



Center for
Research and
Policy
Making

... policy impact since 2004

Annual Report

December 24
2015

This document summarizes the activities undertaken by the Centre for Research and Policy Making in the course of implementation of its 2015 work program. It reports on outputs and impact the CRPM work has on policy making in Macedonia and South East Europe.

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I. General Report

1. Implementation of programs / projects and achievement of planned objectives

Two main objectives outlined in the CRPM's Strategic Plan 2012-2015



To consolidate and maintain the reputation of regional think tank leader



To develop into high quality provider of non-formal education through the School of public policy 'Mother Theresa'.

CRPM's Plan for Work and Growth in 2012-2015 outlines a bold vision for our think tank. We envisioned CRPM to become the biggest most influential Balkan think tank offering sound analysis and advice and influencing the policy agenda of Macedonia and the Southeast European region in the various areas of our work. This year our activities were directed towards realization of two main objectives outlined in the CRPM's Strategic Plan 2012-2015: (i) to consolidate and maintain the reputation of regional think tank leader; and (ii) to develop into high quality provider of non-formal education through the School of public policy 'Mother Theresa'.

Considering that the country is progressing in the euro-integration processes CRPM has decided to organize its work around the political criteria and the reforms related to Chapter 23 and 24. To this end CRPM advanced its good governance portfolio with the implementation of several pioneer projects that allow for systematic review and development of monitoring methodology for measuring progress in good governance. The projects also aim at developing civil society capacity and enhancing its watchdog role.

In 2015 CRPM has strengthened its visibility as leading think tank in the Western Balkan region by hosting two schools: the School of Public Policy "Mother Theresa" (established in 2011) and the Regional Academy for Democracy.

The School is part of seventeen schools of political studies organized in cooperation with the Council of Europe, whereas RAD is a project financed by EIDHR (regional program) and Vishegrad + fund for the Balkans.

2. Academic activity of CRPM members

CRPM staff continues with its academic activity in the course of 2015. Docent Risteska Marija published a chapter in a book with a renown publisher Springer and she also participated at an academic conference and published article in conference proceedings

The President of CRPM, Prof. Daskalovski was on demand giving lectures in Macedonia and the region. He participated in numerous conferences and published several articles.

2.1. Conference participation

„Local government forging open dialogue with communities – how CSOs and local government can work together”.

Dr. Marija Risteska participated at the conference: **Improving Performance of Public Administration: Current experiences and future perspectives** organized by the European Policy Centre in October in Belgrade 2015

Emil Shurkov participated Marie Curie IAPP Conference – Zagreb 2015 “Tackling Undeclared Work – Asymmetry between Formal and Informal Institutions” talking about **Declaration of Informality: Macedonian Hidden Economy Dynamics among Policies and Politics**

Qendresa Sulejmani attended the **Western Balkans OGP Dialogue in Tirana** in September 2015. In this convention Qendresa moderated a panel on the topic „*Local government forging open dialogue with communities – how CSOs and local government can work together*”. The speakers in this panel were ErionVeliaj, mayor of Tirana; ShpendAhmeti, mayor of Prishtina; and TeutaArifi, mayor of Tetovo. She was also a panellist on the panel *Independent Reporting Mechanism-Holding OGP Governments to Account*.



CONFERENCES 2015



2.2. Academic publishing



Risteska, M, Miseva, K. (2015) The application of international law in Macedonia in " *Judicial Application of international law in Southeast Europe*", Rodin, Siniša, Perišin, Tamara (Eds.), Springer

Risteska Marija (2015) "The Macedonian system of policy evaluation scattered not linked" in the Improving Performance of Public Administration: Current experiences and future perspectives (Conference Proceedings) , European Policy Centre, Belgrade 2015

2. CRPM policy research and analysis work

CRPM managed to maintain and increased the reputation of being a leading Macedonian think tank offering original, excellent quality studies and briefs. The organization developed different products such as policy studies, policy briefs that are following the internationally accepted standards, but CRPM focused on the context and environment in Macedonia. In the course of 2015 we have worked on the following research areas:

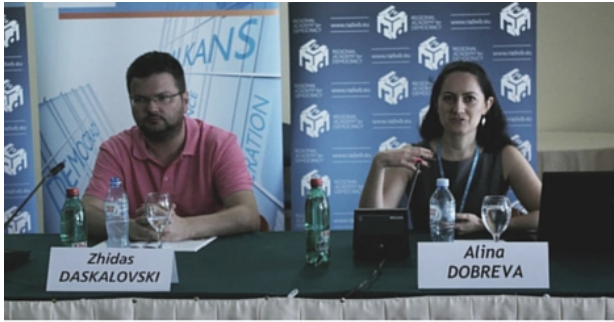
3.1. Macedonian politics

Regional Academy for Democracy (RAD)

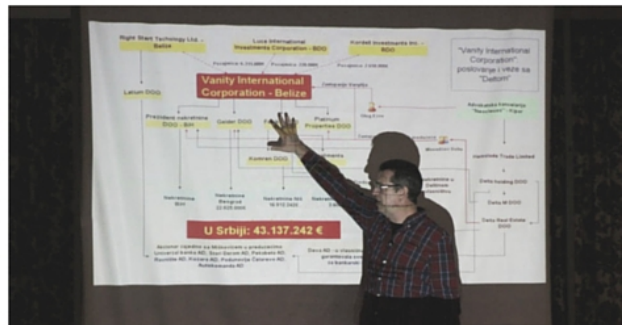
The third generation of CRPM students completed the program of RAD (Regional Academy for Democracy; <http://www.radwb.eu/>).

The project Regional Academy for Democracy is implemented by seven civil society organizations, members of the Network of Schools of Political Studies operating under the auspices of the Council of Europe. Structured in three yearly cycles, the RAD gathered 150 political leaders from Albania, Bosnia-Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia (7 per country per year) in a joint experience of extensive learning and exchange. Each year, four highly interactive seminars were organized and same group of participants were engaged in the one study visit for the Justice and Security Cooperation and Minority Rights Building Democratic Institutions (Year 1), Human Rights Building Democratic Institutions (Year 2), and Media and Status of Media in the Balkans, discussing the following topics: The changing role of the media in the 21st century; Role of public service broadcasters; Freedom of expression and media governance; Investigative journalism and the role of the media in fighting corruption; Global media in local settings; Internet use and the emergence of new media.





REGIONAL ACADEMY FOR DEMOCRACY (RAD) JULY 2015, OHRID



Funded by: European Instrument for Democracy and Human Rights regional program

Milton Friedman Legacy for Freedom

On 31 July, 2015, CRPM joined other institutions across the world to honor the life and legacy of the esteemed economist Milton Friedman. Within the School of Public Policy |Mother Teresa| two events were organized in Skopje and Bitola attended by representatives of the alumni and the new generation of the participants of the school and other guests.

