

# Annual Report 2019

analyticamk



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## **WHO ARE WE**

- \ Mission and Vision
- \ Team
- \ Research Programmes

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## **WHAT WE DO**

- \ Policy documents published in 2019
- \ Commentaries published in 2019
- \ Other

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## **PROJECTS**

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## **EVENTS AND TEAM DEVELOPMENT ACTIVITIES**

- \ Organised events
- \ Team members' advocacy and professional development activities
- \ Internship Programme

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## **MEDIA COVERAGE**

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## **FINANCIAL REPORT 2019**

## 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 North 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 North Macedonia such an important historical and geopolitical place. It is dedicated to promoting greater cooperation and understanding among the people in North 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 North 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 North 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 North 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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### Executive board

Full Name	Email Address	Position
Veli KRECI	<a href="mailto:vkreci@analyticamk.org">vkreci@analyticamk.org</a>	President
Turker MIFTAR	<a href="mailto:tmiftar@analyticamk.org">tmiftar@analyticamk.org</a>	Member
Tamara MijovicSpasova	<a href="mailto:tmspasova@analyticamk.org">tmspasova@analyticamk.org</a>	Executive director
BojanaMijovicHristovska	<a href="mailto:bmhristovska@analyticamk.org">bmhristovska@analyticamk.org</a>	Member
Borce Trenovski	<a href="mailto:b.trenovski@analyticamk.oeg">b.trenovski@analyticamk.oeg</a>	Member

### Administrative services

Full Name	Email Address	Position
Emra MURTEZI	<a href="mailto:emurtezi@analyticamk.org">emurtezi@analyticamk.org</a>	IT
Muhsin GULER	<a href="mailto:mg@analyticamk.org">mg@analyticamk.org</a>	Design and webpage
Dijana MIJOVIC	/	Legal Consultant
Dejan TODOROVSKI	/	Accountant

### Research Fellows and other members of the team

Full Name	Email Address	Programme
Ana STOJILOVSKA	<a href="mailto:astojilovska@analyticamk.org">astojilovska@analyticamk.org</a>	Energy and Infrastructure

## 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 the Analytica community on this issue, the security and foreign policy 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 North 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 North Macedonia and other countries of the Western Balkans. Access to relevant information can provide both the EU and the North Macedonian audience with new information and tools which can be applied in everyday life and contribute to an improved image of North Macedonia.

### Energy and Infrastructure Programme



By signing the Energy Community Treaty, North 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 administration 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 positive contribution to the development of both the migrant sending and receiving economies. North 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 2019

COOPERATION IN EDUCATION, CULTURE, AND CIVIL SOCIETY AFTER THE PRESPA AGREEMENT:  
HOW TO MOVE FORWARD

This report is the fruit of a research conducted jointly in the course of 2019 by the South-East Europe Programme of the Hellenic Foundation for European & Foreign Policy (ELIAMEP) from Athens, Greece and the think tank Analytica from Skopje, North Macedonia, as part of a project funded by the Swedish Ministry of Foreign Affairs. The main purpose of the report is to provide a comprehensive overview and an analysis on the current state of affairs when it comes to cooperation between Greece and North Macedonia in the fields of Education/ Research, Culture and Civil Society/ NGOs. Following the signing (June 2018) and the ratification (North Macedonia: June 2018, Greece: January 2019) of the Prespa Agreement the two countries signed a series of bilateral Agreements and Memoranda of Understanding in order to enhance cooperation in fields such as economy, defense, transports, telecommunications and cross-border crossings. They also signed an “Action Plan” in order to enrich and intensify their cooperation in the fields of education, research, culture and youth. Therefore, our report aims to map out the dynamics of cooperation in these fields in past periods but also in the light of the recent landmark agreements between the two countries.

## IMPACTS OF TOBACCO EXCISE INCREASES ON CIGARETTE CONSUMPTION AND GOVERNMENT REVENUES IN SOUTHEASTERN EUROPEAN COUNTRIES - Regional study Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia



Impacts of Tobacco Excise Increases on Cigarette Consumption and Government Revenues in Southeastern European Countries

Regional study

Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia

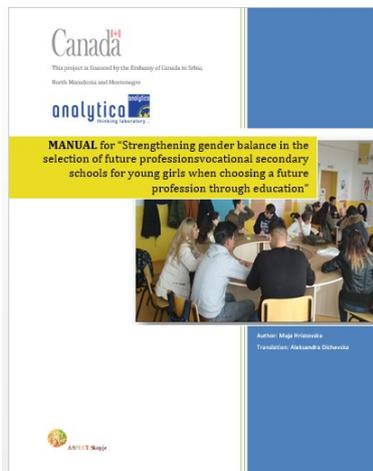
2019

This report presents the research findings from the second research year of the project “Accelerating Progress on Effective Tobacco Tax Policies in Low- and Middle-Income Countries”. The research was undertaken in six middle-income countries in Southeastern Europe (SEE): Albania, Bosnia and Herzegovina (B&H), Kosovo, North Macedonia, Montenegro, and Serbia. The research was conducted in 2019.

