

BALKANS POLICY RESEARCH GROUP (BPRG)

Project number: KOS-18/0007

INDEPENDENT AUDITOR'S REPORT

and

Financial Report

for the period 01 January 2024 to 31 December 2024

Project: "Elevating peace & state building agenda and advancing European agenda"

Funded by: The Norwegian Ministry of Foreign Affairs
and Swedish International Development Agency (SIDA)

CONTENTS:

| | |
|--|-----------|
| SPECIAL PURPOSE INDEPENDENT AUDITOR’S REPORT | 3 |
| Summarized financial report as per budget categories | 5 |
| Cumulative Financial report (Norway + SIDA)..... | 6 |
| Financial report for the period 01.01.2024 – 31.12.2024 | 7 |
| Norway Cumulative Financial report | 8 |
| SIDA financial report | 9 |
| 1. General | 9 |
| 2. Summary of significant accounting policies and general information | 11 |
| 3. Funds received for the period 01.01.2024 – 31.12.2024 | 12 |
| 4. Reconciliation of funds and expenditures for the period 01.01.2024 – 31.12.2024 | 12 |
| 5. Payable expenditures | 12 |
| 6. Cumulative reconciliation of funds and expenditures as per donor (2021 – 2024)..... | 12 |
| 7. Cumulative reconciliation as per budgeted cost and remaining fund balance | 13 |
| APPENDIX A - Report of factual findings..... | 14 |

SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT

To: Balkans Policy Research Group (BPRG) management

Opinion

We have audited the accompanying financial report of project implemented by Balkans Policy Research Group (BPRG) ('organization'), funded by The Norwegian Ministry of Foreign Affairs ('The embassy') and Swedish International Development Agency (SIDA) for project "Elevating peace & state building agenda and advancing European agenda" for the period 01 January 2024 – 31 December 2024 and a summary of significant accounting policies and other explanatory information.

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 01 January 2024 – 31 December 2024 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 Expenditure Specification 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 statement of receipts and disbursements, which describes the basis of accounting. The statement of receipts and disbursements is prepared to provide information to The Royal Norwegian Embassy also for Swedish International Development Agency (SIDA). As a result, the statement 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 statement of receipts and disbursements

Management is responsible for the preparation and fair presentation of the statement of receipts and disbursements in accordance with the cash receipts and disbursements basis of accounting described in Note 2.2. this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the statement of receipts and disbursements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a statement of receipts and disbursements that is free from material misstatement, whether due to fraud or error.

In preparing the statement of receipts and disbursements, 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 Statement of Receipts and Disbursements

Our objectives are to obtain reasonable assurance about whether the statement of receipts and disbursements 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 statement of receipts and disbursements.

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 statement of receipts and disbursements, 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 statement of receipts and disbursements 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 statement of receipts and disbursements, including the disclosures, and whether the statement of receipts and disbursements 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
20 February 2024



Baker Tilly Kosovo L.L.C.
Prishtinë

BALKANS POLICY RESEARCH GROUP (BPRG)
Project "Elevating peace & state building agenda and advancing European agenda"
Project contract no. KOS-18/0007

Summarized financial report as per budget categories
 For the period 01 January 2024 - 31 December 2024

All amounts in Euro

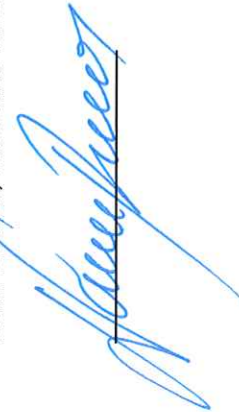
Summarized financial report as per budget categories

