasks in timely and precise manner. Also, the Ministry of Economy is prepared to offer CEA a plan for a long-term cooperation in the realization of the forthcoming projects"

Minister of Economy
Stevco Jakimovski