Friedman Legacy Day is one way of remembering Milton Friedman and the impact he and his ideas have had in the world. The Friedman Legacy Day was organized on 31 July, the date on what would have been Milton's 101st birthday. The project team organized two events in Skopje and Bitola attended by students and guests interested in the Friedman Legacy. Several guest speakers and professors talked about the "Legacy of Milton Friedman in the politics", "Monetary policy", "Educational choice" and "Individual freedom".



Funded by: Friedman Foundation for Educational Choice

The School of Public Policy |Mother Theresa| 2015/2016



23

Participants



4

Seminars (weekend courses)



35

Weekly lectures on different topics related with the Public Policy



ONE

World Forum for Democracy participation at Council of Europe



MAJKA TEREZA
UNIVERSITETI "SANTER" TIRANA



COUNCIL OF EUROPE
CONSEIL DE L'EUROPE



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The School of Public Policy |Mother Theresa| is organized by CRPM from January 2011. This project is part of the network of nineteen schools of political studies organized in cooperation with the Council of Europe. From 2013 in the network of school are included three new schools from Tunisia, Morocco and the Vishegrad group.

From January till December 2015, our organization team organized the following activities: four seminars (weekend courses), thirty five weekly lectures on different topics related with the Public Policy and the World Forum for Democracy which was held in November 2015 at the Council of Europe. The subjects of the weekend courses are: Improving Public Policies in the Western Balkans, Euro-Atlantic enlargement and Multiculturalism in theory and practice.

In October 2015, the 2015/6 generation of students of CRPM School of Public Policy |Mother Teresa| commenced its school year. The students actively participated at ten weekly discussions, two REKOM roundtables and two weekend seminars in 2015. This fall the focus of the School was on the topics Improving Public Policy, Issues in Euro-Atlantic affairs and enlargement.



Funded by: Council of Europe and NATO

Supporting the REKOM process

In 2015, the CRPM team continued to work in the field of transitional justice through its participation in the project aimed at enhancing respect for, and compliance with, human rights in post-Yugoslav states, through strengthening the REKOM process aimed at reaching a regional consensus about the past that is based on facts, and at advancing the process of

reconciliation between different communities, groups and institutions, including civil society organisations, religious communities and political decision makers, which represent conflicting interests and views on issues related to wars in the Western Balkans in the 1990s.

In 2015 CRPM was active in the REKOM process (<http://www.recom.link/>) organizing public discussions on the topic of transitional justice and reconciliation. REKOM is a *regional commission for the establishment of facts about war crimes and other serious violations of human rights* committed in the former Yugoslavia from January 1, 1991 until December 31, 2001. The **Initiative for REKOM** advocates for the establishment of REKOM.

Funded by: European Instrument for Democracy and Human Rights regional program, and Rockefeller Brothers Fund

Courts as Policy-Makers?: Examining the Role of Constitutional Courts as Agents of Change in the Western Balkans

The study focuses on constitutional courts in Macedonia, Kosovo, Albania and Bosnia and Herzegovina. However, in order to be able to narrow down the scope of the study, the actual analysis will focus on specific case law concerning difficult constitutional and political issues. In that sense, we deploy what might be termed a multi-level case study approach, where at one level, courts as institutions are treated as cases to be studied, while at another level, specific decisions of those courts are treated as cases studies as well.



The „most difficult case“ design will be employed when selecting specific constitutional court decisions in each of the countries covered by the project. In other words, the underlying hypothesis that constitutional courts have made a positive contribution to political and social change and overall transition to democracy will be tested on cases that are „the most challenging and least favorable to it.“

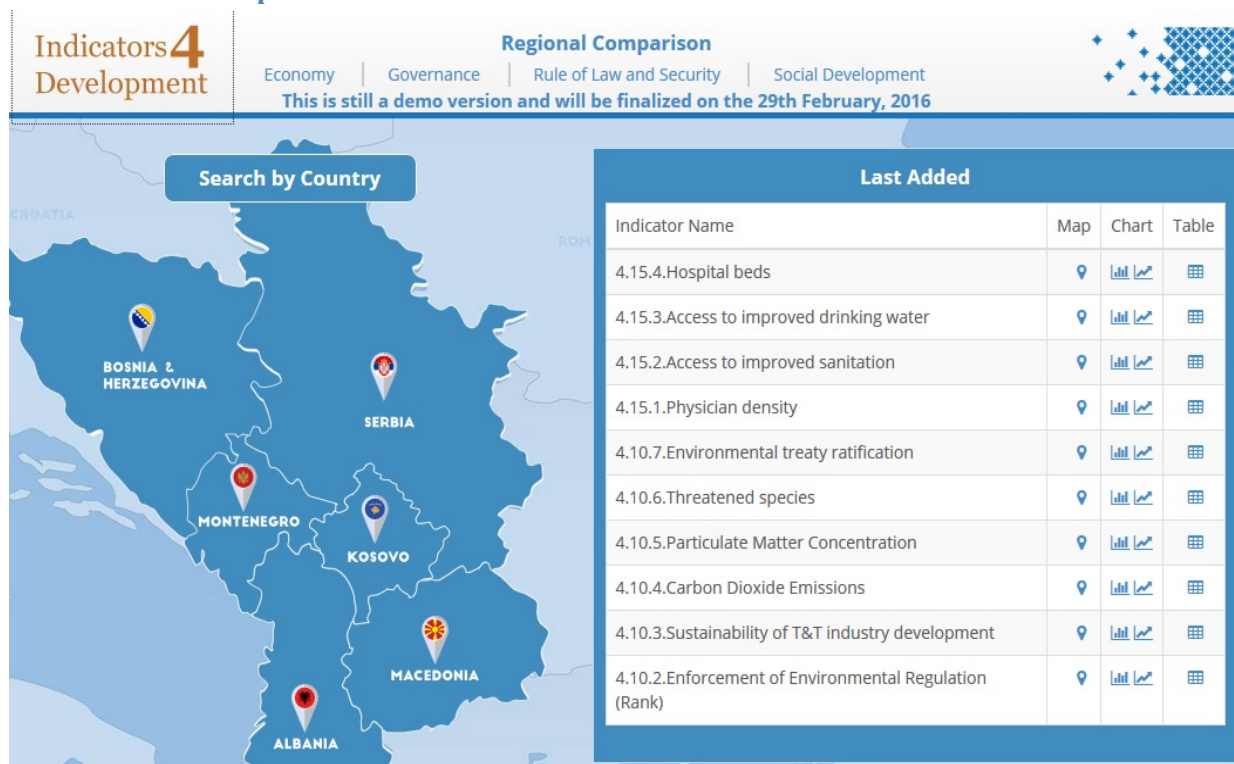
Up to six cases (constitutional court decisions) that have marked the four states' respective transitions to democracy (dealing broadly with power-sharing, ethnic/minority rights, federalism/organization of government, or issues pertaining to division of powers) will be thoroughly examined.