The same research methodology was used in all the countries and applied on secondary data from the Household Budget Survey (HBS), thereby providing a comparative analysis for all the countries. The research includes three topics of analysis, performed as follows: 1. Using

HBS data, estimate the cigarette price elasticity of demand on the extensive (in other words, prevalence elasticity) and the intensive margin (in other words, conditional demand (intensity) elasticity); 2. Using HBS data, estimate the cigarette price elasticity of demand by income group; 3. Simulate the impact of an increase in tobacco excise and price on consumption and government revenue. First, the described analyses are performed separately for each country on the overall sample of households. The sample of households is then split into three equal groups: low-, middle-, and high-income groups with the same analyses performed on income subsamples and then, results are compared. Finally, the estimated elasticities are utilized to simulate the effect of price increases on overall cigarette consumption and government revenues. The remaining part of the report is structured as follows. Chapter 2 describes the methodology used in the analysis, while chapters 3-8 present and discuss the results by country. The report concludes with chapter 9. Supporting tables from chapters 3-8 are included in the appendix, which is available on the online project web page (<http://tobaccotaxation.org/>).

## MANUAL FOR “STRENGTHENING GENDER BALANCE IN THE SELECTION OF FUTURE PROFESSIONS VOCATIONAL SECONDARY SCHOOLS FOR YOUNG GIRLS WHEN CHOOSING A FUTURE PROFESSION THROUGH EDUCATION”



The manual is for conducting training of young educators on gender equality when choosing a vocation in secondary vocational education. The manual aims to provide training participants with an introductory knowledge of the topic, and begin to think about gender issues and decide how these issues should be addressed and addressed in their community. The hope is that gender training will promote gender balance in schools and the wider community, oriented towards results, planning, implementation, monitoring and evaluation of activities, programs and policies. We ask individuals to set aside 5-10 minutes of their time to answer the following questions that enabled us to obtain the desired project results, such as:

- Changing perceptions, attitudes and behaviors when choosing professions for young girls, with the main aim of preventing professional stereotyping;
- Encouraging young boys to support gender equality and participate in the promotion of certain professions to become equal feminine and to be actively involved in the fight for stereotyping professional positions for young girls;
- Transparent and stronger gender equality cooperation and communication, overcoming stereotypes in the education and labor market, such as career counseling professionals, teaching staff and psycho-pedagogical services that support young people in their future career choices.

## Policy briefs published in 2019

## POLICY BRIEF: THE RESPONSIVENESS OF SMOKING PREVALENCE AND CIGARETTE CONSUMPTION TO CHANGES IN PRICE AND INCOME IN NORTH MACEDONIA



The small country of North Macedonia is among the leaders in the world with respect to tobacco consumption. Smoking prevalence is approximately 40 percent; there is a high intensity of smoking at 28.2 packs per month per household, which places the country well above the EU average in terms of tobacco consumption. For comparison, smoking prevalence in 2014 ranged from 8.7 percent in Sweden to 27 percent in Greece and Bulgaria, while only 6 percent of the EU population over the age of 15 consumed at least 20 cigarettes per day, and around 13 percent consumed less than 20.1 Projections from the World Health Organization (WHO) suggest that 139,000 tobacco-related deaths will occur in the next 40 years if the current levels of tobacco consumption continue.<sup>2</sup> The WHO Framework Convention on Tobacco Control recommends significant increases in tobacco taxes

and prices as the most effective way to reduce tobacco use and its devastating health consequences.<sup>3,4</sup> Price and tax increases on tobacco can be effective in improving people's health, reducing healthcare costs, and at the same time, increasing government revenue.

Recent trends suggest that, even though moderate, there has been a negative relationship between cigarette prices and consumption in North Macedonia (Table 1). While the average price per pack of cigarettes increased from 2015 to 2017 by almost MKD 17, or by almost 23 percent, consumption of cigarettes has declined by 7.5.