| Category of expenditure | Budget for the period 01 Jan 2021 - 31 Dec 2021 | | Budget for the period 01 Jan 2022 - 31 Dec 2022 | | Budget for the period 01 Jan 2023 - 31 Dec 2023 | | Budget for the period 01 Jan 2024 - 31 Dec 2024 | | Total budget 01 Jan 2021 - 31 Dec 2024 | Expenses for the period 01 Jan 2021 - 31 Dec 2021 | | Expenses for the period 01 Jan 2022 - 31 Dec 2022 | | Expenses for the period 01 Jan 2023 - 31 Dec 2023 | | Expenses for the period 01 Jan 2024 - 31 Dec 2024 | | Total expenditures for the period 2021 - 2024 | Balance as at 31.12.2024 | Derivation % |
|--------------------------------------|---|------------------|---|------------------|---|------------------|---|------------------|--|---|----------------|---|-------------|---|-------------|---|-------------|---|--------------------------|--------------|
| | 01 Jan 2021 | 31 Dec 2021 | 01 Jan 2022 | 31 Dec 2022 | 01 Jan 2023 | 31 Dec 2023 | 01 Jan 2024 | 31 Dec 2024 | | 01 Jan 2021 | 31 Dec 2021 | 01 Jan 2022 | 31 Dec 2022 | 01 Jan 2023 | 31 Dec 2023 | 01 Jan 2024 | 31 Dec 2024 | | | |
| Grant applicant, total | 1,079,230 | 2,405,400 | 2,686,200 | 1,913,417 | 8,084,247 | 1,067,397 | 2,039,396 | 2,613,516 | 1,713,015 | 7,433,325 | 650,922 | 92% | | | | | | | | |
| Personnel costs | 223,830 | 352,800 | 352,800 | 264,600 | 1,194,030 | 230,365 | 343,257 | 361,509 | 250,584 | 1,185,715 | 8,315 | 99% | | | | | | | | |
| Travel | 23,400 | 43,200 | 43,200 | 33,600 | 143,400 | 22,729 | 42,606 | 42,919 | 31,444 | 139,698 | 3,702 | 97% | | | | | | | | |
| Specific project-related costs | 745,800 | 1,864,500 | 2,092,700 | 1,391,002 | 6,094,002 | 729,043 | 1,516,683 | 2,029,081 | 1,330,334 | 5,605,141 | 488,861 | 92% | | | | | | | | |
| Operating costs | 66,600 | 98,400 | 107,000 | 92,600 | 364,600 | 64,882 | 95,793 | 95,217 | 80,015 | 335,907 | 28,693 | 92% | | | | | | | | |
| Purchase of equipment | 9,600 | 24,000 | 48,000 | 18,000 | 99,600 | 10,015 | 25,556 | 51,990 | 7,561 | 95,123 | 4,477 | 96% | | | | | | | | |
| Evaluation | 5,000 | 12,500 | 32,500 | 12,500 | 62,500 | 5,363 | 5,500 | 22,800 | 2,577 | 36,241 | 26,259 | 58% | | | | | | | | |
| Audit | 5,000 | 10,000 | 10,000 | 10,000 | 35,000 | 5,000 | 10,000 | 10,000 | 10,500 | 35,500 | (500) | 101% | | | | | | | | |
| Direct operating costs, total | 1,079,230 | 2,405,400 | 2,686,200 | 1,822,302 | 7,993,132 | 1,067,397 | 2,039,396 | 2,613,516 | 1,713,015 | 7,433,325 | 559,807 | 93% | | | | | | | | |
| Indirect operating costs [5 %] | 53,962 | 120,270 | 134,310 | 91,115 | 399,657 | 53,370 | 101,970 | 130,676 | 85,651 | 371,666 | 27,990 | 93% | | | | | | | | |
| Project costs total | 1,133,192 | 2,525,670 | 2,820,510 | 1,913,417 | 8,392,789 | 1,120,767 | 2,141,366 | 2,744,192 | 1,798,666 | 7,804,991 | 587,798 | 93% | | | | | | | | |

This financial report has been approved and signed on behalf of the management on 20 February 2024 by:

Naim Rashiti, Executive Director

Shpresa Osmani, Finance Controller




BALKANS POLICY RESEARCH GROUP (BPRG)
Project "Elevating peace & state building agenda and advancing European agenda"
Project contract no. KOS-18/0007
For the period 01 January 2024 - 31 December 2024
All amounts in Euro

