



Annual Report 2018

analyticamk



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WHO ARE WE

Mission and vision

Analytica is a non profit independent institution dedicated to helping individuals and institutions with the aim to foster lasting improvement in the democracy and governance in Macedonia, the region of South Eastern Europe and wider in the European Union.

It is a unique institution - public policy research organization and a “think tank”. It draws solutions to contemporary problems from the ideas, principles and traditions that make Macedonia such an important historical and geopolitical place. It is dedicated to promoting greater cooperation and understanding among the people in Macedonia, the region of South Eastern Europe and the EU.

Analytica does this by supporting individuals and institutions working on these issues, by convening leaders to discuss the most pressing themes, and by examining ways in which cooperation can address a variety of national, regional and European policy challenges.

Analytica benefits in its work from diversity at all levels of its operation. We are proud of our broad base of supporters among the various layers of our society starting from the citizens themselves. Analytica values those who understand and share its commitment to tolerance, dialogue, diversity and joint living and it believes that the way to achieving all this is through establishing permanent dialogue and embracing diversity.

Analytica’s value is rooted in the local tradition of philanthropy in Macedonia and elsewhere in Europe. Its most important niche is that it channelizes and institutionalizes this philanthropic tradition for the promotion and achievement of the strategic goals of Macedonia and other countries in the region in the integration to the Euro Atlantic structures and in the promotion of the European citizenship in the Western Balkans.

Analytica believes that ideas have consequences, but that those ideas must be promoted aggressively. So, it constantly tries to find ways to support those ideas. Its vision is to build a Macedonia and South Eastern Europe within the EU where freedom, the sense of joint belonging, opportunity, prosperity and civil society flourish.

Team

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Research Programmes

Foreign and Security Policy programme



Encompasses the activities of Analytica which deal with contemporary security issues from a traditional and non traditional standpoint and looks into the issue of governance as an emerging phenomenon in the relationship between governing institutions and citizens. Building on the extensive work of mmunity on this issue, the security and foreign pol-

icy programme attempts to bridge differences between the concepts of security and governance and to examine the contemporary security and political challenges from the aspects of both concepts. The aim is to develop more effective, empirical, field based strategies for major security and governance programmes.

EU approximation and Integration Advocacy programme



Integration into EU structures is a transformational source for Macedonia and in the wider context of Southeast Europe as well as it is a major issue that shapes the reform agenda in the Western Balkan countries. The process of EU approximation entails numerous in depth reforms of various sectors such as the economy, youth, administration, the judiciary

as well as legislative harmonization. Analytica intends to contribute to the overall success of the EU approximation process by providing necessary tools, recommendations, analyses and concrete steps such as active lobbying for the integration home and abroad and taking up active role in promoting European citizenship in the country. New resources can also help the policy makers, experts and others who are working on the issue of European integration and Western Balkans to master new knowledge that can be useful in their work towards the European integration of Macedonia and other countries of the Western Balkans. Access to relevant information can provide both the EU and the Macedonian audience with new information and tools which can be applied in everyday life and contribute to an improved image of Macedonia.

Energy and Infrastructure programme



By signing the Energy Community Treaty, Macedonia and the contracting parties from the region have turned another page in energy history. The new energy reforms demand investments in the energy sector, increasing energy efficiency and renewable sources of energy. Analytica closely follows and analyses the developments of the regional, national and

local energy policies. By conducting policy research, we draft medium and long-term recommendations for the challenges in the energy sector to the respective stakeholders, contribute to energy implementation and initiate energy debate in the country and the region.

Public Policy Analysis and Administration programme



It produces analysis and reports that enhance policy and administrative capacities by providing effective solutions to policy issues and challenges in the area of public administration reform. Building up on the basis of previous research in related areas (decentralization and EU integration) and prompted by the importance of the process of public admin-

istration reform for good governance, Analytica conducts research, identifies problems and devises solutions for better policy making process and public administration.

Migration



Analytica added a new programme in 2012 called Migration. Migration is one of the major challenges facing the world in the twenty-first century. This phenomenon plays a key role in the natural movement of the population and is gaining impetus in the country and the region. International migration is a growing phenomenon which could make a posi-

tive contribution to the development of both the migrant sending and receiving economies. Macedonia is characterized as a migration area, with intensive internal migration, but lately the process of international migration is also increased. The most common reasons for such movements are economical. Economic consequences of migrations and remittances are hardly recognized.

WHAT WE DO

Policy documents published in 2018

WORKING TOWARDS RESILIENT COMMUNITIES



This policy paper focuses on the specific factors and drivers of violent extremism in Macedonia, and aims to address the core roots of this issue by investigating the dynamics of its development and manifestation, with the hope of contributing toward building more resilient communities. The research period underwent several phases of collecting and processing qualitative and quantitative information important to our analysis. During these phases, interviews with local and central government officials were conducted, followed later by many formal and informal talks with relevant stakeholders and individuals of interest to the research topic. By the same token, attempts to quantify the trending opinions among a selected population were done by carrying out a survey in the respective municipalities in Macedonia where they reside. In addition, to better understand the circulating ideology known to be used as motivation for violent extremism, religious clerics were consulted. Lastly, the online content found supporting violent extremism was analyzed, particularly the local language usage, by conducting a structured content analysis. These research findings lead us to focus more on the following issues:

- The threat of politicization of the school staff, and the poor communication channels between teachers, parents and students, lead the high schools to become fertile grounds for violent extremist groups.
- NGO capacities to become active actors in bringing about resilience to violent extremism.
- The role of religious preachers in preventing violent extremism at the local level.
- Lack of trust in public institutions for building community resilience.
- Lack of online counter-narratives with local context

MACEDONIA - GREECE COOPERATION THROUGH THE CONFIDENCE BUILDING MEASURES, VIEW FROM CIVIL-SOCIETY'S POINT



The main purpose of this research is to contribute to enhancing relations between Athens and Skopje by investigating and assessing areas of existing cooperation, providing 'lessons learned' from it as well as proposing ways through which civil society collaboration could be strengthened in the future. More specifically, the objectives of the paper are to:

1. Assess key areas of unofficial collaboration between the two countries and provide 'lessons learned' for future similar activity as

well as to propose ideas for facilitation of new collaborations. Through the task of assessing the merits of existing cooperation the proposed research will likely also contribute to the undermining of deeply embedded stereotypes that exist about interaction and cooperation between the two countries.

