

Balkan Green Foundation (BGF)

Grant number: TFOC0461

INDEPENDENT AUDITOR'S REPORT

and

Financial Report

for the period 16 February 2023 to 31 December 2023

Kosovo Green Action Project

Contents

SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT.....	1
Financial report for the period 16 February 2023 – 31 December 2023	3
1. General.....	4
2. Project Overview.....	4
3. Summary of significant accounting policies and general information	6
4. Donor Funding	7
5. Operating costs	7
6. Training & Fieldwork Monitoring.....	7
7. Goods.....	7
8. Implementation agreements.....	8
9. Funds reconciliation.....	9
9.1. Funds remaining balance at FOL (Implementing partner)	9
9.2. Funds remaining balance at ODK (Implementing partner)	9
APPENDIX B – Management Letter	10
Annex 1. Financial report.....	13

SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT

To: Management of the Balkan Green Foundation (BGF)

Opinion

We have audited the accompanying financial report of the project titled "Kosovo Green Action" for the period 16 February 2023 to 31 December 2023, as implemented by BGF in cooperation with Open Data Kosovo (ODK) and Lëvizja FOL (FOL) here referred as the implementing partners. Signed under the letter agreement between the BGF and the International Bank for Reconstruction and Development and the International Development Association ("Bank"), acting as administrator of grant funds provided by multiple donors under the Global Partnership for Social Accountability ("GPSA") Multi-Donor Trust Fund (the "GPSA Trust Fund") in an amount not to exceed five hundred thousand United States Dollars (US\$ 500,000).

In our opinion, the accompanying statement of receipts and disbursements presents fairly, in all material respects, the cash receipts and disbursements of the project for the period 16 February 2023 - 31 December 2023 in accordance with the cash receipts and disbursements basis of accounting described in Note 2.2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), respectively ISA 800/805. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report section of our report*. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the Expenditure Specification in Kosovo, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.2 to the financial report, which describes the basis of accounting. The financial report is prepared to provide information to Balkan Green Foundation (BGF). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Expenditure Specification
Management is responsible for the preparation and fair presentation of the Expenditure Specification in accordance with the cash receipts and disbursements basis of accounting; this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the financial report in the circumstances, and for such internal control as management determines is necessary to enable the preparation of expenditure specification that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Organization's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Expenditure Specification

Our objectives are to obtain reasonable assurance about whether the expenditure specification as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these the expenditure specification.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout audit. We also:

- Identify and assess the risks of material misstatement of the expenditure specification, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the expenditure specification or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the expenditure specification, including the disclosures, and whether the expenditure specification represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lulzim Zeka
Statutory Auditor



Baker Tilly Kosovo
17 July 2024

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Baker Tilly Kosovo L.L.C.
Prishtinë

Balkan Green Foundation (BGF)
 Project title: "Kosovo Green Action"
 Financial report for the period 16 February 2023 – 31 December 2023
 (All amounts are expressed in EUR, unless stated otherwise)

Financial report for the period 16 February 2023 – 31 December 2023

	Notes	Budgeted cost	Actual disbursement and expenditure	Remaining balance at the end of the year
FINANCING				
Donor funding	3	170,007	154,262	15,745
Total financing		170,007	154,262	15,745
EXPENDITURE				
Operating costs	4	55,108	35,948	19,159
Consulting	5	2,343	-	2,343
Training & Fieldwork Monitoring	6	14,536	2,845	11,691
Goods	7	14,058	8,471	5,587
Implementation Agreements	8	83,963	48,589	35,374
Total expenditure		170,007	95,853	74,154
Surplus / (deficit) of funds for the period		-	58,409	(58,409)

Agron Demi, Executive Director

**balkan
green
foundation**

The accompanying notes from 1 - 9 of the financial report are an integral part of them.

1. General

Balkan Green Foundation (BGF) with registration number 5200289-3, has been established and registered as non-governmental organization on 15 January 2014. Address of the organization: Str. Universiteti 36/2, Prishtine 10000 Kosove.