Cumulative Financial report (Norway + SIDA)

| Budget description | Budget for the period 01 Jan 2021 - 31 Dec 2021 | | Budget for the period 01 Jan 2022 - 31 Dec 2022 | | Budget for the period 01 Jan 2023 - 31 Dec 2023 | | Budget for the period 01 Jan 2024 - 31 Dec 2024 | | Total budget 01 Jan 2021 - 31 Dec 2024 | Expenses for the period 01 Jan 2021 - 31 Dec 2021 | | Expenses for the period 01 Jan 2022 - 31 Dec 2022 | | Expenses for the period 01 Jan 2023 - 31 Dec 2023 | | Expenses for the period 01 Jan 2024 - 31 Dec 2024 | | Total expenditures for the period 2021 - 2024 | Balance as at 31.12.2024 | Derivation % |
|---|---|------------------|---|------------------|---|------------------|---|------------------|--|---|------|---|------|---|------|---|--|---|--------------------------|--------------|
| | 2021 | 2022 | 2021 | 2022 | 2023 | 2024 | 2021 | 2022 | | 2023 | 2024 | 2021 | 2022 | 2023 | 2024 | | | | | |
| Grant application, total | 1,079,230 | 2,405,400 | 2,686,200 | 1,822,302 | 7,993,132 | 1,067,397 | 2,039,396 | 2,613,516 | 1,713,015 | 7,433,325 | | | | | | | | | 559,807 | 93% |
| 1 Personnel costs | 223,830 | 352,800 | 352,800 | 264,600 | 1,194,030 | 230,365 | 343,257 | 361,509 | 250,584 | 1,185,715 | | | | | | | | | 8,315 | 99% |
| 2 Travel | 23,400 | 43,200 | 43,200 | 33,600 | 143,400 | 22,729 | 42,606 | 42,919 | 31,444 | 139,698 | | | | | | | | | 3,702 | 97% |
| 3 Specific project-related costs | 745,800 | 1,864,500 | 2,092,700 | 1,391,002 | 6,094,002 | 729,043 | 1,516,683 | 2,029,081 | 1,330,334 | 5,605,141 | | | | | | | | | 488,861 | 92% |
| 3.1 Empower institutions and inclusive policy making and support domestic consensus | 52,800 | 100,800 | 110,000 | - | 263,600 | 51,810 | 88,077 | 71,649 | - | 211,536 | | | | | | | | | 52,064 | 80% |
| 3.2 Executive P program for the Youth in Politics | 53,000 | 53,000 | 53,000 | 49,600 | 208,600 | 53,450 | 55,567 | 30,320 | 53,995 | 193,333 | | | | | | | | | 15,267 | 93% |
| 3.3 Expert support for the dialogue with Serbia to the government (SIDA Included) | 477,000 | 1,457,200 | 1,469,200 | 943,102 | 4,346,502 | 457,130 | 1,151,267 | 1,571,428 | 964,188 | 4,144,013 | | | | | | | | | 202,489 | 95% |
| 3.3N MK | - | - | 216,000 | 235,800 | 451,800 | - | - | 222,324 | 238,170 | 460,494 | | | | | | | | | (8,694) | 102% |
| 3.4 | 51,000 | 74,000 | 68,000 | 41,000 | 234,000 | 51,724 | 81,033 | 61,124 | 40,675 | 234,556 | | | | | | | | | (556) | 100% |
| 3.5 | 20,000 | 60,000 | 60,000 | 10,000 | 150,000 | 21,000 | 41,425 | - | 7,170 | 69,595 | | | | | | | | | 80,405 | 46% |
| 3.6 | 55,000 | 90,000 | 87,000 | 87,000 | 319,000 | 54,928 | 77,457 | 57,235 | 19,869 | 209,489 | | | | | | | | | 109,511 | 66% |
| 3.7 | 37,000 | 29,500 | 29,500 | 24,500 | 120,500 | 39,000 | 21,858 | 15,000 | 6,267 | 82,125 | | | | | | | | | 38,375 | 68% |
| 4 Operating costs | 66,600 | 98,400 | 107,000 | 92,600 | 364,600 | 64,882 | 95,793 | 95,217 | 80,015 | 335,907 | | | | | | | | | 28,693 | 92% |
| 5 Purchase of equipment | 9,600 | 24,000 | 48,000 | 18,000 | 99,600 | 10,015 | 25,556 | 51,990 | 7,561 | 95,123 | | | | | | | | | 4,477 | 96% |
| 6 Evaluation | 5,000 | 12,500 | 32,500 | 12,500 | 62,500 | 5,363 | 5,500 | 22,800 | 2,577 | 36,241 | | | | | | | | | 26,259 | 58% |
| 7 Audit | 5,000 | 10,000 | 10,000 | 10,000 | 35,000 | 5,000 | 10,000 | 10,000 | 10,500 | 35,500 | | | | | | | | | (500) | 101% |
| Direct operating costs, total | 1,079,230 | 2,405,400 | 2,686,200 | 1,822,302 | 7,993,132 | 1,067,397 | 2,039,396 | 2,613,516 | 1,713,015 | 7,433,325 | | | | | | | | | 559,807 | 93% |
| Indirect operating costs [5 %] + | 53,962 | 120,270 | 134,310 | 91,115 | 399,657 | 53,370 | 101,970 | 130,676 | 85,651 | 371,666 | | | | | | | | | 27,990 | 93% |
| Project costs total | 1,133,192 | 2,525,670 | 2,820,510 | 1,913,417 | 8,392,789 | 1,120,767 | 2,141,366 | 2,744,192 | 1,798,666 | 7,804,991 | | | | | | | | | 587,798 | 93% |