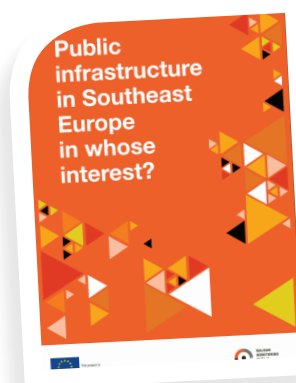
2. Propose solutions to the academic and civil society sectors regarding how to establish more frequent structured cooperation regardless of the status of the high-level communication between the two countries.

3. Support the Confidence Building Measures' (CBMs) process initiated by Athens and Skopje by providing knowledge and expertise in relevant areas, such as more effective co-operation in European programmes (CBM action 2) and education and culture (CBM actions 4 and 5).

PUBLIC INFRASTRUCTURE IN SOUTHEAST EUROPE - IN WHOSE INTEREST?

Public infrastructure is meant to serve the needs of the wider public. However, often public infrastructure projects are not designed primarily with public well-being in mind. Sometimes they are designed more as a result of pressure from investor or lobby groups, often they are genuine but misguided or corrupted attempts to solve real issues, and sometimes they are simply vanity projects initiated by decision-makers with the goal of leaving their mark on a certain location. Often, they are also a combination.

The objective of this study is to provide selected case studies of public infrastructure projects in southeast Europe (SEE) and to draw conclusions and make recommendations on what type of infrastructure planning is needed, and what conditions need to be fulfilled to achieve socially, environmentally and economically sustainable infrastructure. The covered countries are from the Western Balkans: Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia and from the EU: Bulgaria and Slovenia.



PUBLIC DEBT IN SOUTHEAST EUROPE – WHY TO ENABLE PUBLIC PARTICIPATION?

The objective of the study is to analyze various policies, regulation and legislation regarding public debt and processes of the situation in the public finance field, to recognize key problems, propose solutions and advocate for change, with a special focus on monitoring of public finance. Often debt does not serve the needs of the citizens and puts limitations on democracy in a sense that does not imply involvement of citizens and NGOs in the process of decision making in the area of public



finances and at the same time is characterized by a low level of transparency. Hence, the study will identify problems in implementation of the existing legislation or identify lack of necessary legislation. This will be the basis for proposing policy recommendations regarding monitoring of public finance for the covered countries and advocating for them.

The study analyzes the recent debt trends in Bosnia and Herzegovina, Bulgaria, Kosovo, Macedonia, Montenegro, Serbia, and Slovenia with the aim of warning about possible problems with long-term debt sustainability. It is very important to detect debt vulnerabilities and to react in a timely manner.

PUBLIC – PRIVATE PARTNERSHIPS AND CONCESSIONS IN SOUTHEAST EUROPE – CAN INFRASTRUCTURE BE IMPROVED WITHOUT INCREASING PUBLIC DEBT?



One of the key motivations behind the PPP concept is to improve public infrastructure and to support public services, with a decreased burden on public funds and without the need to increase taxes. The objective is to include the private sector in providing public services, with the result that the role of the public sector changes from the operator of the service to a buyer and a guardian of the public interest. This is driven by a perceived lack of public funds available for public service, together with a belief that the private sector is able to perform many tasks more efficiently than the public sector. Both of these assumptions deserve to be closely scrutinized: Why is there a lack of public funds available in the first place? And is the private sector really able

to provide public services more efficiently than the public sector? If so, in which cases? However, these questions deserve extensive analyses of their own, and while we touch upon the latter questions in this report, in general they are beyond its scope. In this study we examine the situation country by country and find that those PPPs which are taking place are mainly on the local level. However, there are also a few larger projects such as airport reconstruction and management and waste management going on, usually supported by the international financial institutions.



PUBLIC-PRIVATE PARTNERSHIP: PROBLEMS AND OPPORTUNITIES, REPUBLIC OF MACEDONIA

As the Public Private Partnerships (PPPs) is relatively new topic in the Republic of Macedonia, this study at first gives an overview of the legal and institutional framework for PPPs, then it looks into current challenges/weaknesses focusing on policy and legislative framework, institutional capacities or public sector bodies and external factors. At the same time, the study describes the characteristics of PPP in the country and availability and transparency of data for current PPP

projects. Accordingly, analysis on good and bad PPP practices/cases is made. Also there is a part of this study that looks into PPPs at sub national (local) level and risks of corruption and possible ways for preventing these practices. At the end, certain recommendations are given for improving the understanding of the PPP framework in the country, transparency of financing PPP projects and improved legislation.

TAX JUSTICE IN SOUTHEAST EUROPE – HOW TO REDUCE INEQUALITIES?

With this study we wish to contribute to the questioning and re-defining the existing tax practices. The study tries to analyze tax policies and systems, tax regulation and legislation, current tax practices, and key problems in order to propose solutions and advocate for change in the 7 Western Balkan countries that it covers. The first part of the study looks into perception of taxes in the 7 countries to understand the (de)motivations for paying taxes. The next step is comparing the tax systems of the 7 countries and their national specifics. In the third and fourth part of the study the attention is given to the burning problems of tax dodging and tax competition and different approaches and measures used by the respective countries in the WB region to fight these harmful practices. The fifth section of the study puts forward the benefits of the introduction of progressive taxation as a way to enhance the redistribution in favor of lessening inequality. The sixth part looks at the social services to outline what could be the most visible benefits for the society if tax revenues would be increased. The last part of the study gives the recommendations which involve reforms of the tax systems in order to enable fair taxation and to reduce inequality, followed by proposed measures for stopping the tax dodging and tax competition and creating redistribution that produces additional social services.