In particular, it will be examined how the specific cases have been initiated, deliberated, decided and what the follow-up was (in terms of acceptance and implementation of the decisions in question). The specific court-rulings will be selected based on the preliminary research in the preparatory phase of the study, during the first month upon the start of the project.

Funded by: SDC / Regional Research Program

3.2. Human development

Indicators 4 Development



This project aims to instigate competition among countries in the Western Balkans for performance of public authorities through the use of an upgraded platform (www.indicators4development.org). The collection of data for standardized indicators for six regional countries enables comparison of their performance, expecting to put in motion public shame in countries lagging behind others. CRPM uploaded more than 200 data for the same number of indicators which contributed for more accurate image on the regional standings and states in the field of rule of law, economy, governance and social development. For more information, please visit: <http://ind4dev.scards.com/Home/Index>

Funded by: Think Tank Fund

2.3. Migrations and brain drain

MIPEX

The CRPM is in the process of assessing migrant integration policies in Macedonia through the Migrant Integration Policy Index which aims to evaluate and compare what governments are doing to promote the integration of migrants. The MIPEX is a reference guide and an interactive tool to



examine, compare and improve integration policies in 31 countries in Europe and North America.



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Policy indicators in seven policy areas are analyzed: Labor Market Mobility, Family Reunion, Education, Political Participation, Long-term Residence, Access to Nationality, and Antidiscrimination.

The goal is to establish the extent to which all residents are legally entitled to equal rights and responsibilities as well as to any support that addresses their specific needs to make equal opportunities a reality.

During 2015, CRPM updated the Migrant Integration Policy Index on 2015. MIPEX aims to be a regular assessment on a widening range of policy areas, critical to a migrant's opportunities to integrate in European countries. The unofficial data for 2015 show that Macedonia does not much differ compared to the countries from the region and still needs to be done in providing inclusive and sustainable measures for fully integration of the legal migrants. For more information, please visit: <http://old.mipex.eu/macedonia-fyrom>

Funded by: Balkan Trust for Democracy

2.4. Sustainable development

Initiative to Enhance Public Dialogue on Sustainable Use of Energy (funded by EU and government of Republic of Macedonia)

CRPM successfully concluded the Initiative to Enhance Public Dialogue on Sustainable Use of Energy – an IPA Cross Border project which aimed to create ground and conditions for

effective use of energy at local level through increased understanding and cooperation among local government units, business community, public and other relevant stakeholders. In 2015, CRPM attended the regional conference in Korca organized by the Albanian project partner *Academy of Political Studies* when were analyzed the draft version of the Platforms for Action in Bitola and Kicevo, as well as

More than 35 exhibitors from Macedonia and Albania exhibited different range of products such as solar collectors, software solutions for rational handling of energy, household appliances with high energy class, modern heating and cooling appliances, windows with high energy characteristics and etc

the regional one. The project activities were crowned by organizing an Energy Efficiency Fair in Bitola.

Also the fair was attended by banks that presented its “green” credit lines for improving energy efficiency in the habitats, as well as non-governmental organizations presenting their implemented projects. During the Fair, CRPM presented the official versions of the Platforms for Action as well as the policy paper



Funded by: EU CBC Program between Macedonia and Albania; the Ministry of local self-government of R. Macedonia

Strengthening the Role of NGOs in Parliamentary Dialogue Processes Relating to Climate Change Mitigation and Energy Efficiency / Strengthening the Role of NGOs in the Public Dialogue on Climate Protection in South East Europe

How to effective involvement?

After disseminating semi-opened questionnaires aiming to detect the real needs of the NGO, CRPM organized two day training on 4-5 March, 2015 in h. Molika, Bitola. The two day training session with the NGO activists aimed strengthening their knowledge on the actual states, policies and national position regarding the climate change and the energy efficiency. In the framework this project, another output was delivered – a publication titled “How to effective involvement?”. This publication presents a guide which clearly explains all the steps to be taken by civil society organizations and stakeholders in order to realize sustainable projects in the field of energy efficiency. In late September this year, CRPM together with several NGO activists and representative from the Municipality of Ilinden, attended the Regional conference in Podgorica *Energy Development Democracy*.



Funded by: GIZ ORF, and DBU



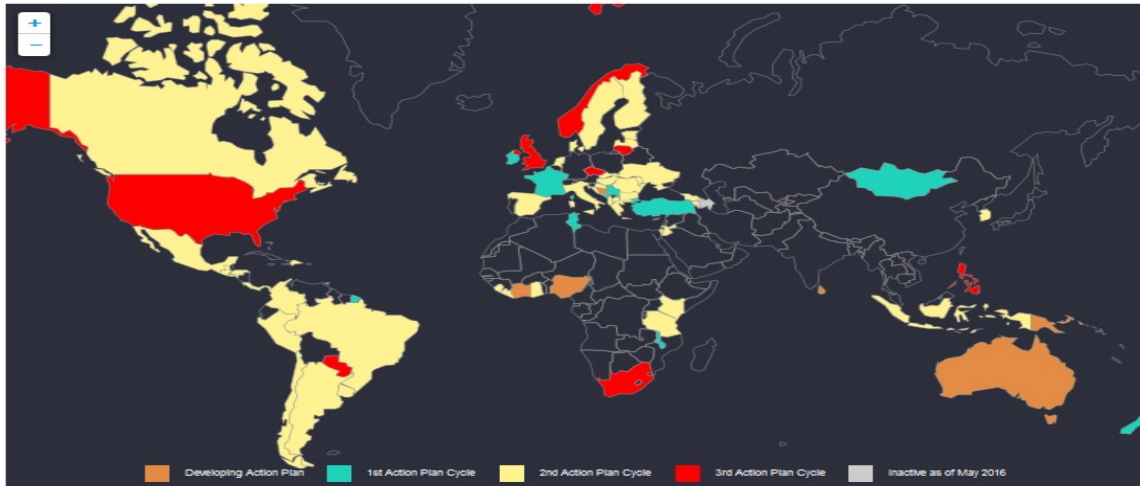
2.5. Good governance and budget monitoring

Advocacy for Open Government: civil-society agenda-setting and monitoring of country action plans

In 2015, within the project *Advocacy for Open Government: civil-society agenda-setting and monitoring of country action plans*, CRPM has mainly conducted research and monitoring activities which set the stage for the intensive advocacy activities that will follow in 2016 for the drafting of the new OGP national action plan.