Balkan Green Foundation promotes sustainable development in the Western Balkans by actively advocating and endorsing policies and solutions that are informed by cutting-edge international perspectives. Its focus lies in addressing pressing global challenges while simultaneously advancing national priorities for European Union integration in the domains of sustainable development, environmental conservation, energy development, and climate change.

2. Project Overview

Letter agreement signed between the Balkan Green Foundation (BGF) and the International Bank for Reconstruction and Development and the International Development Association ("Bank"), acting as administrator of grant funds provided by multiple donors under the Global Partnership for Social Accountability ("GPSA") Multi-Donor Trust Fund (the "GPSA Trust Fund") in an amount not to exceed five hundred thousand United States Dollars (US\$ 500,000).

Kosovo Green Action Project started its implementation on 16th of February 2023 with effective date until 31st of December 2025.

Total project budget and allocation by expenditure categories, pursuant to the grant agreement, are presented below.

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consulting services, Operating Costs and Training for the Project	500,000	100%
Total amount	500,000	

This project is implemented by Balkan Green Foundation (BGF) in cooperation with Open Data Kosovo (ODK) and Lëvizja Fol (FOL) here referred as the implementing partners. Pursuant to the letter of agreement, BGF entered into an agreement with both ODK and FOL on 7th of June 2023 for the implementation of the project. The project budget pertaining to each organization is detailed as follows:

Organizations	Amount of Grant allocated (expressed in USD)
Balkan Green Foundation	272,210
Open Data Kosovo	126,932
Lëvizja Fol	100,858
Total amount	500,000

2. Project Overview (*continuance*)

The main objective of Kosovo Green Action project is to contribute to improving accountability of the Member Country's public institutions in the implementation of the Green Agenda.

The Kosovo Green Action project will consist of following parts:

Part A. Development and Support for Collaborative Social Accountability in the Green Agenda

Assessing the current implementation status of the Green Agenda in the Member Country's territory and set the stage for activities that will develop social accountability interventions to monitor its progress by: (a) carrying out research on the Green Agenda implementation in consultation with key actors, including public entities, development partners, private sector, civil society, youth networks and climate / environmental journalists to solicit multiple perspectives on the implementation challenges identified and the proposed solutions; and (b) developing a Green Agenda online platform, through consultation meetings with main stakeholders responsible for collecting data and producing reports on issues related to climate and energy, to serve as a one-stop-shop for information and an ask-the-state feature to enable users to ask specific questions directly to line ministries regarding energy and climate issues.

Part B. Stakeholder Engagement and Capacity Building for Collaborative Social Accountability

Carrying out activities focused on implementing large-scale social accountability mechanisms and enhancing interventions to engage key stakeholders in delivering coordinated and data driven decisions, including: (a) collecting stakeholder feedback on Green Agenda progress and recommendations at the Green Forums; (b) developing the Green Forum Commitments Papers; (c) conducting capacity building activities such as training and interactive learning sessions for targeted groups thereby enhancing climate literacy and engagement; (d) organizing debate and training sessions with youth in selected municipalities to increase local visibility of green topics, with a national debate tournament as a final activity; and (e) storytelling with data to spur writing articles and blogs targeting issues and loopholes in environmental and government actions as well as issues showcased on the platform.

Part C. Project Management, Monitoring and Learning, and Knowledge Dissemination

Establishing an internal knowledge and learning process to regularly adjust and adapt Project implementation and generate knowledge and learning for external dissemination among key stakeholders, including: (a) setting up a steering committee to facilitate the effectiveness of collaborative social accountability and strengthen the stakeholder participation by regularly discussing corrective measures; (b) developing a monitoring, evaluation and learning plan to monitor the ongoing progress of Project implementation and measure Project impacts and outcomes; (c) engaging an independent evaluator to conduct mid-term and final evaluations of the Project, prepare semi-annual technical reports and provide support to the Project team to develop the adaptive management capacities of the Project; and (d) developing a knowledge dissemination plan to ensure learning products reach key internal and external target audiences.