FINAL REPORT ON THE MONITORING OF THE ACTIVITIES OF THE COMMISSION FOR PROTECTION OF THE RIGHT TO FREE ACCESS TO PUBLIC INFORMATION AND THE DIRECTORATE FOR PERSONAL DATA PROTECTION

Final Report on monitoring the work of the Commission for Protection of the Right to Free Access to Public Information and the Directorate for Personal Data Protection. The report is the final document of the project "Transparent and Efficient State Oversight and Regulatory Bodies", combining and analyzing the data from the six previous reports on monitoring the work of the Commission for Protection of the Right to Free Access to Public Information and the Directorate for Personal Data Protection. The report analyzes the trends and patterns in the performance, transparency and proactivity of the two monitored bodies.



ACCELERATING PROGRESS ON EFFECTIVE TOBACCO TAX POLICIES IN LOW- AND MIDDLE-INCOME COUNTRIES NATIONAL STUDY – MACEDONIA



This document reviews laws and policies related to tobacco control and especially tobacco taxation in the Republic of Macedonia. It also examines current and potential future impact of tobacco laws and policies on domestic consumption of tobacco products. The primary focus is on tobacco taxation and pricing policies as well as on the excise tax revenues collected from the domestic sales of cigarettes and the impact of the changes to the Excise Tax Law in effect until 2023. Additionally, in this study we estimate the price elasticity of demand for cigarettes in Macedonia. In line with theoretical predictions and findings in other empirical studies, results show that the price elasticity of demand for cigarettes in Macedonia is around -0.4, implying that a 10% increase in cigarette prices leads to a decline in consumption of cigarettes by around 4%. The income coefficient was estimated at negative -0.16, implying that 10% increase in income leads to a decline in consumption of cigarettes by 1.6%.



THE ELASTICITY OF TOBACCO PRODUCTS IN MACEDONIA

The aim of this analysis is to explore the key factors that affect the aggregate demand for tobacco products in Macedonia. Given data limitations, we focus only on the demand for cigarettes, as data on other tobacco products are not available. Following the mainstream theoretical frameworks and empirical approaches, the analysis first estimates the price elasticity of demand, and then calculates the likely effect of an increase in excise duty rates on the prices of cigarettes, consumption of cigarettes and the excise revenues.

Policy briefs published in 2018

POLICY BRIEF: PUBLIC DEBT IN SOUTHEAST EUROPE WHY TO ENABLE PUBLIC PARTICIPATION?



The pre-crisis years were favorable for the Bosnia and Herzegovina, Bulgaria, Kosovo, Macedonia, Montenegro, Serbia, and Slovenia in the fiscal area. Positive global expectations and developments, as well as solid economic growth in the region (the average growth in the pre-crisis period 2002-2007 was around 5%) led to a stable period and positive budget outcomes, resulting in periods of balanced budgets and even surpluses in some of the countries. The average debt in the analyzed countries went up from 25% of GDP in 2007 to 51% in 2016. Kosovo is the only country that has managed to keep debt lower than its pre-crisis level. All other countries are struggling to get their fiscal positions back on track. Slovenia experienced the largest jump in indebtedness by 61 p.p. from 2008 to 2015 (from 22% to 83% of GDP). The rising trend triggered alarm bells concerning the long-term sustainability of public finances, especially given that the debt tolerance level is lower for lower income economies.



POLICY BRIEF: PUBLIC INFRASTRUCTURE IN SOUTHEAST EUROPE - IN WHOSE INTEREST?

Within the CSOs as equal partners in monitoring of public finance project, 10 organizations from 7 countries have examined trends in public infrastructure projects in southeast Europe, including the role of the EU and financing institutions, and compiled 12 infrastructure case studies. The aim is to better understand what is needed to achieve socially, environmentally and economically sustainable infrastructure in the region.



POLICY BRIEF: PUBLIC-PRIVATE PARTNERSHIPS AND CONCESSIONS IN SOUTHEAST EUROPE – CAN INFRASTRUCTURE BE IMPROVED WITHOUT INCREASING PUBLIC DEBT?

This brief summarizes several observations:

- All the countries have legislation on concessions, but not all have on PPPs.
- All the countries suffer from a lack of capacity to prepare and manage PPP implementation.
- Decision-making on whether to implement

a project as a PPP/concession or not is deficient in all the countries. Even where there are public consultation requirements, as in Montenegro, this does not have much impact. • Most of the countries have a central body to oversee PPP implementation (Serbia does not). Few bodies publish evidence that they consistently check the quality of implementation. • State auditors' involvement has so far been patchy, and regular audits are not legally required in most countries. Thus, there is insufficient evidence on the value for money of projects. • Serbia, Montenegro and Bosnia-Herzegovina allow unsolicited offers for concessions and have inadequate legal frameworks to make sure they serve the public interest. Only one successful PPP project - the Čair street lighting project in Macedonia - was identified during the research. This is most likely due to a combination of poor project implementation and lack of reporting on results, whether positive or negative.



POLICY BRIEF: TAX JUSTICE IN SOUTHEAST EUROPE – HOW TO REDUCE INEQUALITIES?

Taxation is an important part of our lives. Tax policies have a major impact on economy, society and environment, while they also shape our public finances and public services. Having a fair tax system is of high importance, yet many countries' tax systems are not fair. The study Tax Justice in Southeast Europe – How to reduce inequalities? analyzed the tax systems in 7 Western Balkan countries. It identified several developments and trends

in the WB countries that need to be reshaped in order to achieve fiscal sustainability and tax justice.