BALKANS POLICY RESEARCH GROUP (BPRG)
Project "Elevating peace & state building agenda and advancing European agenda"
Project contract no. KOS-18/0007

For the period 01 January 2024 - 31 December 2024

All amounts in Euro

Financial report for the period 01.01.2024 – 31.12.2024

| Budget description | NOR - Budget for the period 01 Jan 2024 - 31 Dec 2024 | SIDA - Budget for the period 01 Jan 2024 - 31 Dec 2024 | Total budget 01 Jan 2024 - 31 Dec 2024 | Expenses for period 01 Jan 2024 - 31 Dec 2024 (Norway) | Expenses for period 01 Jan 2024 - 31 Dec 2024 (SIDA) | Total expenditures for the period 01 Jan 2024 - 31 Dec 2024 | NOR - Balance as at 31.12.2024 | SIDA - Balance as at 31.12.2024 | Derivation % |
|--|---|--|--|--|--|---|--------------------------------|---------------------------------|--------------|
| Grant application, total | 1,637,540 | 184,762 | 1,822,302 | 1,527,625 | 185,390 | 1,713,015 | 109,915 | (628) | 94% |
| 1 Personnel costs | 264,600 | - | 264,600 | 250,584 | - | 250,584 | 14,016 | - | 95% |
| 2 Travel | 33,600 | - | 33,600 | 31,444 | - | 31,444 | 2,156 | - | 94% |
| 3 Specific project-related costs | 1,206,240 | 184,762 | 1,391,002 | 1,144,944 | 185,390 | 1,330,334 | 61,296 | (628) | 96% |
| 3.1 Empower institutions and inclusive policy making and support domestic consensus | - | - | - | - | - | - | - | - | - |
| 3.2 Executive Program for the Youth in Politics | 49,600 | - | 49,600 | 53,995 | - | 53,995 | (4,395) | - | 109% |
| 3.3 Expert support for the dialogue with Serbia to the government (SIDA Included) | 758,340 | 184,762 | 943,102 | 778,798 | 185,390 | 964,188 | (20,458) | - | 102% |
| 3.3NM | - | - | - | - | - | - | - | - | - |
| K | 235,800 | - | 235,800 | 238,170 | - | 238,170 | (2,370) | - | 101% |
| 3.4 Expert support for the North Macedonia Outreach and Communication to enhance public support for the dialogue and compromises with Serbia | 41,000 | - | 41,000 | 40,675 | - | 40,675 | 325 | - | 99% |
| 3.5 Assisting path toward normalization: Increasing support in Kosovo and Serbia for the dialogue, enhance exchanges and promote stronger public voices in support of the dialogue | 10,000 | - | 10,000 | 7,170 | - | 7,170 | 2,830 | - | 72% |
| 3.6 Enhance Kosovo participation in regional initiatives and programs | 87,000 | - | 87,000 | 19,869 | - | 19,869 | 67,131 | - | 23% |
| 3.7 Support for the EU - related agendas - Implementation of the SAA and ERA | 24,500 | - | 24,500 | 6,267 | - | 6,267 | 18,233 | - | 26% |
| 4 Operating costs | 92,600 | - | 92,600 | 80,015 | - | 80,015 | 12,585 | - | 86% |
| 5 Purchase of equipment | 18,000 | - | 18,000 | 7,561 | - | 7,561 | 10,439 | - | 42% |
| 6 Evaluation | 12,500 | - | 12,500 | 2,577 | - | 2,577 | 9,923 | - | 21% |
| 7 Audit | 10,000 | - | 10,000 | 10,500 | - | 10,500 | (500) | - | 105% |
| Direct operating costs, total | 1,637,540 | 184,762 | 1,822,302 | 1,528,253 | 185,390 | 1,713,015 | 109,915 | (628) | 94% |
| Indirect operating costs [5 %] | 81,877 | 9,238 | 91,115 | 76,381 | 9,270 | 85,651 | 5,496 | (31) | 94% |
| Project costs total | 1,719,417 | 194,000 | 1,913,417 | 1,604,006 | 194,660 | 1,798,666 | 115,411 | (660) | 94% |