Higher prices can reduce both smoking prevalence and consumption of cigarettes among smokers. Our results suggest that an increase in price of 10 percent would result in a decrease of smoking prevalence by 2.1 percent. Most of this change would come from low- and middle-income households. Similarly, smoking intensity would decline by around 2.3 percent. Increases in income result in higher smoking prevalence and smoking intensity in North Macedonia. A 10 percent increase in income would, on average, increase the quantity of cigarettes consumed by 8.7 percent. Low- and middle-income households would respond the most to this change, with more than a 10 percent increase in consumption, mostly because around 5 percent of these households would start smoking. A price increase through higher excise taxes would not only reduce consumption, but would bring significant additional revenues. A specific tax increase of 25 percent, from 2.053 MKD to 2.567 MKD per stick (or from 33.39 EUR per 1000 sticks to 41.74 EUR per 1000 sticks), would reduce consumption by 8.1 percent, and increase government revenues by 12.6 percent.

## PROJECTS

### CSOS AS EQUAL PARTNERS IN MONITORING PUBLIC FINANCE



Analytica together with Fractal (Serbia), Zazemiata (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 Organizations; EuropeAid/150147/DH/ACT/PRAREG).

The expected specific results of this action are: - Civil society organizations (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 organizational capacity to monitor public finance, provide policy proposals, participate in processes, communicate and advocate for better accountability and transparency 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.

### NORTH MACEDONIA - GREECE – CONFIDENCE BUILDING MEASURES, VIEW FROM CIVIL-SOCIETY (III)



In December 2016 Analytica think tank and ELIAMEP (Greece) started working on 3 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.

Already a positive cooperation was established within the civil society in the period of 2016- 2018 in the framework of "Confidence Building Measures, a view from civil-society" projects, implemented jointly by Analytica in Skopje and ELIAMEP in Athens. In the framework of these projects, in 2017 Analytica and ELIAMEP worked on assessing cross-border cooperation in the field of education and science as areas where cooperation is driven by civil societies and local authorities and where the effects of cooperation are more tangible and visible not only to those that are directly involved but also to the perception of public in general. In 2018 Analytica and ELIAMEP worked on assessment of cooperation under the "Confidence Building Measures in the fields of justice and home affairs" initiative defined as "consultations between representatives of the competent ministries of interior, border police, and customs administration in order to exchange information and strengthen the fight against organized crime, corruption, terrorism, illegal migration, and drug trafficking." In 2019 these two organizations were working closely on providing systematic analysis on the current framework for cooperation between Greece and North Macedonia in the field of education, research, culture and civil society.

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



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)

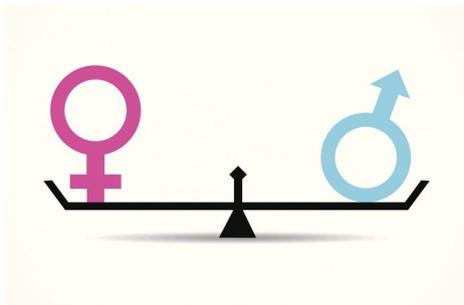
and the coordinator Institute for Economic Sciences (Serbia), works on a project funded by Bloomberg (USA) and implemented through the Chicago Illinois University (UIC). The theme of the project is "Accelerating Progress of effective tobacco tax policies in low- and middle-income countries." Research 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).

#### STRENGTHENING GENDER BALANCE IN VOCATIONAL SECONDARY SCHOOLS FOR YOUNG GIRLS WHEN CHOOSING A FUTURE PROFESSION, THROUGH EDUCATION



The goal of the project strengthening gender balance in vocational secondary schools for young girls and boys when choosing a future profession through education to improve local community support to gender equality through education by generating knowledge, diffusing experiences and providing learning opportunities on how promotion of gender equality can occur through dialogue and capacity development in development cooperation in the education sector. The

project will take place both in schools and through community-based training and outreach in order to reach out to a wider audience. In regards to the region, the pilot project will take place in three different municipalities so different backgrounds are incorporated in the project activities as well as results; those are the Municipality of Cair, Karposh and Centar by community public awareness work. Through these communities and via empowerment, the project will tackle a process of public awareness and deconstruction that enables one to acquire the ability to act on one's own life and on one's environment, community, or society; therefore providing a safe and inclusive learning environment. The project will last 12 months.

## EVENTS AND TEAM DEVELOPMENT ACTIVITIES

## ORGANIZED EVENTS

## PUBLIC DEBATE: PUBLIC PRIVATE PARTNERSHIPS IN NORTH MACEDONIA - CHALLENGES AND OPPORTUNITIES



Analytica think tank and APRA have organized a public debate on Public Private Partnership (PPP) to open a dialogue between relevant stakeholders to help the public better understand the challenges and opportunities offered by the public-private partnership. The debate was moderated by Dr. Borce Trenoski, Professor at the Faculty of Economics at UKIM, while Miroslav Trajanovski, legal expert in the field of PPP, Dr. Sasha Maksimovski - PPP model expert and Zdravko Stefanovski, EBRD project manager, energy efficiency expert, participated as panelists on the event. The event was attended by Dr. Venko Filipce, Minister of Health who emphasized that the relevant Ministry has a clear strategic goal - continuous improvement, development and improvement of the health system.