POLICY BRIEF: IMPROVING TOBACCO TAX POLICY IN THE REPUBLIC OF MACEDONIA

Macedonia ranks among the top ten countries worldwide based on smoking prevalence and average number of cigarettes smoked per smoker. With an estimated share of 3%, Macedonia is positioned among the eight major tobacco producing countries of the world. However, even with subsidies from the Government, tobacco production has declined over the past years, which is in line with international trends. The Republic of Macedonia is one of the 168 countries in the world that have ratified the World Health Organization Framework Convention on Tobacco Control (WHO FCTC). With regard to FCTC3 recommendations, a substantial body of global research shows that significant increases in tobacco taxes and prices are the most effective way to reduce tobacco use and its devastating health consequences. Price and tax increases on tobacco can be effective in improving people's health, reducing healthcare costs, and at the same time increasing tax revenues. This research by Analytica—one of the first such studies in Macedonia—studied the price elasticity and other key determinants of demand for tobacco products. The study evaluated to what extent demand for tobacco, specifically cigarettes, could be

controlled by price and other policy measures. The findings of this research study show that increasing the existing tobacco tax by 50% could reduce consumption of tobacco products by 19.2%, while increasing tobacco tax revenues by around EUR 100 million⁵.

Commentaries published in 2018

In order to give fresh ideas for contemporary issues, Analytica is publishing a monthly Commentary. In 2018 the following issues were addressed:



January 2018

Increased Proactive Transparency – one more step towards accountable public sector



February 2018

Challenges of the new Government of the Republic of Macedonia in the energy sector



March 2018

Public private partnership in the Republic of Macedonia – legal framework (Part I)



April 2018

Energy justice and its application in Macedonia

PROJECTS

WESTERN BALKANS PULSE FOR POLICE INTEGRITY AND TRUST (POINTPULSE)



The projects overall objective is to contribute to increasing trust and confidence in the law enforcement agencies in the Western Balkans by promoting police integrity and helping fight against corruption in the police. Analytica Think Tank since February 2016 joined the network of six

regional civil society organizations (Belgrade Centre for Security Policy (BCSP) and Balkan Investigative Reporting Network (BIRN), Centre for Security Studies from Sarajevo, Institute Alternative (IA) from Montenegro and Kosovo Centre for Security Studies (KCSS) from Prishtina, Institute for Democracy and Mediation Albania (IDM)) into POINTPULSE project (Western Balkans Pulse for Police Integrity and Trust) which main aim is to enhance the oversight of police integrity in the Western Balkans.

Overall objective(s): Contribute to increased trust and confidence in the law enforcement agencies in the Western Balkans by fighting police corruption and promoting police integrity. Specific objective(s): Established regional civilian oversight network in the Western Balkans fully competent to understand and monitor the state of police integrity and advocate for policy changes in the region.

CSOs as equal partners in monitoring public finance



Analytica together with Fractal (Serbia), Za zemia-ta (Bulgaria), CEE (Bosnia and Herzegovina), MANS (Montenegro), CEKOR (Serbia), BIRN (Bosnia and Herzegovina), Smehomat (Slovenia), Focus (Slovenia) and the coordinator Wings of hope (Bosnia and Herzegovina) continued working on the project funded by the Civil Society Facility and Media Programme 2014-2015 (Support to regional thematic networks of Civil Society

Organisations; EuropeAid/150147/DH/ACT/PRAREG).

The expected specific results of this action are: - Civil society organisations (CSOs) (target group and beneficiary): The action is expected to enhance their knowhow and capacity to monitor public finance, enable continuous monitoring of public finance and enable cross-sector networking. For 10 CSOs of the consortium, the project will strengthen their knowledge and organisational capacity to monitor public finance, provide policy proposals, participate in processes, communicate and advocate for better accountability and transpar-

ency in public finance. For further 80 CSOs in Western Balkan region and beyond the action will help them understand the inefficiencies in the public finance field and make them capable of participating in processes and advocating for elimination of those inefficiencies. The project will establish cooperation with at least 5 relevant EU level networks that cover the topics of the project.

Transparency and accountability of public finances - view from civil society



In September 2017, with support of CIVICA MOBILITAS, Analytica think tank started working on 6 months project, for transparency and accountability of public finances, but with special focus on public private partnership (PPP). The main research topic of the project is the legal framework for PPPs, PPP contracts, the process of implementation and monitoring of PPPs, as well as the challenges that institutions and companies are facing with in the

process of implementation of PPPs.

Bearing in mind that the relevant international institutions and the international community have already noted this problem for years, and strongly suggesting significant improvement of fiscal transparency, the transparency of the institutions regarding the spending of public money and the involvement of the civil sector in the process of decision making is essential. At the same time, the understanding of public finances among the wider public is very low, hence the concept of public finances, particularly in this case the concept of PPP, needs to be brought closer to ordinary citizens. This implies active involvement of CSOs in monitoring the efficiency of spending public funds and enabling citizen participation in policy-making.

The main goal of the project is to improve the transparency and accountability of public finances in the country and to strengthen the knowledge of CSOs and the media on public finances and PPP in order to act as a guardian of public institutions and to monitor public finances.

Macedonia-Greece – Confidence Building Measures, view from civil-society



In December 2016 Analytica think tank and ELIAMEP (Greece) started working on one year joint research project examining various layers of cooperation between Macedonia and Greece such as cross-border cooperation as well as education. Moreover, the name dispute between Macedonia and Greece

has deeply affected almost all segments of academic/scientific cooperation and generally civil society interaction. As a result, the civil societies of the two countries have not managed to date to build strong channels of unofficial communication and collaboration that would be instrumental in helping official diplomatic channels between the two countries. At the same time though the two countries have as of recent initiated a process of Confidence Building Measures (CBMs) with the hope that cooperation in 'low politics' and among civil society actors will strengthen the otherwise weak and problematic bilateral relations.