The Budget from The Royal Norwegian Embassy for the period 01.01.2024-31.12.2024 it's in amount of 1,719,417 Euro and total expense for this period is 1,604,006.62 Euro, the remaining balance for this period it is 115,411 as per expense expenditures it is 115,411.

The Budget from Swedish International Development Agency (SIDA) for the period 01.01.2024-31.12.2024 it's in amount of 194,000 Euro and total expense for this period is 194,660, the remaining balance for this period it is (660) as per expense expenditures it is (660)

BALKANS POLICY RESEARCH GROUP (BPRG)
Project "Elevating peace & state building agenda and advancing European agenda"
Project contract no. KOS-18/0007

For the period 01 January 2024 - 31 December 2024

All amounts in Euro

Norway Cumulative Financial report

| Budget description | Budget for the period 01 Jan 2021 - 31 Dec 2021 | | Budget for the period 01 Jan 2022 - 31 Dec 2022 | | Budget for the period 01 Jan 2023 - 31 Dec 2023 | | Budget for the period 01 Jan 2024 - 31 Dec 2024 | | Total budget 01 Jan 2021 - 31 Dec 2024 | Expenses for the period 01 Jan 2021 - 31 Dec 2021 | | Expenses for the period 01 Jan 2022 - 31 Dec 2022 | | Expenses for the period 01 Jan 2023 - 31 Dec 2023 | | Expenses for the period 01 Jan 2024 - 31 Dec 2024 | | Total expenditures for the period 2021 - 2024 | Balance as at 31.12.2024 | Derivation % |
|---|---|------------------|---|------------------|---|------------------|---|------------------|--|---|----------------|---|------|---|------|---|------|---|--------------------------|--------------|
| | 2021 | 2022 | 2022 | 2023 | 2023 | 2024 | 2024 | 2024 | | 2021 | 2022 | 2023 | 2024 | 2024 | 2024 | 2024 | 2024 | | | |
| Grant application, total | 1,079,230 | 2,405,400 | 2,686,200 | 1,637,540 | 7,808,370 | 1,067,397 | 2,039,396 | 2,613,516 | 1,527,625 | 7,247,935 | 560,435 | 93% | | | | | | | | |
| 1 Personnel costs | 223,830 | 352,800 | 352,800 | 264,600 | 1,194,030 | 230,365 | 343,257 | 361,509 | 250,584 | 1,185,715 | 8,315 | 99% | | | | | | | | |
| 2 Travel | 23,400 | 43,200 | 43,200 | 33,600 | 143,400 | 22,729 | 42,606 | 42,919 | 31,444 | 139,698 | 3,702 | 97% | | | | | | | | |
| 3 Specific project-related costs | 745,800 | 1,864,500 | 2,092,700 | 1,206,240 | 5,909,240 | 729,043 | 1,516,683 | 2,029,081 | 1,144,944 | 5,419,751 | 489,489 | 92% | | | | | | | | |