## DEBT ECONOMY AND ECOLOGICAL DEBT IN SOUTH-EAST EUROPE



Analytica together with BMPF project partners organized South-Eastern Europe talks about Debt and Public Infrastructure. The conference presented innovative research from the civil society sector on the interlinked crises of public debt, infrastructure and the environment in the region. It also outlined policy alternatives to the models of financialization, mega-infrastructure and predatory extractivism in the region, hence providing an opportunity to discuss civil society perspectives and alternative models of public finance. There were three panels. First panel was an introduction to the project and it was introduced by Luiz Fernando Vieira from Bretton Woods Project, Maria Jose Romero from Eurodad - the European Network on Debt and Development and Desislava Stoyanova from За Земята, Bulgaria.

The second panel's topic was "Public Debt in Southeast Europe: Why public participation in finance should be enabled?"; it was facilitated by Mark Perrera from Eurodad - the European Network on Debt and Development with Eric Toussaint – economist and chairman of CADTM, Adreja Zivkovic – Fondacija Krila nade, BiH and Ajda Pistotnik – EnaBanda, Slovenia as panelists.

Lastly, the third panel's topic was "Public Infrastructure in Southeast Europe: In whose interest?"; it was facilitated by Xavier Sol from Counter Balance with Thomas Waitz – Member of the European

Parliament, Zvezdan Kelmar – CEKOR, Serbia, Desislava Stoyanova – За Земята, Bulgaria and Diellza Salihu from BIRN Kosovo.

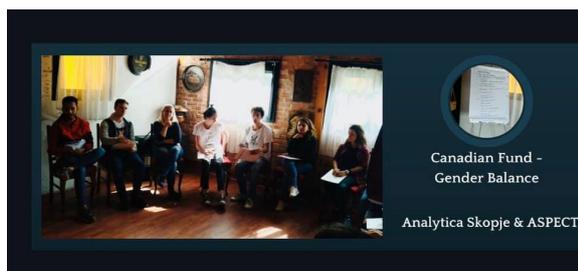
Project Partners: За Земята, Fondacija Krila nade EnaBanda, BIRN Kosovo, NVO MANS, Centar za ekologiju i energiju, Ngo Fractal, #CEKOR, Analytica, Focus društvo za sonaraven razvoj

## WORKSHOP - TRANSFER OF EDUCATION FOR STRENGTHENING GENDER BALANCE IN VOCATIONAL SECONDARY SCHOOLS TO OTHER PROFESSORS



In the period of 12-14 September in Veles, Analytica think tank, in cooperation with Aspect- Advancing social practices by empowering common trust, organised the first workshop within the project “Strengthening gender balance in vocational secondary schools for young girls when choosing a future profession through education” funded by Canada Fund for Local Initiatives (CFI) (Embassy of Canada to Serbia, North Macedonia and Montenegro). Professors from three (3) different vocational high schools actively participated on the workshop. The aim of this first workshop was to prepare the professors with specific skills how to transfer the education for strengthening gender balance in vocational secondary schools to other professors and young people. This was preparation activity for the next Workshop for young educators held in October 2019.

## WORKSHOP - YOUNG EDUCATORS



In the period of 9-11 October in Struga, Analytica think tank, in cooperation with Aspect- Advancing social practices by empowering common trust, organized the second workshop within the project “Strengthening gender balance in vocational secondary schools for young girls when choosing a future profession through education” funded by Embassy of Canada to Serbia, North Macedonia and Montenegro.

Professors and young students from three (3) different vocational high schools actively participated on the workshop. The aim of this workshop was to strengthen the role of society to recognize that young girls and boys are equal and can be professionals in different sectors of the work environment without regard to their gender.

## HIGH LEVEL EVENT FOR GENDER EQUALITY



Analytica and Aspect organized the high level event within the project "Strengthening Gender Equality". Wonderful performance of the students from the three high schools. The students showed us how to truly fight for gender equality through a simulated court case. Young people are the bearers of positive social change, and with this project they have shown that they can successfully overcome stereotypes about gender inequality. The struggle for gender equality is not just a struggle for equality as a

human right, but a struggle for a developed and advanced society.