More specifically, the objectives of the project are to:

1. Assess key areas of collaboration between the two countries and provide 'lessons learned' for future similar activity as well as to propose ideas for facilitation of new collaborations. Through the task of assessing the merits of existing cooperation the proposed project will likely also contribute to the undermining of deeply embedded stereotypes that exist about interaction and cooperation between the two countries.
2. Build trust and establish grounds for further cooperation between the two proposing organisations.
3. Support the CBMs process initiated by Greece and Macedonia by providing knowledge and expertise in relevant areas, such as more effective cooperation in European programmes (CBM action 2) and education and culture (CBM actions 4 and 5).

The project is financially supported by the Ministry of Foreign Affairs of the Kingdom of Sweden.

Transparent and efficient state regulatory and oversight bodies

Transparent and efficient state regulatory and oversight bodies

Analytica continued implementing the activities as part of the "Transparent and efficient state regulatory and oversight bodies" framework project supported by the British Embassy in Skopje.

In this period our researchers were focusing on the work of the

Commission for Protection of the Right to Free Access to Public Information and Directorate for Personal Data Protection as state oversight and regulatory bodies. The main purpose of this project is enhanced public scrutiny through monitoring and publicising the work of these two bodies in order to contribute to improvement of their performance, effectiveness, transparency and accountability.

The main activity for achieving this objective is monitoring the progress in the performance of the chosen institutions against clear indicators and publishing quarterly reports with recommendations. Other products include a policy report in order to establish the baselines of legislation, roles and responsibilities of the monitored bodies and a final report on the trends and progress noted in the quarterly reports. Moreover a mixture of events: conferences, round tables in 3 different cities, press conferences, a training course and two installations will be also organized.

ACCELERATING PROGRESS ON EFFECTIVE TOBACCO TAX POLICIES IN LOW- AND MIDDLE- INCOME COUNTRIES



In the next five years, Analytica together with Development Solutions Associates (Albania), Banja Luka University (Bosnia and Herzegovina), Faculty of Economics-Split (Croatia), Center for Political Courage (Kosovo), Institute for Socio-Economic Analyzes (Montenegro) and the coordinator In-

stitute for Economic Sciences (Serbia), will work on a project funded by Bloomberg (USA) and implemented through the Chicago Illinois University (UIC). The theme of the project is "Accelerating Progress of effective tobacco tax policies in low- and middle-income countries." Research and dissemination activities aim to produce high-quality and accessible research and policy outputs for both government policymakers and civil society. Research is focusing on gaps in research on economic and fiscal aspects of national tobacco taxation policy critical to informing effective tax policy. Research topics include costs and benefits of tobacco to government budgets, labor impacts, illicit trade, tax compliance of the tobacco industry, including tax evasion and avoidance, and tobacco tax impacts on inequality.

Activities within the project:

- Capacity building of think tanks in selected countries / regions in order to provide support to governments and civil society on the basis of an evidence-based policy aimed at effective tobacco taxation policies.
- Support through the organization of workshops for senior representatives of decision makers in order to raise awareness and build technical capacities for tobacco taxation policies.
- Developing and disseminating resources (policy papers) for taxation of tobacco in order to build and share knowledge and raise the taxation profile of tobacco in tobacco control policy (by expanding the tobacco control platform, providing information and resource center).

EVENTS AND TEAM DEVELOPMENT ACTIVITIES

Organised Events

Event for presenting the findings of document: Public Private Partnership: Problems and Opportunities, Republic of Macedonia

For successful implementation of PPP projects, it is necessary to strengthen the institutional capacities at central and local level. Noncompliance with the provisions of the Law for concessions and PPP, omissions in the manner of conducting the open procedure for awarding a PPP contract, as well as neglecting the civil society sector in the decision-making process, are the main problems. The event was attended by representatives from the municipalities, the Ministry of Economy, as well as representatives from NGOs and the media. The findings were presented by Tamara Spasova and Bojana Mijovic Hristovska.



Public infrastructure in southeast Europe - in whose interest? – Regional conference in Skopje

On April 17, 2018, the first regional conference was held, within the Project Civil Society Organizations as equal partners in monitoring public finances. At the conference, the study on infrastructure projects (in the field of transport and energy) in the countries of the region was presented, and it analyzes the degree of citizen's involvement in the decision-making process for financing and commencement of infrastructure projects.



Round table: Improving tobacco tax policy in the Republic of Macedonia - how tobacco products taxation can reduce their consumption?

Within the project “Accelerating Progress on Effective Tobacco Tax Policies in Low- and Middle-Income Countries”, financed by University of Chicago at Illinois, the research team of Analytica think tank – Macedonia (Tamara Mijovic Spaso-



vaand BojanaMijovicHristovska), organized a round table with an aim to present results of the conducted research on the effects of tobacco taxation policy in the Republic of Macedonia. The event was organized on November 30th, 2018, at Holiday INN Hotel in Skopje. The round table was attended by participants from different institutions – representatives from the Institute of Public Health, Center for public health, Ministry of Finance, Customs Administration, Ministry of Agriculture, Ministry of Labor and social policy, governmental body responsible for FCTC and representatives of CSOs sector.



Cooperation in the field of justice and home affairs as a confidence-building measure between two neighbors – a research perspective from Analytica and ELIAMEP

Opening remarks were given by VeliKreci, President of Analytica GoranStevchevski, Director of the Directorate for bilateral relations with Southeast European countries and regional initiatives, Ministry of Foreign Affairs of the Republic of Macedonia, H.E. Mats Staffansson, Ambassador, Embassy of Sweden in Skopje, IoannisArmakolas, Head of the South-East Europe Programme, ELIAMEP. Research findings were presented by Magdalena Lembovska, Project Coordinator, Analytica; GeorgiosChristidis and PanagiotisPaschalidis, Research Fellows at ELIAMEP. This activity is part of the project “Confidence building measures, view from civil society” supported by the Swedish Ministry of Foreign Affairs.