What is the Open Government Partnership?

OGP was launched in 2011 to provide an international platform for domestic reformers committed to making their governments more open, accountable, and responsive to citizens. Since then, OGP has grown from 8 countries to the 70 participating countries indicated on the map below. In all of these countries, government and civil society are working together to develop and implement ambitious open government reforms.



- A monitoring report on the performance of the working groups for the implementation of the OGP Action Plan 2014-2016 was publicized in June 2015. It offers a set of feasible recommendations at the initial stages of implementation, aiming to help working groups organize their work better. The conclusions and recommendations of this analysis will also serve CRPM in its advocacy efforts during the drafting of the next OGP Action Plan 2016-18.
- Between August and September the omnibus polls on public trust in government institutions was conducted with a representative sample of 1101 respondents throughout the territory of Macedonia. This omnibus poll survey provided evidence about the opinion and experiences of citizens with central level institutions as well as their needs and expectations. Together with the scorecards (presented below) this poll informed the three policy briefs that followed.
- Scorecards were developed between July and November 2015 and they evaluated the performance of 19 central level institutions (Government, Parliament, Health Insurance Fund, Pension and Disability Fund and 15 ministries) over 8 categories of good governance. The results served for the argumentation and analysis of institutions' challenges in good governance in the three policy briefs that followed.
- Sections of the Open Government Guide, which are most relevant to the priorities of the Macedonian OGP Action Plan were translated in Macedonian. They should serve the engaged stakeholders in making quality commitments for the OGP Action Plan 2016-18.
- CRPM organized a webinar on Monitoring and Evaluation, attended by civil servants and civil society representatives from the region. It emphasized the important role of civil society in monitoring and evaluating government policies.
- Three policy briefs on the topics (1) transparency, (2) accountability, (3) participation were the main outputs of the research conducted by CRPM throughout 2015.

All activities conducted in the first year will back up CRPMs advocacy campaign in 2016 for a participatory consultation process and quality, innovative measures in the OGP Action Plan 2016

Funded by: EU (FPA / Civil society facility) and the British Embassy in Skopje

“Exchange of EU best practices on monitoring anticorruption measures on local level”

The overall objective of the project was to foster anticorruption and good governance practices at local level that will enable sustainable environment for social, economic and environmental development. The specific objectives of the project included building capacities for anticorruption monitoring at local level, generating data and analysis on municipal level by piloting systematic review of mechanisms for transparency and accountability at local self-government level (in 43 municipalities) and to raise awareness on anticorruption and good governance practices at local level.



Project partners were NGO “Gong” (Zagreb, Croatia); Green Power (Veles); EHO (Shtip); Center for European Development and Integration (Bitola); Association for Local and Rural Development (Tetovo) Bujrum (Kumanovo); Local Development Agency (Struga)

Target groups: Civil society organizations and Local self-governments located in the targeted regions

Final beneficiaries: ZELS, Ministry of local self-government, Ministry of information society and administration,,State commission for anticorruption, Citizens

Funded by: EU IPA TAIB 2010 program and co-funded by the Ministry of local self-government and UNDP

“Developing indicators for measuring good governance – Index of good governance in Macedonia”]



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Indicators for measuring good governance



8

Categories of good governance

Through the activities, the project addressed the following issues: limited capacity for anticorruption monitoring; little evidence on corruption practices on central level; absence of strict and objective good governance EU accession progress benchmarks. Hence, its main objectives are:

- To include civil society in the accession process before start of negotiations;
- To generate data and analysis on corruption by piloting systematic review of mechanisms for transparency, participation and accountability at central level institutions;
- To advocate for strict and objective indicators for measuring good governance achievements by accession countries.

For the purpose of achieving these goals, the following methodology was applied:

Initially, a total of eight dimensions of good governance were defined for the purpose of the research, taking into account the specific competences and modalities of work of Macedonian state institutions. Thus, total of 133 indicators were developed, that were grouped into 8 categories of good governance. Each indicator was assigned with a specific score, but some of the indicators were interpretative, meaning that the indicator is just helping the researcher to better understand the processes that are subject of the research.

The research was conducted in the period May – September 2015 and the research encompassed 19 institutions: The Government, the Parliament, two funds and 15 ministries

Funded by: European fund for the Balkans

Promoting Good Governance and Economic Rights through empowering Macedonian Civil Society to Monitor and Tackle the Hidden Economy in Republic of Macedonia

As part of the second phase CRPM team and the Center for the Study of Democracy (CSD) focused on the planned deliverables for 2015. It included a finalization of research and analysis of data retrieved in 2014 and the beginning of 2015 and it concluded into a successful publication of a Background analysis of the hidden economy in Macedonia and a Monitoring report and index of the hidden economy in Macedonia.



The publications and the data were presented at **1 workshop, 3 meetings** of the hidden economy task force, and a final Policy Forum on 13.10.2015 which gathered stakeholders from different government institutions, CSOs and the media. Awareness raising activities included sharing **3 more media notes, several event press releases, 2 interviews with media, 1 TV debate, 1 lecture** of the School of Public Policy – Mother Theresa. Additionally, **5 press conferences** were held in Tetovo, Veles, Ohrid, Bitola and Strumica which were used to engage with the local media and directly spread the data which would have otherwise been provided from Skopje media outlets. The project

ended with a successful completion of all deliverables on 17.10.2015 in cooperation with our Bulgarian partners - CSD.

Promoting social accountability tools at local level

The overall objective of the project was to promote the social accountability tools at local level – touch screen for 5 municipalities on which the citizens can leave their feedback in terms of the services provided by the municipalities.



Furthermore, the project included internship program which aim was to train the interns for assisting the municipal workers in using and taking advantage of the touch screen monitors accompanied with specially designed software for social accountability available here <http://www.moja-opstina.mk/> as a tools for social accountability.