The event was supported by the Minister Mila Carovska, Director of the Agency for Youth and Sports, Darko Kaevski and Canadian Ambassador to Serbia, Montenegro and Northern Macedonia, Kati Ksaba, as well as high school principals Zef Ljus Marku, Shaip Yusuf and Zdravko Cvetkovski. The project is supported by the Embassy of Canada to Serbia, North Macedonia and Montenegro and is implemented by Analytica and Aspect- Advancing social practices by empowering common trust.

## REGIONAL CONFERENCE ON "IMPROVING TOBACCO TAXATION POLICIES IN THE WESTERN BALKANS"



Analytica's results from the analysis of effective tax measures to reduce smoking were presented at a regional conference on "Improving Tobacco Taxation Policies in the Western Balkans" held today in Skopje. Analytica think tank, along with the University of Illinois at Chicago, have been researching the potential effects of raising cigarette prices on smoking cessation for the past two years. Analyzes have shown that if cigarette excise tax increases by 25%, cigarette consumption will decrease

by 8% and budget revenues from cigarette excise tax will increase by 12.6%.

The Minister of Health, Venko Filipce, emphasized the importance of continuous education by pointing out the extremely harmful consequences of smoking. According to the analysis, smoking is associated with a number of causes of death, including lung malignancies, heart and respiratory diseases.

## ROUND TABLE: IMPROVING TOBACCO TAX POLICY IN THE REPUBLIC OF NORTH MACEDONIA



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 – North Macedonia 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 North Macedonia. 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.

## ASSESSING THE CONFIDENCE-BUILDING MEASURES BETWEEN TWO NEIGHBOURS



Analytica organized the event for launching of the new joint report prepared by Analytica and Hellenic Foundation for European & Foreign Policy (ELIAMEP) and supported by the Embassy of Sweden“. The report is called “Cooperation in Education, Culture and Civil Society after the Prespa Agreement, How to move forward?” Analytica hosted the event, and the researchers presented the perspective from Analytica and ELIAMEP”, where they promoted the findings of the research on cooperation between North Macedonia and Greece in the field of education, culture and civil society. The project is supported by the Swedish Ministry of Foreign Affairs.

## TEAM MEMBERS' ADVOCACY AND PROFESSIONAL DEVELOPMENT ACTIVITIES

**WESTERN BALKANS GOVERNMENTS URGED TO STOP TAX DODGING AND RACE TO THE BOTTOM IN CORPORATE TAXATION**

Our researcher Bojana Mijovic Hristovska presented North Macedonia case of the Tax justice study in European Parliament. The research study Tax Justice in Southeast Europe – How to reduce inequalities? was produced in the framework of Balkan Monitoring Public Finance project, EU-supported initiative to improve the transparency and accountability of policy and decision making in the area of public finances. The study analyzes tax systems in seven Western Balkan countries (Bosnia&Herzegovina, Bulgaria, Kosovo, Macedonia, Montenegro, Serbia and Slovenia), identifying several developments and trends that need to be reshaped in order to achieve fiscal sustainability and tax justice. Our tax systems have become less redistributive since the mid-1990s, resulting in an increase in inequality, instead of decrease. The taxation burden shifted to indirect taxation of consumption rather than wealth, while tax exemptions for companies and rich individuals increased. This is shifting the tax burden to the less well-off parts of the society,' explained Bojana, one of the editors of the study and representative of the Macedonian think-tank Analytica.

The study finds that tax rates on capital are decreasing, followed by a relatively large number of incentives for companies, with the objective to give to the business a stimulating tax environment. However, this leads to large amounts of lost revenues for the financing of public services.

'Fighting for equal, fairer and just societies is at the very core of our policies and is fundamental to who we are as Social democrats. Fighting tax avoidance and corruption by ensuring tax justice is not only necessary but it is crucial for the future of progressive, modern, democratic and welfare societies. It is my honor to host an event that tackles just that: tax injustice within my own country as well as countries of Western Balkans. We need to act now and deliver results quickly. The longer we wait, the more citizens will turn away from politics. We all carry the responsibility,' urged Slovene MEP Tanja Fajon, the host of today's event in the European Parliament.

## EARLY EFFECTS OF PROGRESSIVE PERSONAL INCOME TAX



Within the framework of BMPF project, Finance Think presented the findings of the Analysis of Early Effects of Progressive Personal Income Tax. This is a result of their project supported by Analytica within the Balkan Monitoring Public Finance project.