Workshop on Online Extremism

Our Security Policy team organized a Workshop on Online Extremism for members of National Committee for Preventing Violent Extremism and Counter Terrorism of Macedonia. This workshop was held as part of activities within the project ‘Working towards Resilient Communities’, supported by Embassy of the Netherlands in Macedonia.



Closing event for promotion of the policy document ‘Working towards Resilient Communities’

AnalyticaThink Tank promoted the publication titled “Work towards Building Resistant Communities”, supported by the Embassy of the Kingdom of the Netherlands in Macedonia. This report focuses on the specific factors and drivers of violent ex-

tremism in Macedonia in order to review the roots of this issue by examining the dynamics of its development and manifestation, hoping to contribute to building more resilient communities. Representatives from the Government of the Republic of Macedonia, embassies, non-governmental organizations, religious preachers and academia were present at this event.

Access to information and data protection on local level – roundtable in Strumica

Magdalena Lembovska and Sonja Risteska together with the Community Center of the Municipality of Strumica and CSO Novus discussed access to information and protection of personal data.



Assessing the confidence-building measures between two neighbours

We had the pleasure to host the event “Assessing the confidence-building measures between two neighbours, a research perspective from Analytica and ELIAMEP”, co-organised with the Embassy of Sweden in Skopje, where we promoted the findings of the research on cooperation between Macedonia and Greece in the field of cross-border cooperation and education. The project, which is going to continue throughout 2018, is generously supported by the Swedish Ministry of Foreign Affairs.



Public perception of the police

Magdalena Lembovska presented the results of this year's survey on the public perceptions of the police within POINTPULSEnet project. The results showed that the police is the most trusted institution along with education; however, public trust in institution in general is declining.





Roundtable on Personal Data Protection in Macedonia

Analytica organized the final event within the project “Transparent and Efficient State Oversight and Regulatory Bodies”. At the event, the project team presented the final report from the monitoring of the work of the Directorate for Personal Data Protection and the Commission for Protection of the Right to Free Access to Public Information. Speakers at the event included representatives of the Directorate for Personal

Data Protection as well as external experts from the civil society.

Expert Consultation: “Improving financial management and human resource management in the Police”



Within the POINTPULSE project, Analytica organized an expert consultation on improving the financial management and human resource management in the Macedonian police where the following topics were discussed: employment in the police, career development, budgeting, public procurement and internal and external audit.. The event was attend-

ed by representatives of the various departments of the Macedonian Ministry of Interior as well as CSOs.

Expert Consultation: “External and Internal Oversight in the Police”



Within the POINTPULSE project, Analytica organized an expert consultation on improving the internal and external oversight of the Macedonian police. The event was attended by representatives of the Ministry of Interior, Ministry of Justice, Public Prosecution, Parliament and CSOs.

Team members' advocacy and professional development activities

Fifth regional workshop - Balkan monitoring public finances project

The team of Analitika attended the fifth regional workshop within the Project - Civic organizations as equal partners in monitoring of public finances, which was held from April 16-20, 2018 in Skopje. The working meeting defined the rules and deadlines for NGO grants, events to promote regional analyzes, laying the foundations for building a strategy for establishing a formal network for monitoring public finances, and specifying the most effective ways of advocacy and campaigning. At the same time, a training on fair taxation was held by Ondrej Kopečni from GLOPOLIS - Czech Republic. At the same time, the entire project team participated in the regional conference "Public infrastructure in Southeast Europe - in whose interest?" organized within the project.



Tax justice event

The announced possible changes in the tax system of the Republic of Macedonia in the past period are subject to public debate by several stakeholders. The makers of economic policies in the Republic of Macedonia justify the new tax policies with the need to reduce the gap between the rich and the poor, businessmen and managers claim that it will punish the successful ones, while former finance ministers say that we only listen to the rich in the public, who oppose the changes because they are protecting their interests. On this panel, several CSOs in the field of economy, tax and social justice gave their views on how to get to a fair tax policy. Panelists at the event were: Bojana M. Hristovska from Analytica, Slavko Lazovski, expert on tax issues from the Center for Tax Policy; Biljana Dukovska from the Macedonian Anti Poverty Platform; Oliver Mitov from the Center for Legal Research and Analysis.



Initial meeting within the regional project "Accelerating the progress of effective tobacco tax policies in low- and middle-income countries"

Analytica think tank attended the meeting (with the researchers Tamara M. Spasova and Bojana M. Hristovska) and the other partners from Albania, Bosnia and Herzegovina, Cro-



atia, Kosovo, Montenegro and the coordinator from Serbia. The first meeting was attended by research associates from the University of Illinois at Chicago UIC). At the meeting, each country presented basic facts about the tobacco issue in the country, the outline of national studies, the form of the policy dialogue which will be practiced and the main stakeholders in the process were identified.



Sector working group on Public Finance Management

Analytica participated at the second meeting (organized by the Ministry of Finance) of the Sector Working Group on Public Finance Management in the form of a policy dialogue between the stakeholders. The public event reviewed the implementation of the Action Plan for the Public Finance Management Reform Program 2018-2020.

Workshop on Tobacco Economics for Central and Eastern Europe



Representatives from Analytica Tamara M. Spasova and Bojana Mijovic Hristovska participated on the Workshop for Tobacco Economics related to the research project Accelerating Progress on Effective Tobacco Tax Policies in Low and Middle Income Countries. Workshop was held in Poland, Warsaw, May 8-10 2018 and the main aim was to provide support in development of a regional research network to build capacities and solid economic analyses. Participants were economists, tobacco control experts, people dealing with health issues, from all over the world, and they talked about current economic research activities in Low and Middle Income Countries and

priorities for future research and trainings. Day 1 included presentations from country case studies, summarizing previous research activities and how research can be implemented and translated into practice and policy. Special notice pointed out was the lack of data and recommendations to overcome this. Day 2 focused on presentation and discussion of work in progress and identifying research needs and future steps. Day 3 included presentations regarding methods for estimating the elasticity of tobacco price and demand and its application.