3. Summary of significant accounting policies and general information

3.1. Basis of preparation

The accompanying financial report have been prepared for the purposes of reporting to the World Bank, the activities related to the grant received for the completion of the Activity's objectives, in accordance with the respective provisions set out under the letter agreement between the BGF and the International Bank for Reconstruction and Development and the International Development Association ("Bank"), acting as administrator of grant funds provided by multiple donors under the Global Partnership for Social Accountability ("GPSA") Multi-Donor Trust Fund (the "GPSA Trust Fund"). The Financial Report is prepared on the cash receipts and disbursements basis. On this basis, cash receipts are recognized when received rather than when earned and cash expenditures are recognized when paid rather than when incurred.

The Financial Report has been prepared for the period from 16 February 2023 through 31 December 2023.

3.2. Currency translation

The project funds are received in EUR and project expenses and transactions are incurred in Euros. Bank accounts are maintained in EUR. All amounts in the Financial Report are presented in EUR. Transactions in currencies other than EUR are converted to the reporting currency at the rate ruling at the date of the transaction

Balkan Green Foundation (BGF)
 Project title: "Kosovo Green Action"
 Financial report for the period 16 February 2023 – 31 December 2023
 (All amounts are expressed in EUR, unless stated otherwise)

4. Donor Funding

Transaction date	Amounts in Local Currency	Amounts in USD
10-March-23	154,262	164,598
Total Amount	154,262	164,598

5. Operating costs

	For the period 16 February 2023 to 31 December 2023
Project Manager	5,718
Project Coordinator	5,400
Finance Manager & Procurement	10,250
MEL internal	9,422
Office rent BGF	3,960
Local transport for the project needs	1,084
Bank charges	114
Total	35,948

6. Training & Fieldwork Monitoring

	For the period 16 February 2023 to 31 December 2023
Venue	360
Lunch and coffee breaks for all participants	1,500
Audio and translation	964
Boosting/promotion in social media	21
Total	2,845

7. Goods

	For the period 16 February 2023 to 31 December 2023
Office supplies/equipment (paper, pen, organizers, printer ink and toner, staplers etc.)	321
Computer/Laptop	3,548
QB software license (x3)	1,652
Installing services	118
Training and certification for the QB software	1,888
Customer support for software during the first year	944
Yearly maintenance for the QB software	-
Total	8,471

8. Implementation agreements

	For the period 16 February 2023 to 31 December 2023
<hr/>	
Open Data Kosovo	
Project management	16,294
Rent expense	2,108
Bank charges	91
<i>Total operating cost</i>	<i>18,493</i>
Consultation meetings	450
Development team salaries	5,624
<i>Total expenses for the development of the online platform</i>	<i>6,074</i>
<hr/> Open Data Kosovo - Total expenses	<hr/> 24,567
Levizja FOL	
Project management	18,960
Rent expense	1,610
Bank charges	2
<i>Total operating cost</i>	<i>20,572</i>
Trainer fee	2,106
Local coordinator	1,344
<i>Total "Debates with youth" expenses</i>	<i>3,450</i>
<hr/> Levizja FOL – Total Expenses	<hr/> 24,022
<hr/> Total expenses incurred on implementation agreements	<hr/> 48,589

Balkan Green Foundation (BGF)
 Project title: "Kosovo Green Action"
 Financial report for the period 16 February 2023 – 31 December 2023
 (All amounts are expressed in EUR, unless stated otherwise)

9. Funds reconciliation

Funds transferred from World Bank to BGF	154,262
Total expenditure reported by BGF & Implementing Partners	(95,853)
<u>Total unspent funds at the end of the first reporting year</u>	<u>58,409</u>
Cash at bank (BGF) at the end of first reporting year	23,035
Cash at bank (FOL) at the end of first reporting year (9.1)	5,964
Cash at bank (ODK) at the end of first reporting year (9.2)	29,410
<u>Funds remaining balance</u>	<u>58,409</u>
<u>Reconciliation difference</u>	<u>-</u>