## ANALYSIS OF THE IMPLEMENTATION OF MUNICIPAL BUDGETS



Our grantees Association of Financial Workers at the final conference presented the findings of the research: "Analysis of the implementation of municipal budgets." This is a result of their project supported by Analytica within the Balkan Monitoring Public Finance project. The Association of Financial Workers of Local Self-Government and Public Enterprises - Veles on June 3, 2019 in Hotel "Continental" - Skopje, held a conference to present the findings of the research: "Analysis of the implementation of municipal budgets." Our researcher Tamara Mijovic Spasova was one of the speakers of the event. The research analyzes the realization of the budgets of the LSGUs, namely Revenue Analysis and Expenditure Analysis in 2018 with a comparative analysis for the previous period.

The engaged experts and participants in the Conference had the opportunity to discuss the established conditions, to exchange information and good practices, and at the same time to give recommendations for future action. The target group of the survey was all 81 municipalities. The results of the analysis are useful for municipalities, mayors, municipal councilors and other interested users, such as: media, NGOs, business sector and citizens. The analysis is expected to contribute to the creation of transparent and accountable policies and decision-making processes in the field of public finance at the local level.

## THE 4TH ENSP-SRP INTERNATIONAL CONFERENCE ON TOBACCO CONTROL



Representatives from Analytica participated on the 4th ENSP-SRP International Conference on Tobacco Control "Economics of Tobacco Taxation" that was organized in Bucharest on March 27-29th, 2019. The University of Illinois at Chicago (UIC) organized a Pre-Conference Symposium about Tobacco Tax Policies in the European Region on March 25th and 26th. The

Pre-Conference Symposium aimed to exchange information about current research activities in the project as well as sharing information about further project activities. Participants were researchers and tobacco control experts from the Southeastern Europe region and beyond. The aim of this conference was the dissemination of high-quality research results and policy outputs about tobacco control policies in the region. Also, good examples from practice were presented by lecturers from different countries. Presentations were very interesting for all attendees: for Government policymakers, civil society and international organizations, researchers and health experts as well.

#### WORKSHOP - THE ELASTICITY OF DEMAND FOR TOBACCO PRODUCTS BY INCOME GROUPS



This event was part of the annual activities related to the project „Accelerating Progress on Effective Tobacco Tax Policies in Low and Middle-Income Countries“ and was organized in Belgrade by our project partner IES -Belgrade. Representatives of Analytica took part in the event. The workshop was related to the methodology for estimating the elasticity of demand for tobacco products by income groups, using Household Budget Survey Data. Lecturers were Professor Rijo M. John, Center for Public

Policy Research (CPPR) from India and Marko Vladislavjevic, researcher of the Institute of Economic Sciences, Belgrade.

#### RESEARCH AND DISSEMINATION WORKSHOP



This event was organized within the Project tobacco taxation that Analytica is working on continuously over this 3 years. Research and Dissemination Workshop was organized by Institute of Economic Sciences and University Illinois at Chicago in Bucharest. The aim of the workshop was to inform participants how to write an accessible and clear policy report and policy brief for policy. Also, the aim was to prepare key messages for policy documents as well as for social media for advocacy groups, journals etc. Participants of the Workshop were all project team members.

## THE WORKSHOP ON TOBACCO ECONOMICS IN SOUTHEASTERN EUROPE

The workshop about tobacco economics in Southeastern Europe was held in hotel Holiday Inn, Skopje, North Macedonia on December 11th, 2019. During this workshop, team members discussed about main results of the research for 2019 and finalizing national policy briefs as well as regional report which will be launched during the Policy Dialogue Event. Also, main key messages for policy makers and recommendations for improving tobacco taxation policy were topic of the discussion. This event is part of the annual activities related to the project „Accelerating Progress on Effective Tobacco Tax Policies in Low and Middle-Income Countries“. Representatives of national project teams from all consortium countries – Institute for Socio-Economic Analysis, Analytica, Democracy Plus, Development Solution Associates, University of Banja Luka, as well as representatives of the University of Illinois from Chicago and Institute of Economic Sciences, took part in the event.



## WORKING VISIT OF HIS EXCELLENCY STEFAN DION, CANADA'S AMBASSADOR TO GERMANY AND SPECIAL ENVOY OF THE PRIME MINISTER OF CANADA FOR EUROPE AND THE EUROPEAN UNION

Canada is a strategic partner of the Republic of North Macedonia and strongly supports our country in the development and integration processes. Analytica team met with His Excellency Stefan Dion, Canada's Ambassador to Germany and Special Envoy of the Prime Minister of Canada for Europe and the European Union. At the meeting, Tamara Mijovic Spasova and Bojana Mijovic Hristovska presented the projects of Analytica in the field of public finances, but also discussed the processes for harmonization of the Macedonian legislation with the European directives. Among other things, Ambassador Dion was interested in the human rights situation, corruption, freedom of speech and public administration reform, as key areas in which fundamental reforms are needed.