STATA training within the Project "Accelerating progress in effective tax policies for tobacco in low- and middle-income countries"

On June 6, 7 and 8, 2018, in Analytica, a workshop for applied STATA was held by Marko Vladislavljevic, junior researcher at the Institute of Economic Sciences. Participants of the work-

shop were representatives of Analytica and CPC Kosovo. The main goal of the workshop was to acquire and improve the knowledge about using Stata software in applied microeconomic research.

Conference “Economics of Tobacco Taxation” held in Belgrade

Analytica’s team (Tamara Mijovic and Bojana Mijovic Hristovska) took part on the regional Conference “Economics of Tobacco Taxation” that was organized in Belgrade on December 11th, 2018. More than fifty researchers and tobacco taxation experts from the region and beyond took participation in this event. The aim of this conference was the dissemination of high-quality research results and policy outputs about tobacco taxation in the CEE region, for Government policymakers, civil society and international organizations, and researchers.



Sixth regional workshop - Balkan monitoring public finances project

Analytica’s Team attended the sixth regional workshop within the project - Civil society organizations as equal partners in monitoring of public finance, which took place in Buljarića, Montenegro in the period of 18-22 September 2018. At the same time, the whole team of the regional project participated in the regional conference “Public debt in Southeast Europe - why to enable public participation?”. Also BMPF organized back-to-back meeting with EuroIFI network.



Promotion of a joint research work on the topic: “Public debt and its structure”

Parliamentary Institute of the Assembly of the Republic of Macedonia organized the Promotion of a joint research work on the topic: “Public debt and its structure”. This research paper was prepared by the Parliamentary Institute of the Assembly of Republic of Macedonia and the Parliamentary Services of the Schweizer Parlament. The study examines the challenges and needs of improving the public debt management policy in both countries. It is our great honor that this document cites the Public Debt Analysis in R. Macedonia, prepared by Analytica researchers, Tamara Spasova and Bojana Mijovic Hristovska.





Strategic Leadership Programme

Our Security Researcher Magdalena Lembovska completed the Strategic Leadership Programme delivered by the UK's Defense Academy and Cranfield University. The course provides an opportunity for senior officers and officials, drawn from Defence and the wider Security Sector, to enhance their strategic leadership performance. The regional course took place 19-23 March in Peje, Kosovo.



First Annual Conference on "Managing Public Finance and Economic Growth

Analytica attended the First Annual Conference on "Managing Public Finance and Economic Growth - Complementary or Opposite" organized by the Ministry of Finance on the occasion of April 2, the day when the first Budget of the independent Republic of Macedonia was adopted. The opening speech was held by Minister of Finance DraganTevdovski, and the keynote addresses were given by Prime Minister ZoranZaev

and Parliament Speaker TalatXhaferi.



Research Seminar: Public Debt in the Republic of Macedonia

Our researcher Tamara M. Spasova presented the public debt study for Macedonia, written within the BMPF project. Ms.Hristovska and Ms.Spasova are the authors of this study.



Guidelines for intelligence oversight

Magdalena Lembovska addressed the audience at the launching event for the publication "Guidelines for intelligence oversight" organized by DCAF and the Macedonian Parliament. MsLembovska is one of the co-authors of this publication.

Confidence building measures between Macedonia and Greece, final event in Athens

Our partners ELIAMEP from Athens organised the final event within our joint project on assessing the confidence building measures between Macedonia and Greece. The President of AnalyticaVeliKreci and the Project Coordinator Magdalena Lembovska participated in the event and talked about the processes in Macedonia. The project is supported by the Swedish Ministry of Foreign Affairs.



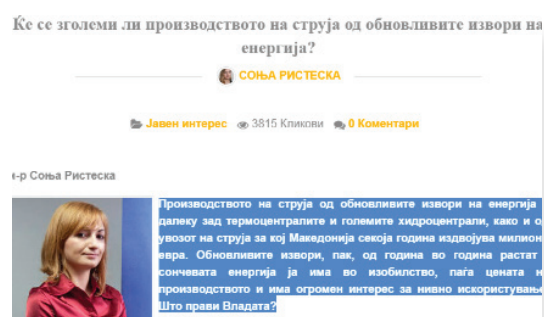
Commission for financing and budget of the Parliament of the Republic of Macedonia- public hearing

Analytica think tank was invited by the Ministry of Finance and by the Commission for financing and budget of the Parliament of the Republic of Macedonia, on a public hearing and participation in the public debate for the new Law on personal income tax. The public hearing took place on December 6 (Thursday) 2018, starting at 10:00 in the hall Boris Trajkovski in the building of the Parliament of the Republic of Macedonia. Analytica participated actively in the public hearing and gave its own speech addressing several issues regarding public finance: commenting the new Law on personal income tax, which envisages introducing progressive taxation, raising the issue for the need of higher corporate tax rates and also recommending increasing of the excise rates for tobacco products."



Blog post for ResPublica: Will the production of electricity from renewable energy be increased?

The production of electricity from renewable energy sources is far behind the thermal power plants and large hydropower plants, as well as from the import of electricity for which Macedonia allocates millions of euros each year. Renewable sources, however, grow year by year - there is abundant solar energy, the price of production is falling and there is a huge interest in their utilization. What does the government do?