9.1. Funds remaining balance at FOL (Implementing partner)

Funds transferred from BGF to FOL	29,985
Expenditures (FOL)	(24,022)
Remaining balance	5,964
<u>Cash at FOL's account statement at the end of period</u>	<u>5,964</u>
<u>Reconciliation of funds</u>	<u>-</u>

9.2. Funds remaining balance at ODK (Implementing partner)

Funds transferred from BGF to ODK	53,978
Expenditures (ODK)	(24,567)
Remaining balance	29,410
*Calculated cash at bank for the project (Refer to mng. Letter)	29,410
<u>Reconciliation of funds</u>	<u>-</u>

APPENDIX B – Management Letter

Balkan Green Foundation (BGF)

Kosovo Green Action Project

Funded by Global Partnership for Social Accountability

For the period 16 February 2023 to 31 December 2023

MANAGEMENT LETTER

MANAGEMENT LETTER

To: Balkan Green Foundation (BGF)

We have audited the financial report of the "Kosovo Green Action" Project funded by the World Bank.

In planning and performing our audit, we considered its internal control over financial reporting as basis for designing our auditing procedures, obtained an understanding of the design effectiveness of internal controls, determined whether internal controls have been placed in operation, assesses control risk, and performed tests of the project's internal controls for the purpose of expressing our opinion on the financial report, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting.

During our audit we did not find any deviation which would be considered material deviation and reportable to the management of the World Bank.

This report is intended solely for the information and use of the Balkan Green Foundation (BGF) management, the management of the World Bank and is not intended to be and should not be used by anyone other than these specified parties.

Yours sincerely

Lulzim Zeka
Statutory Auditor

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Baker Tilly Kosovo L.L.C.
Prishtinë

Baker Tilly Kosovo
17 July 2024

Content and scope of the audit

During our audit of the Financial Report, we have also performed audit procedures to address following matters:

Material findings

Findings –Year 2023	Priority improvements	Recommendation	Management comments
<p>ODK, as an implementing partner, has not established a designated bank account, resulting in the inability to verify the final bank balance for project funds. Please refer to disclosure note 10 for details.</p>	<p>B</p>	<p>ODK should open a designated bank account specifically for the project funds. This separate account will facilitate accurate tracking and verification of project expenditures and final balances. By complying with this recommendation, ODK will enhance transparency and accountability in financial reporting, ensuring that all project-related transactions are clearly identifiable and auditable.</p>	

Priority:

- A Urgent action required: High business risk to be brought to the attention of BGF management, BGF to be addressed as matter of urgency.
- B Financial statements, accounting procedures or control weakness exists with medium risk of financial loss or incorrect accounting treatment being applied.
- C Financial statements, accounting procedures or control weakness exists with low risk of financial loss or incorrect accounting treatment being applied.

Balkan Green Foundation (BGF)
 Project title: "Kosovo Green Action"
 (Amounts expressed both in USD and EUR)

Annex 1. Financial report

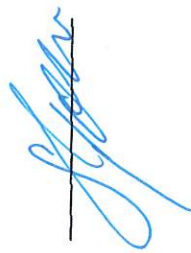
Budget Line	BUDGET (USD)		EXPENDITURES INCURRED (USD)			BUDGET (EUR)		EXPENDITURES INCURRED (EUR)		
	Total Budget - Year 2023 (in USD)	58,800	Total Cost (in USD)	Remaining Balance (in USD)	Spent %	Total Budget Year 2023 (in EUR)	Total Cost (in EUR)	Remaining Balance (in EUR)	Spent %	
1. Operating costs			38,357		65%	55,108	35,948	19,159	65%	
Staff salaries & benefits										
Project Manager	10,800		6,101	4,699	56%	10,122	5,718	4,404	56%	
Project Coordinator	15,600		5,762	9,838	37%	14,620	5,400	9,220	37%	
Finance Manager & Procurement	11,400		10,937	463	96%	10,684	10,250	434	96%	
MEL internal	7,680		10,053	(2,373)	131%	7,198	9,422	(2,224)	131%	
International travel to DC - GPSA Forum	-		-	-	0%	-	-	-	0%	
Travel costs	2,700		-	2,700	0%	2,530	-	2,530	0%	
Accommodation	1,440		-	1,440	0%	1,350	-	1,350	0%	
Per diem	960		-	960	0%	900	-	900	0%	
Office rent BGF	4,800		4,225	575	88%	4,499	3,960	539	88%	
Local transport for the project needs	2,940		1,157	1,783	39%	2,755	1,084	1,671	39%	
Bank charges	480		122	358	25%	450	114	336	25%	
2. Consulting	2,500		-	2,500	0%	2,343	-	2,343	0%	
External Auditors	2,500		-	2,500	0%	2,343	-	2,343	0%	
MEL external	-		-	-	0%	-	-	-	0%	
3. Training & Fieldwork Monitoring	15,510		3,036	12,474	20%	14,536	2,845	11,691	20%	
Activity 1: Developing and sustaining the project Steering Committee										
Representation costs/meals, venue, transport costs	400		-	400	0%	375	-	375	0%	