ИЗБЕРЕТЕ ОПШТИНА			
АЕРОДРОМ	ДЕБАРЦА	КРИВА ПАЛАНКА	РАНКОВЦЕ
АРАЧИНОВО	ДЕЛЧЕВО	КРИВОПАШТАНИ	РЕСЕН
БЕРОВО	ДЕМИР КАПИЈА	КРУШЕВО	РОСОМАН
БИТОЛА	ДЕМИР ХИСАР	КУМАНОВО	САРАЈ
БОГДАНЦИ	ДОЈРАН	ЛИПКОВО	СВЕТИ НИКОЛЕ
БОГОВИЊЕ	ДОЛНИ	ЛОЗОВО	СОПИШТЕ
БОСИЛОВО	ГОРЧЕ ПЕТРОВ	МАВРОВО И РОТУША	СТАРО НАГОРИЧАНЕ
БРВЕНИЦА	ЖЕЛИНО	МАКЕДОНСКА КАМЕНИЦА	СТРУГА
БУТЕЛ	ЗЕЛЕНИКОВО	МАКЕДОНСКИ БРОД	СТРУМИЦА
ВАЛАНДОВО	ЗРНОВЦИ	МОГИЛА	СТУДЕНИЧАНИ
ВАСИЛЕВО	ИЛИНДЕН	НЕГОТИНО	ТЕАРЦЕ
ВЕВЧАНИ	ЈЕГУНОВЦЕ	НОВАЦИ	ТЕТОВО
ВЕЛЕС	КАВАДАРЦИ	НОВО СЕЛО	ЦЕНТАР
ВИНИЦА	КАРБИЊЦИ	ОХРИД	ЦЕНТАР ЖУПА
ВРАПЧИШТЕ	КАРПОШ	ПЕТРОВЕЦ	ЧАИР
ГАЗИ БАБА	КИСЕЛА ВОДА	ПЕХЧЕВО	ЧАШКА
ГЕВГЕЛИЈА	КИЧЕВО	ПЛАСНИЦА	ЧЕШИНОВО-ОБЛЕШЕВО
ГОСТИВАР	КОНЧЕ	ПРИЛЕП	ЧУЧЕР САНДЕВО
ГРАДСКО	КОЧАНИ	ПРОБИШТИП	ШТИП
ДЕБАР	КРАТОВО	РАДОВИШ	ШУТО ОРИЗАРИ

However, due to unresponsiveness of some of the municipalities, for example in Tetovo, the second cycle of the internship program did not take place due to technical reasons.



3. CRPM events

*International Conference:
EXCHANGE OF EU BEST
PRACTICES IN
ANTICORRUPTION
MONITORING ON LOCAL LEVEL
(April 28-30, 2015)*

The Center for Research and Policy Making organized an international conference named “Exchange of EU best practices in anticorruption monitoring on local level” which was held in Ohrid in the hotel Granit, in the days of April 28-30, 2015.

The conference was opened by Dr. Marija Risteska, CRPM Executive Director , UlusiSherifi, Chief of Cabinet of the Minister for local self-government and Robert Liddell, Minister Counsellor, Head of section for political, justice and home affairs issues, information and communication (on skype). The President of the State commission for prevention from corruption GoranMilenkov cancelled his participation just before the conference.

The conference featured four panels: (i) Panel one which introduced the audience with the best practices in anticorruption monitoring on local level in the Western Balkan region; (ii) Panel two was focused on the transparency as key precondition for local government integrity; (iii) Panel three was titled towards public value – responsive government open to citizen participation and (iii) Panel four was exploring the effectiveness and efficiency of the local governments.



Setting objective indicators for measuring governance in accession countries – the case of Index of good governance in Macedonia 2015

The results of the good governance research were presented at the final conference held in Hotel Porta, on 22.12.2015, and at the conference participated among others, MP Ermira Mehmeti, State Secretary in the Secretariat of European Affairs Ana Blazheska. The conference was opened by a speech delivered by Dr. Marija Risteska, executive director of CRPM.



More updates on the media coverage of the event are available here:

<https://www.facebook.com/media/set/?set=a.1185173068178932.1073741863.114500931912823&type=3>

Public Policy Forum in Skopje, Macedonia - 13.10.2015

Promoting Good Governance and Economic Rights through Empowering Civil Society to Monitor and Tackle the Hidden Economy

The Center for Research and Policy Making (CRPM) together with its partner from Sofia, the Center for the Study of Democracy (CSD) presented during a public policy forum held on 13 October 2015 at 11:00 h. in the conference hall of hotel Alexander Palace, Skopje, the results and recommendations of the project “Promoting Good Governance and Economic Rights through Empowering Civil Society to Monitor and Tackle the Hidden Economy”, which began back in February 2014. The forum was opened by the Head of the EU Delegation in Skopje Mr. Aivo Orav who noted the importance of tackling the hidden economy in the country, and in particularly undeclared employment and its negative impact on vulnerable groups. A special guest of the forum was Professor Colin Williams from the University of Sheffield, one of the foremost experts on undeclared work in Europe, who

delivered an overview of the emerging good practices in tackling informal employment in the European Union. Mr. Emil Shurkov from CRPM and Dr. Todor Yalamov from CSD presented the findings from the report *Monitoring the Hidden Economy: Trends and Policy Options*, an important policy guidance for the government and the private sector on tackling the hidden economy in the country. Dr. Marija Risteska, CRPM and Mr. Ruslan Stefanov, CSD presented the organisers' idea and progress on developing a Hidden Economy Task Force, a public private platform for policy dialogue, which has been joined by the Ministry of Labour and Social Policy and by other stakeholders. Below is a summary of the report's findings and key recommendations.

The hidden economy is a multidimensional phenomenon which depends on the scope of the legislation, the existence or lack of fiscal and tax discipline, the degree of complexity of the procedures for registration of business entities, the structure of the labor market and the effectiveness of inspection services and available resources. In this regard, the hidden economy cannot be accurately measured as a share of the overall economy, which in turn causes serious problems in planning of economic and social policies. There are different ways of measuring the hidden economy (direct and indirect), which lead to different results. Hence we have estimates of its share in this country vary from 45% of GDP (according to some international researchers), down to 30% according to estimates of the Ministry of the Economy. Other domestic analyses calculate the share of the hidden economy at 24% of GDP (CEA, 2012).



<http://www.crpm.org.mk/?p=14607>

World Forum of Democracy

The 2014/5 generation of students of CRPM School of Public Policy | Mother Teresa | graduated in November attending the World Forum for Democracy (<http://www.coe.int/en/web/world-forum-democracy/home>). The Strasbourg World Forum for Democracy is an annual gathering of leaders, opinion-makers, civil society activists, representatives of business, academia, media and professional groups to debate key challenges for democracies worldwide. The insights gathered during the World Forum meetings inform the work of the Council of Europe and its numerous partners in the field of democracy and democratic governance.



Visit of the European court of human rights and meeting with Justice MirjanaLazarovaTrajkovska



CRPM School of public policy Mother Theresa - Generation 2014-2015 students at the WFD 2015

RECOM public debates

Within the RECOM process CRPM has organized two debates in the course of 2015, one in Kumanovo and one in Skopje. The debates were supported by EU funded project on RECOM/KAS.



5. Outputs / Results:

5.1. Books

No books produced in the reporting period.