## VISIT OF THE HONORARY CONSUL OF CANADA IN NORTH MACEDONIA, Aneta Pesheva



Analytica team was delighted to meet with Ms. Aneta Antova Pesheva, the Honorary Consul of Canada in North Macedonia. Canada is a strategic partner of the Republic of North Macedonia and strongly supports our country in the development and integration processes. At the meeting, the team presented the projects of Analytica and also presented the project “Strengthening gender balance in vocational secondary schools for young girls when choosing a future profession through education” funded by Embassy of Canada to Serbia, North Macedonia, and Montenegro.

## ROUND TABLE - SMOKING REDUCTION THROUGH EFFECTIVE TAX POLICIES



Analytica participated in a round table "Smoking reduction through effective tax policies" organized by the World Health Organization - WHO Skopje. All stakeholders were present (Customs Administration, Ministry of Health, Ministry of Foreign Affairs, Ministry of Agriculture, Forestry and Water Economy, Institute of Public Health, Secretariat for European Affairs)

## ECONOMIC REFORM PROGRAMME 2020 - 2022



Analytica participated at the High-level Conference for the Economic Reform Programme 2020 - 2022 "Economic and Financial Dialogue with EU - turning policy recommendations into reform measures". The conference took place at Marriott Hotel in Skopje on 22 May 2019. It brought together the ministers, representatives of the EC, CEF, IFIs, international organizations, donor community, universities, business community and civil society. The Conference

provided a forum to discuss joint conclusions from the Economic and Financial Dialogue with EU from 17 May 2019 for implementing structural reforms to overcome the obstacles to competitiveness and inclusive growth.

## SECTOR WORKING GROUP ON PUBLIC FINANCE MANAGEMENT



Analytica participated at the third 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 2019 Action Plan for the Public Finance Management Reform Program 2018-2020.

## SEVENTH REGIONAL WORKSHOP - BALKAN MONITORING PUBLIC FINANCES PROJECT



Analytica's Team attended the seventh regional workshop within the project - Civil society organizations as equal partners in monitoring of public finance, which took place in Brussels in the period of 18-21 March 2019. At the same time, the whole team of the regional project participated in the regional conference DEBT ECONOMY AND ECOLOGICAL DEBT IN SOUTH-EAST EUROPE.

## CONFIDENCE BUILDING MEASURES BETWEEN NORTH 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 North Macedonia and Greece. The Analytica team participated in the event and talked about the processes in North Macedonia. The project is supported by the Swedish Ministry of Foreign Affairs.

## Internship Programme



In 2019 Analytica did not have any interns from home or abroad.

## MEDIA COVERAGE

In 2019 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>

[https://1tv.mk/makedonija/%D0%B4%D0%B5%D0%B1%D0%B0%D1%82%D0%B0-%D0%BF%D1%80%D0%B8-%D0%BC%D0%BE%D0%B4%D0%B5%D0%BB%D0%BE%D1%82-%D0%BD%D0%B0-%D1%98%D0%B0%D0%B2%D0%BD%D0%BE-%D0%BF%D1%80%D0%B8%D0%B2%D0%B0%D1%82%D0%BD%D0%BE-%D0%BF/?fbclid=IwAR31o4CWP5VCXgTHZhc0Br3zyMhO-CFthjdTtoFtbTvG2Y7vmMY-r\\_Ornl](https://1tv.mk/makedonija/%D0%B4%D0%B5%D0%B1%D0%B0%D1%82%D0%B0-%D0%BF%D1%80%D0%B8-%D0%BC%D0%BE%D0%B4%D0%B5%D0%BB%D0%BE%D1%82-%D0%BD%D0%B0-%D1%98%D0%B0%D0%B2%D0%BD%D0%BE-%D0%BF%D1%80%D0%B8%D0%B2%D0%B0%D1%82%D0%BD%D0%BE-%D0%BF/?fbclid=IwAR31o4CWP5VCXgTHZhc0Br3zyMhO-CFthjdTtoFtbTvG2Y7vmMY-r_Ornl)

<https://lokalno.mk/debata-pri-modelot-na-javno-privatno-partnertvo-da-se-definiraat-site-rizitsi-i-mozhnosti/?fbclid=IwAR0TrJUNly-a46RrceRAHgfEAAI-CY3rf0CTBHRyqL-2gKTzjnpPBb7gE9E>