Budget Line	BUDGET (USD)		EXPENDITURES INCURRED (USD)			BUDGET (EUR)		EXPENDITURES INCURRED (EUR)		
	Total Budget - Year 2023 (in USD)	Total Cost (in USD)	Remaining Balance (in USD)	Spent %	Total Budget Year 2023 (in EUR)	Total Cost (in EUR)	Remaining Balance (in EUR)	Spent %		
Activity 2: Research - Conducting situation and needs assessment analysis reports										
Methodology writing, Desk research for the baseline, policy analysis and policy report writing	5,000	-	5,000	0%	4,686	-	4,686	0%		
Representation costs/meals, venue, transport costs	100	-	100	0%	94	-	94	0%		
Editing (first, second and third report)	500	-	500	0%	469	-	469	0%		
Activity 4: Stakeholder engagement events-including green forums, as a platform for multi-stakeholder engagement										
Venue	600	384	216	64%	562	360	202	64%		
Lunch and coffee breaks for all participants	1,500	1,600	(100)	107%	1,406	1,500	(94)	107%		
Activity 6: Debates with youth										
First winner prize- solar panel	-	-	-	0%	-	-	-	-		
Activity 8: Project Communications activities										
3x video animations	2,000	-	2,000	0%	1,874	-	1,874	0%		
Project design and visibility	3,660	-	3,660	0%	3,430	-	3,430	0%		
Audio and translation	1,200	1,029	171	86%	1,125	964	160	86%		
Infographics (9 in total)	300	-	300	0%	281	-	281	0%		
Boosting/promotion in social media	250	22	228	9%	234	21	213	9%		
4. Goods	15,000	9,039	5,961	60%	14,058	8,471	5,587	60%		
Office supplies/equipment (paper, pen, organizers, printer ink and toner, staplers etc.)	1,800	343	1,457	19%	1,687	321	1,366	19%		
Computer/Laptop	4,200	3,785	415	90%	3,936	3,548	389	90%		
QB software license (x3)	2,250	1,763	487	78%	2,109	1,652	457	78%		
Installing services	300	126	174	42%	281	118	163	42%		

Graphic Designer (UI/UX)	6,800			6,800	0%	6,373	-	6,373	0%
Software Development	10,000			10,000	0%	9,372	-	9,372	0%
Scrum Master	7,200			7,200	0%	6,748	-	6,748	0%
Digital Infrastructure and Maintenance Cost	1,200			1,200	0%	1,125	-	1,125	0%
Activity 6: Debates with youth									
Trainers fee (x2)	2,000	2,247		(247)	112%	1,874	2,106	(232)	112%
Local Coordinators	2,160	1,434		726	66%	2,024	1,344	680	66%
Independent Journalists to develop the articles	300	-		300	0%	281	-	281	0%
Publishing journalistic pieces in media outlets	100	-		100	0%	94	-	94	0%
Total	89,588	51,844		37,744	58%	83,963	48,589	35,374	58%

This financial report has been reviewed, approved, and signed by management on 27 June 2024 on behalf of the organization.

Agron Demi, Executive Director



**Dalkan
Green
Foundation**