5.2. Videos

SPP videos

1. TV appearance of Zlatko Simonovski at Top Tema (Telma TV) on 10.11.2015

<https://www.youtube.com/watch?v=-Rg8rclOxnY>



- <https://youtu.be/y8hMiqMkeCU>

5.3. Policy briefs

Policy briefs: *Saving democracy in Macedonia: what to do after the wiretapping scandal* published by CRPM: http://www.crpm.org.mk/wp-content/uploads/2015/03/PolicyBrief34_ENG.pdf

Policy study:

Index of good governance in Macedonia 2015



The results of the research have shown great discrepancies in terms of implementing practices of good governance. The average achieved result was 30% of the total score among the institutions, and the average result in terms of the categories of good governance is 31% of the maximum score.

Report is available at the following link:

<http://www.crpm.org.mk/wp-content/uploads/2015/12/INDEX-OF-GOOD-GOVERNANCE-IN-MACEDONIA-2014-eng.pdf>

LOTOS study of transparent, responsive and accountable local self-government

The results of the pilot systematic review on anticorruption policy implementation in 43 targeted municipalities are presented in the study. The study is available in the following link: <http://www.crpm.org.mk/wp-content/uploads/2015/07/02.Broshura-EN-final.pdf>

The study process resulted with development of 10 policy recommendations directed towards the local self-governments studied. The policy recommendations are available here: http://www.crpm.org.mk/wp-content/uploads/2015/08/Recommendations_%D0%9F%D1%80%D0%B5%D0%BF%D0%BE%D1%80%D0%B0%D0%BA%D0%B8.pdf

Monitoring report on the performance of the working groups for the implementation of the OGP Action Plan 2014-2016

It offers a set of feasible recommendations at the initial stages of implementation, aiming to help working groups organize their work better. The conclusions and recommendations of this analysis will also serve CRPM in its advocacy efforts during the drafting of the next OGP Action Plan 2016-18. The report is available here: [Working Groups and the Implementation of the OGP Action Plan in the First Quarter.](#)

Background Analysis on the Spread and Trends of the Hidden Economy in Macedonia



The partners finalized the *Background Analysis on the Spread and Trends of Hidden Economy in Macedonia*. The analysis involves a review of existing reports and data on the hidden economy in Macedonia as well as the available international sources. It also reviews the existing policy initiatives and whether these have been evaluated, as well as any planned such in the future. The analysis presents cross-section of existing data on the hidden economy in Macedonia and relevant policies, with the intention to review and summarize the knowledge-base on the issue and provide recommendations for better tackling the problem in the project’s final report.

Planned results (R2):

- Indicator 1. Delivered in-depth analysis of the state and dynamics of the hidden economy in the FYR of Macedonia and its negative effects.
- Indicator 2. Number of analyses of the state and dynamics of the hidden economy in the FYR of Macedonia and its negative effects. Target value: 5 (Background analysis, three policy briefs and Hidden Economy Monitoring Report)

Achieved result:

- Background report (71 pages) on the spread and trends of hidden economy in Macedonia (in three languages, English, Macedonian and Albanian) delivering an in-depth analysis of the hidden economy in the country. For more information see the report in three languages (Macedonian, Albanian and English) at the [CRPM website](#), [CSD website](#) and [SELDI website](#).

<http://www.crpm.org.mk/?p=13971>

Monitoring the Hidden Economy in Macedonia: Trends and Policy Options

The Hidden Economy Monitoring Report is the main analytical and policy output of the project and inputs data and ideas from all the previous activities. It contains a specific section with policy recommendations, which were addressed to the relevant authorities.

The report proposes the Hidden Economy Index as a methodology that would allow the tracing of the dynamics of the hidden economy and its components (e.g. hidden turnover, hidden employment, etc.) over time. It would make possible for the Macedonian government and its European partners to follow the impact and assess the effectiveness of their policies for tackling the hidden economy. Estimates suggest that the hidden economy size in Macedonia ranges from 24% to 47% of its GDP according to different measurement methods.

The report indicates that the percentage of hidden salaries remains the most acute concern, with the employment income of some 40% of Macedonian employees being at least partially undeclared. Moreover, 7% of all Macedonian employees work without a contract, and are not being paid any social security contributions whatsoever. The interviewed business representatives confirmed wide scale violations of the Labour Code. Over half of those respondents claimed that signing contracts with 'hidden clauses' (not accounting for the full remuneration paid out) were commonplace in their sector. Moreover, large-scale tax evasion seems to continue to pose a serious problem for the Macedonian economy and social system as the government tries to adjust them in order to be compatible with the principles of the market economy without imposing too extensive erosion of the social fabric and the existing social benefits. Tax avoidance is especially widespread among the poorest members of the society, which makes the underprivileged especially vulnerable as they may find themselves being criminally prosecuted for unpaid taxes or charged with paying large penalties. VAT returns are provided back to companies with significant time lags and represent additional burden for companies which are part of the formal economy. The issuance of cash register receipts also remains an issue, as only less than a half of the respondents claimed that they always received receipts when buying groceries. The situation is similar with the purchase of services.

The report is available in Macedonian, Albanian and English at:

CRPM website: http://www.crpm.org.mk/?page_id=227 and <http://www.crpm.org.mk/?p=14289>

CSD

website: <http://www.csd.bg/artShow.php?id=17489> and <http://www.csd.bg/artShowbg.php?id=17490>

SELDI website: <http://selDI.net/publications/publications-by-partners/monitoring-the-hidden-economy-in-macedonia-trends-and-policy-options/>



The role of the think tanks in the policy making process



This paper explores the role of think tank organizations in the policy process, their contribution to social democratization, the influence they exercise over policy creators and their ability for mobilization of the wider public. The research of these characteristics casts a different light on the manner political actors and the general public interpret the operating of think tanks.

The policy study is available only in Macedonian on this link:

<http://www.crpm.org.mk/wp-content/uploads/2015/10/Policy-Study-N.39.pdf>

Analysing Conditions and Needs to Improve Energy Efficiency in the Municipalities of Bitola and Kichevo: Enhancing Political Dialogue for Improved Energy Efficiency

This policy paper is a result of the Enhance Public Dialogue on Sustainable Use of Energy project funded by IPA program for cross-border cooperation between Albania and Macedonia. The Project in Macedonia is implemented by the Centre for Research and Policy Making (CRPM) from Skopje, while in Albania it is implemented by the Academy of Political Policy Studies (APPS) from Tirana. The aim of the project is to enhance the collaboration between the municipalities of Bitola and Kichevo in Macedonia and Korcha and Podgradec in Albania regarding the implementation of the set goals for sustainable energy utilization, decrease in the energy costs, and rational utilization of available resources in the bordering region. This policy paper aims to present the analysed data of the research implemented within the project in two neighbouring municipalities: Kichevo and Bitola. The research defined the points of view, opinions and experiences of all stakeholders in the local communities – citizens, civil servants, mayors, NGO's, commercial entities and journalists. By using adequate research instruments, such as interviews, questionnaires and documents analysis, CRPM got the picture of the situation related to the improvement of energy efficiency in Bitola and Kichevo, the potential to improve the energy efficiency portfolio in both municipalities, as well as the problems and challenges that citizens, companies, NGO sector and local government face regarding the rational energy use. Additionally, journalists from these regions were involved in the research in order to examine their perception and responsibility to intensify the public debate on this issue.