[https://faktor.mk/odrzana-javna-debata-na-tema-javno-privatno-partnerstvo-kako-ekonomski-model-za-investiranje?fbclid=IwAR3Jlwr1kS6l04f\\_P-eagcF3HGyd-DNbzYuTmCOHL-lhdcazMkhRvK2RIDo](https://faktor.mk/odrzana-javna-debata-na-tema-javno-privatno-partnerstvo-kako-ekonomski-model-za-investiranje?fbclid=IwAR3Jlwr1kS6l04f_P-eagcF3HGyd-DNbzYuTmCOHL-lhdcazMkhRvK2RIDo)

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[https://www.biznisvesti.mk/so-pokachuvane-za-aktsizite-na-tsigarite-mozhe-da-se-vlijae-kon-namaluvane-na-pusheneto-i-zachuvuvane-na-javnoto-zdravje/?fbclid=IwAR3iT9amViTw7tsAk19CpycVJsKF-a3tqoXD2d1YowoUah3\\_tkJbRZOVLY](https://www.biznisvesti.mk/so-pokachuvane-za-aktsizite-na-tsigarite-mozhe-da-se-vlijae-kon-namaluvane-na-pusheneto-i-zachuvuvane-na-javnoto-zdravje/?fbclid=IwAR3iT9amViTw7tsAk19CpycVJsKF-a3tqoXD2d1YowoUah3_tkJbRZOVLY)

[https://www.youtube.com/watch?v=pJYQc\\_FfzUE&feature=youtu.be&fbclid=IwAR2rdkp2OkG-qGI7cfcHFevMySRc88pMvgjnGrN2is1Wj\\_OVVTIEJVeWUIQ](https://www.youtube.com/watch?v=pJYQc_FfzUE&feature=youtu.be&fbclid=IwAR2rdkp2OkG-qGI7cfcHFevMySRc88pMvgjnGrN2is1Wj_OVVTIEJVeWUIQ)

[https://telma.com.mk/po-dogovorot-od-prespa-zgolemena-sorabotka-vo-kulturata-obrazovaniето-i-nvo/?fbclid=IwAR07l-x1Q\\_jPrU\\_WvvsApFqJvtdc2WiyEed43XPUmq\\_XfUpP8-nqmMD-E](https://telma.com.mk/po-dogovorot-od-prespa-zgolemena-sorabotka-vo-kulturata-obrazovaniето-i-nvo/?fbclid=IwAR07l-x1Q_jPrU_WvvsApFqJvtdc2WiyEed43XPUmq_XfUpP8-nqmMD-E)

<https://24info.mk/%d0%b7%d0%b0%d1%98%d0%b0%d0%ba%d0%bd%d1%83%d0%b2%d0%b0%d1%9a%d0%b5-%d0%bd%d0%b0-%d1%80%d0%be%d0%b4%d0%be%d0%b2%d0%b0-%d0%b5%d0%b4%d0%bd%d0%b0%d0%ba%d0%b2%d0%be%d1%81%d1%82-%d0%b2%d0%be-%d1%81%d1%80/?fbclid=IwAR1YondR7DhKFVq4zocriVVMCOXlmxTayg65iwBKrfACoKssCWdnqDKjJOE>

## FINANCIAL REPORT 2019

<b>Name of the organization:</b> Association for policy research Analytica							
<b>Address:</b> 11 Oktomvri 86/7-1, Skopje, North Macedonia							
<b>Balance of Expenditures and Revenues for the period 01.01.2019 - 31.12.2019</b>							
No.	Description				Amount in MKD denars		
<b>I Expenditures</b>							
1	Spent materials				57,319.00		
2	Phone/internet				23,744.00		
2	Expenses for royalties				2,370,255.00		
3	Rent				178,466.00		
4	Costs for utilities				49,074.00		
5	Other services				713,566.00		
6	Salaries				56,091.00		
7	Bank services and commission				37,010.00		
8	Personal income tax				27,858.00		
9	Exchange Rates difference				46,927.00		
<b>Total expenses</b>					<b>3,560,310.00</b>		
<b>II Revenues</b>							
13	Donations				3,525,198.00		
14	Interest rate				0.00		
<b>Total Income</b>					<b>3,525,198.00</b>		
15	Balance of Revenues and Expenditures for 2019 (income - expenses)			-	35,112.00		
16	Transfer of surplus from previous years ( year 2018 )				38,818.00		
17	<b>Surplus of revenues for the next year 2020</b>				<b>3,706.00</b>		
Person responsible for the Balance Sheet Signature							
Signature :							
<b>Turker Miftar</b>							

Name of the organization: Association for policy research Analytica Skopje

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





# Annual Report 2019

Ul. 11 Oktomvri 86/1-7  
1000 Skopje, Macedonia

 +38923151948

 [info@analyticamk.org](mailto:info@analyticamk.org)

analyticamk



[www.analyticamk.org](http://www.analyticamk.org)