Полицијата под будното око на граѓаните

МАГДАЛЕНА ЛЕМБОВСКА

Јавен интерес, Правда 7920 Кликот 0 Коментари

м-р Магдалена Лембовска



Нема законски пречки да се снима полициски службеник за време на вршење на должноста, иако полицијата се противи на тоа. Полицискиот службеник ја претставува државата и е должен да се легитимира, па не може да станува збор за заштита на личните податоци. Се разбира, полицијата може да го ограничи снимањето кога тоа ја попречува нејзината работа.

Со развојот на технологијата, дигиталното снимање никогаш не било подостапно и полесно. Граѓаните веќе не се само предмет на надзор, туку имаат можност и самите да вршат надзор и да ги снимаат властите. По јавноста, можностите со дигитални фотографии и видео снимки од полициски службеници за време на полициски и лични активности или го попречуваат нивниот

Blog post for ResPublica: Police under the watchful eye of the citizens

There are no legal obstacles to record a police officer while performing his duty, although the police objected. The police officer represents the state and is obligated to legitimize, so it cannot be a matter of personal data protection. Of course, police can limit the recording when it hinders its work.



Defense and Security Commission – public hearing

Magdalena Lembovska participated on public hearing and debate on Defense and Security Commission regarding the new Law on Interception of Communications.



Think Tank Forum between Poland and Macedonia

Magdalena Lembovska took part on Think Tank Forum between Poland and Macedonia organized by the European Policy Institute and the Ministry of Foreign Affairs. She talked about the opportunities for cooperation between the two countries in the field of security.



TRAIN Alumni

Our Magdalena Lembovska is part of a new exciting project on Strategic Foresight as a TRAIN alumna. Throughout the year 2018, a group of twelve TRAIN alumni and three experts from EU member states will engage in an in-depth strategic foresight project dedicated to the future of the Western Balkans' EU integration. The TRAIN programme is funded by the German Federal Foreign Office (Stability Pact for South Eastern Europe) and run by the German Council on Foreign Relations (DGAP). In 2018, the researchers participated in three workshops: in Berlin, Belgrade and Brussels, where they worked on their scenarios and presented them in front of decision and opinion makers.

36th Workshop of the PfP Consortium Study Group “Regional Stability in South East Europe”, Reichenau/Rax

Magdalena Lembovska participated in the 36th workshop of the PfP Consortium Study Group “Regional Stability in SEE”, titled “Overcoming Blockades and Improving Intra-State / Neighbourhood Relation in South east Europe”. This study group is part of the Partnership for Peace Consortium which is an international security cooperation organization of over 800 defense academies and security studies institutes across 60 countries.



Participation in the National Workshop on Security Sector Governance and Reform (SSG/R) organized by OSCE

Analytica participated in a National Workshop on Security Sector Governance and Reform, organized by the OSCE Mission in Skopje. The event brought together representatives of state institutions, MPs, academia and the civil society active in the area of the security sector.



Speaking at the September Workshop of the PfP Consortium Study Group “Regional Stability in South East Europe” in Crete, Greece

Analytica took part in the September Workshop of the of the PfP Consortium Study Group “Regional Stability in South East Europe”, titled “Greece and its Western Balkans Neighbours – Common Challenges in a Changing Europe”. Magdalena Lembovska was one of the panelists at the workshop, where she talked about the Prespa Agreement and the relations between Macedonia and Greece.



Workshop with the Aspen Institute Germany: The Future of European Security and its Impact on Europe’s Center and Peripheries

Analytica took part in a strategic foresight workshop organized by the Aspen Institute in Berlin, Germany. The workshop brought together representatives of the POINTPULSE



network from the Western Balkans as well as experts from German think tanks. Using the strategic foresight method, the participants worked on scenarios concerning the future of the security in Europe.



Participation in the Executive Program on “Civil Society Involvement in the EU Accession Process” organized by the Kosovar Civil Society Foundation and College of Europe

Magdalena Lembovska took part in the executive Program of the Kosovar Civil Society Foundation (KCSF), which is being delivered in close collaboration with the College of Europe on “Civil society involvement in the EU accession process”. The

3-day Executive Program targets top-level executives of civil society organizations (CSOs) in the Western Balkan countries and is aimed to boost the capacities of CSOs in EU’s institutional set-up and empower CSOs to contribute in the EU integration process through strategic and tactical approaches.

Team members’ advocacy and professional development activities



In 2018 Analytica did not have any interns from home or abroad.

MEDIA COVERAGE

In 2018 Analytica continued its work of significant media presence with its products, expertise, events, advocacy efforts, etc. Furthermore it contributed with interviews, comments on current affairs as well as promotion of its activities and policy documents. All the links to what Analytica's members said in the media can be found here:

<http://www.analyticamk.org/mk/mediumi/mediumska-pokrienost>

<http://www.analyticamk.org/en/media1/media-coverage>

FINANCIAL REPORT 2018



Name of the organisation: Association for policy research Analytica - Gostivar

Address: 11 Oktomvri 86/1-7, Skopje Macedonia

Balance of Expenditures and Revenues for the period 01.01.2018 - 31.12.2018

No.	Description	Amount in MKD denars
I Expenditures		
1	Spent materials	74,706.00
2	Phone/internet	24,376.00
3	Expenses for royalties	3,117,879.00
4	Rent	203,589.00
5	Costs for utilities	0.00
6	Other services	991,823.00
7	Salaries	205,428.00
8	Bank services and commission	49,238.00
9	Personal income tax	15,009.00
10	Exchange Rates difference	0.00
Total expenses		4,682,093.00
II Revenues		
13	Donations	3,822,252.00
14	Interest rate	0.00
Total income		3,822,252.00
15	Balance of Revenues and Expenditures for 2018 (in-come-expenses)	859,841.00
16	Transfer of surplus from previous years (year 2017)	898,659.00
17	Surplus of revenues for the next year 2019	38,818.00

Person responsible for the Balance Sheet Signature: Turker Miftar



Annual Report 2018

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