This analysis is divided in six chapters. Each factor subject to the research has been analysed from several aspects. Hence, the conclusions and recommendations besides being directed towards overcoming the detected weaknesses, problems and challenges for all parts involved, they also tackle each factor subjected to the research.

The policy is available on this link:

<http://www.crpm.org.mk/wp-content/uploads/AboutUS/CELA%20KNIGA.pdf>

5.4. Guides

Open Government guide

Sections of the Open Government Guide, which are most relevant to the priorities of the Macedonian OGP Action Plan were translated in Macedonian. They should serve the engaged stakeholders in making quality commitments for the OGP Action Plan 2016-18. Guide available here: [Translation of the Open Government Guide](#).

How to Participate Efficiently? : A guidebook on participating in the creation of public policies on energy efficiency

[This guide](#) is a concise overview of ideas, recommendations and experiences of CSOs from South East Europe region dealing with energy efficiency public policies. It is also an overview of methods through which certain results have been achieved. It consists of a number of advices on how to encourage and organize public dialogue, accompanied by specific examples. In order to be clear and distinct, it is divided into chapters aiming at state authorities, local authorities and civil society organizations. Nevertheless, the authors would like to advise the representatives of each of the target groups to read the recommendations for other target groups because the ability to understand the perspective of others is a prerequisite of a civilized, constructive and creative dialogue among the stakeholders, representing one of the foundations of a democratic and participatory society.

6. CRPM Trainings

Methodology workshop on development of indicators for measuring good governance

The methodology workshop was held in March (11-12th March 2015) in Skopje. It was used for transferring of experience of the project partner GONG from Croatia (from the DUH -Good Governance in Croatia). DujеPrkut was appointed by the Croatian partner as expert to present the DUH methodology and share their experience in conducting the research. On the workshop the CRPM team presented the review of projects already implemented in the good governance area in Macedonia and the circumstances concerning good governance practices so that to inform the process of methodology development towards Macedonian context and to avoid with this project duplication with other projects implemented.

Capacity building of CSOs to become active stakeholders in the fight against corruption by using the methodology for monitoring good governance practices on central level

The capacity building event took place in early July (2nd – 5th July 2015) in Ohrid. Namely, we have secured three experts participation on the training: Mladen Momcilovic (monitoring and evaluation expert to present the changed approach of the EU in the monitoring of progress of accession countries in good governance area); Dane Taleski (political analyst that will present the approach to good governance in the Western Balkan region); and Qendresa Sulejmani (who will present the open government partnership and the Macedonian commitments to the initiative).

The workshop featured one day training program on the methodology for research that the project will use. In this way the workshop will provide necessary context as well as pass on knowledge and skills to monitor good governance practices on central level.

LOTOS Peer Review and Pondering workshops



Peer Review and Pondering workshops were held from 18th to 24th of March 2014. The sessions were held individually with each of the local researchers from the eight planned region in Macedonia. During the workshops were discussed and reviewed the results from the research in terms of methodological soundness and argumentation. The aim of the workshops *inter alia* was to build the capacities of the local researchers and by that, to enhance the research capacities of the local partner organizations.

The LOTOS project team during these sessions was visited by the auditor from the European Court of Auditors, Mrs. Stephanie Girard, to whom the project were presented in terms of the objectives, results and the outcomes.

The argumentation and the comments from the peer reviewers were then entered into the LOTOS online data base, which is available at www.lotos.crpm.org.mk.

Strengthening the Role of NGOs in Parliamentary Dialogue Processes Relating to Climate Change Mitigation and Energy Efficiency / Strengthening the Role of NGOs in the Public Dialogue on Climate Protection in South East Europe

As mentioned above, after disseminating semi-opened questionnaires aiming to detect the real needs of the NGO, CRPM organized two day training on 4-5 March, 2015 in h. Molika, Bitola. The two day training session with the NGO activists aimed strengthening their knowledge on the actual states, policies and national position regarding the climate change and the energy efficiency.

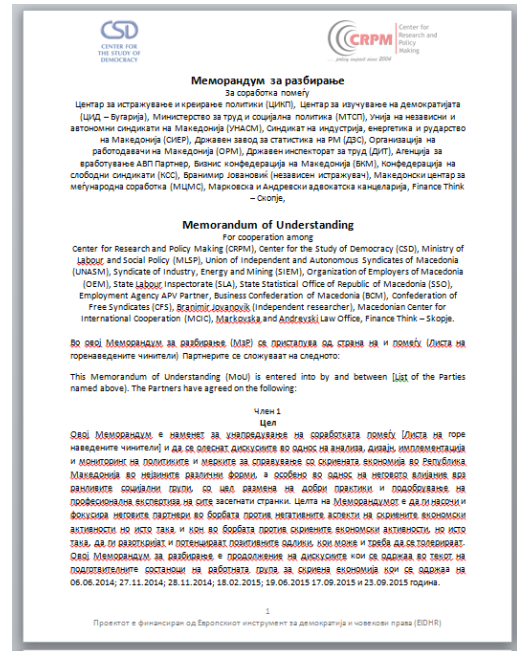


Webinar on Monitoring and Evaluation

In the framework of the project *Advocacy for Open Government: civil society agenda setting and monitoring of country action plans*, CRPM organized a webinar on Monitoring and Evaluation, attended by civil servants and civil society representatives from the region. It emphasized the important role of civil society in monitoring and evaluating government policies.

Hidden Economy Task Force Meetings in Skopje, Macedonia

The Hidden economy task force intended to foster cooperation between social partners, the government, civil society, academia and to facilitate discussions regarding the analysis, design, implementation, and monitoring of policies and measures to tackle the hidden economy in the Republic of Macedonia in its various forms, and in particular in relation to its impact on vulnerable social groups with the aim of exchanging good practices and enhancing the professional expertise of all. The parties of the HI Task force have signed a Memorandum of cooperation that aims to focus its partners both on tackling the negative aspects of hidden economic activities but also on pointing out to potential positive features, which can and should be tolerated. The MoU is a follow up to the discussions held during the preparatory meetings of the Task Force on Hidden Economy that took place on 06.06.2014; 27.11.2014; 28.11.2014; 18.02.2015; 19.06.2015, 17.09.2015 and 23.09.2015.