| 3.1 Empower institutions and inclusive policy making and support domestic consensus | 52,800 | 100,800 | 110,000 | - | 263,600 | 51,810 | 88,077 | 71,649 | - | 211,536 | 52,064 | 80% | | | | | | | | |
| 3.2 Executive Program for the Youth in Politics | 53,000 | 53,000 | 53,000 | 49,600 | 208,600 | 53,450 | 55,567 | 30,320 | 53,995 | 193,333 | 15,267 | 93% | | | | | | | | |
| 3.3 Expert support for the dialogue with Serbia to the government (SIDA Included) | 477,000 | 1,457,200 | 1,469,200 | 758,340 | 4,161,740 | 457,130 | 1,151,267 | 1,571,428 | 778,798 | 3,958,623 | 203,117 | 95% | | | | | | | | |
| 3.3N MK | - | - | 216,000 | 235,800 | 451,800 | - | - | 222,324 | 238,170 | 460,494 | (8,694) | 102% | | | | | | | | |
| 3.4 | 51,000 | 74,000 | 68,000 | 41,000 | 234,000 | 51,724 | 81,033 | 61,124 | 40,675 | 234,556 | (556) | 100% | | | | | | | | |
| 3.5 | 20,000 | 60,000 | 60,000 | 10,000 | 150,000 | 21,000 | 41,425 | - | 7,170 | 69,595 | 80,405 | 46% | | | | | | | | |
| 3.6 | 55,000 | 90,000 | 87,000 | 87,000 | 319,000 | 54,928 | 77,457 | 57,235 | 19,869 | 209,489 | 109,511 | 66% | | | | | | | | |
| 3.7 | 37,000 | 29,500 | 29,500 | 24,500 | 120,500 | 39,000 | 21,858 | 15,000 | 6,267 | 82,125 | 38,375 | 68% | | | | | | | | |
| 4 Operating costs | 66,600 | 98,400 | 107,000 | 92,600 | 364,600 | 64,882 | 95,793 | 95,217 | 80,015 | 335,907 | 28,693 | 92% | | | | | | | | |
| 5 Purchase of equipment | 9,600 | 24,000 | 48,000 | 18,000 | 99,600 | 10,015 | 25,556 | 51,990 | 7,561 | 95,123 | 4,477 | 96% | | | | | | | | |
| 6 Evaluation | 5,000 | 12,500 | 32,500 | 12,500 | 62,500 | 5,363 | 5,500 | 22,800 | 2,577 | 36,241 | 26,259 | 58% | | | | | | | | |
| 7 Audit | 5,000 | 10,000 | 10,000 | 10,000 | 35,000 | 5,000 | 10,000 | 10,000 | 10,500 | 35,500 | (500) | 101% | | | | | | | | |
| Direct operating costs, total | 1,079,230 | 2,405,400 | 2,686,200 | 1,637,540 | 7,808,370 | 1,067,397 | 2,039,396 | 2,613,516 | 1,527,625 | 7,247,934 | 560,436 | 93% | | | | | | | | |
| Indirect operating costs [5 %] + | 53,962 | 120,270 | 134,310 | 81,877 | 390,419 | 53,370 | 101,970 | 130,676 | 76,381 | 362,397 | 28,022 | 93% | | | | | | | | |
| Project costs total | 1,133,192 | 2,525,670 | 2,820,510 | 1,719,417 | 8,392,789 | 1,120,767 | 2,141,366 | 2,744,192 | 1,604,006 | 7,610,331 | 588,457 | 93% | | | | | | | | |