- <http://www.crpm.org.mk/?p=14627> ,
- <http://www.csd.bg/artShow.php?id=17419>,
- <http://seldi.net/events-and-news/seldi-events-and-news/conference-establishment-of-hidden-economy-task-force-in-republic-of-macedonia/>

7. Study visits

No study visit has been organized in the reporting period

II. Financial report

A. Financial report and balance sheet

Center for research and policy making

Financial report for the period 01.01.2015-31.12.2015

INCOME

A) Income from memberships	189,025.00 ден.
B) Income from interest rates and exchange rates	291,466.00 ден.
C) Income from donations	368,916.00 ден.
D) Income from projects	11,041,089.00 ден.
E) Income from own economic activity	137,000.00 ден.
F) Income from other years	26,725.00 ден.
G) Transferred surplus from last year	12,053,877.00 ден.

TOTAL INCOME

24,108,098.00 ден.

COSTS

1	Costs for publications and printing	1,139,916.00 ден.
2	Costs for office supplies	91,626.00 ден.
3	Costs for publications and printing	684,343.00 ден.
4	Costs for rent	576,000.00 ден.
5	Costs for rent of venues and equipment	396,008.00 ден.
6	Costs for telekom and other type of communication	87,623.00 ден.
7	Costs for communal services	126,568.00 ден.
8	Authorship honorarium	1,752,518.00 ден.
9	Contracts for services	1,679,080.00 ден.
10	Travel costs and per diems	1,351,392.00 ден.
11	Transfers to partner organizations	396,176.00 ден.
12	Costs of hotel and catering services	2,516,103.00 ден.
13	Translation costs	391,313.00 ден.
14	Audit costs	258,757.00 ден.
15	Intellectual services - consultants	9,250.00 ден.
16	Accounting services	87,945.00 ден.
17	Currier services	12,300.00 ден.
18	Other services	38,761.00 ден.
19	Paid membership to other organizations	30,974.00 ден.
20	Negative exchange rates	57,448.00 ден.
21	Bank fees	63,685.00 ден.
22	Write off of smallequipment	8,629.00 ден.
23	Equipment purchase	130,640.00 ден.
24	Other costs	9,660.00 ден.
25	Gross salaries	3,475,476.00 ден.
26	Paid personal income tax	273,283.00 ден.

**TOTAL
COSTS**

15,645,474.00 ден.

Transferred funds in 2016

8,462,624.00 ден.

Skopje, 28.02.2016

**BALANCE SHEET
31.12.2015****Assets**

A) Non-current assets

1	Basic assets	717,151.00 ден.
2	Correction of basic assets	405,418.00 ден.

B) Financial assets

1	Denar account	1,145,106.00 ден.
2	Foreign currency account	4,965,428.00 ден.
3	Petty cash	20,637.00 ден.
4	Master card	283,775.00 ден.
5	Short term loans	60,000.00 ден.
6	Excess in paid taxes	7,851.00 ден.
7	Committed funds	160,936.00 ден.
8	Deposited funds	2,000,000.00 ден.

**TOTAL
ASSETS**

8,955,466.00 ден.

Commitments

1	Commitments towards suppliers	165,256.00 ден.
2	earmarked assets for activities for next year	8,462,624.00 ден.
3	Commitments towards taxes	15,853.00 ден.
4	Operational fund	311,733.00 ден.
	TOTAL COMMITMENTS	8,955,466.00 ден.

Skopje, 28.02.2016

B. Income per donor in 2015

	Income 2015	Foreign Currency	MKD
		€	
14.01.15	COE PALAIS DE L'EUROPE STRASBOURG	1,140.00	
		€	
02.02.15	Network of EU. Found - NEF	5,996.00	(f-ra 01)
			MKD
20.02.15	GIZ Gmbh		83,288.00
		€	
27.02.15	FOND ZA HUMANITARNO PRAVO	1,300.00	
		€	
04.03.15	COE PALAIS DE L'EUROPE STRASBOURG	8,570.00	
		€	
01.04.15	SECRETARIAT INTERN OTAN BD LEOPOLD (NATO)	2,010.00	
		€	
07.04.15	DBU - STRONG SEE	1,746.00	

09.04.15	GIZ Gmbh		MKD
			79,264.00
		€	
14.04.15	PASOS - EUROPEAID/132438/C/AC	19,291.00	
			MKD
06.05.15	The regional enviromental Center		24.600,00
		\$	
07.05.15	Univesity of New South WALES	1,500.00	
			MKD
03.06.15	GIZ Gmbh		57,351.00
		€	
10.06.15	COE PALAIS DE L'EUROPE STRASBOURG	8,334.00	
		€	
15.06.15	BFPI BEOGRAD 431/VI	11,000.00	
		\$	
23.06.15	The German Marshal fund of the U.S. Att. GRAND 6382 IMD	9,360.00	
		CHF	
14.07.15	Analitika RRPP	9.952,00	
	NETWORK OF EUROPEAN FOUNDA AISBL RUE ROYALE 94 BE 1000	€	
30.07.15	BRUXE †	5,996.00	
		€	
10.08.15	SECRETARIAT INTERN OTAN BD LEOPOLD III 39 BE 1110	4,000.00	
	THE FRIEDMAN FOUNDATIONFOR EDUCATIONAL CHOICE INC 1	\$	
24.08.15	INDIANOP	993.00	
		€	
09.09.15	DBU - STRONG SEE	4,938.00	
			MKD
08.10.15	Britanska ambasada		147,526.00
		€	
13.10.15	FOND ZA HUMANITARNO PRAVO-REKOM	2,770.00	
		€	
14.10.15	COE PALAIS DE L'EUROPE STRASBOURG	8,088.00	
			MKD
15.10.15	GIZ Gmbh		33,581.00
		\$	
16.10.15	GRUPA 484 Beograd	1,000.00	
	CENTER FOR STUDY OF DEMOCRASY BU (second pre financing /	€	
02.11.15	under contract IPA 2013/335-595)	13,243.00	
		€	
13.11.15	INTEGRA ORG JOQ NGO PRUSTEM STST	800.00	
	European Commission Directorate General Budget Avenue d'Aude	€	
02.12.15	-IPA/201 3/331-738; Zlatko EE	2,267.00	
			MKD
04.12.15	GIZ Gmbh		29,948.00
		€	
15.12.15	DEMOCRACY FOR DEVELOPMENT	1,200.00	
		€	MKD
		102,689.00	637260
		\$	
		12,853.00	
		CHF	9.952,00
	TOTAL		