The project will continue until December, 2024, the presented financial report is for the years 2021, 2022, 2023 and 2024. The foreseen amount of the project for the whole period is EUR 8,198,789 (year 2021; EUR 1,133,192 year 2022; EUR 2,525,670, year 2023; EUR 2,820,510), year 2024; EUR 1,719,417). The Royal Norwegian Embassy provided a grant to Balkans Policy Research Group-BPRG for the project "Elevating peace & state building agenda and advancing European agenda" on 11 December 2020. There are four Addendums for extension of the project and budget changes that are approved by the Contracting Authority.

SIDA financial report

| <i>Category of expenditure</i> | <i>SIDA Budget for the period 01 Jan 2024 - 31 Dec 2024</i> | <i>SIDA Expenses for the period 01 Jan 2024 - 31 Dec 2024</i> | <i>SIDA Balance as at 31.12.2024</i> | <i>Derivation %</i> |
|---------------------------------------|---|---|--------------------------------------|---------------------|
| Grant applicant, total | 184,762 | 185,390 | (628) | 100% |
| Personnel costs | - | - | - | - |
| Travel | - | - | - | - |
| Specific project-related costs | 184,762 | 185,390 | (628) | 100% |
| Operating costs | - | - | - | - |
| Purchase of equipment | - | - | - | - |
| Evaluation | - | - | - | - |
| Audit | - | - | - | - |
| Direct operating costs, total | 184,762 | 185,390 | (628) | 100% |
| Indirect operating costs [5 %] | 9,238 | 9,270 | (32) | 100% |
| Project costs total | 194,000 | 194,660 | (660) | 100% |

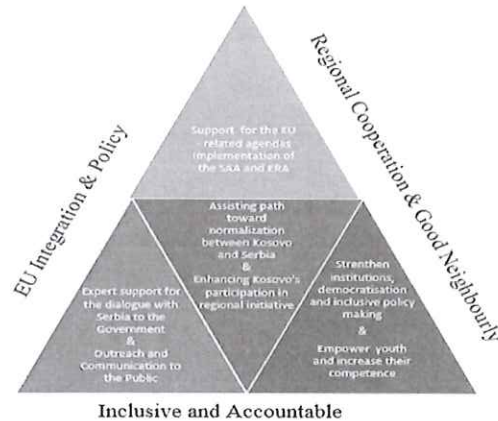
1. General

The Balkans Policy Research Group (BPRG) is an independent institute dedicated to contributing to state-building and social harmony in Kosovo, as well as facilitating state reconciliation in Kosovo and peace in the Western Balkans. Through research, analysis, advocacy, dialogue, and evidence-based expertise, its ultimate goal is to bring the region closer to the European Union (EU). The Balkans Group was established in Kosovo in 2013, succeeding the work of the International Crisis Group (ICG). Its strategic orientations address the key challenges of the state-building process, which proves to be a monumental task for Kosovar society. They are committed to supporting the optimal functioning of institutions, democratic consolidation, minority integration, resolution of neighborly disputes, and advancing the EU agenda. All work is based on extensive field research conducted by the BPRG staff, accompanied by interviews with local and international leaders, enabling the EU staff to develop a wide network of contacts in the Western Balkans.

1.1. Project Description

The overall objective of the project is Elevate Peace, state building and European agenda, through consensus-building, inclusive policymaking, expert input and increasing political and societal support for peace, educating political representatives, supporting regional cooperation and advancing the implementation of reforms. The three-year project target broad range of stakeholders who can affect change and advance critical agendas for Kosovo, including the institutions (the government, the president, the parliament, line ministries of Defense, foreign affairs, etc.), political parties, youth and women, minorities and municipalities, civil society organization in Kosovo and the region and experts of fields.

1.1. Project Description (continuance)



1.2. Overall Objective

Elevate peace, state-building and European agenda, through consensus building, inclusive policymaking, expert input, and increasing political and societal support for peace, educating political representatives, supporting regional cooperation, and advancing the implementation of reforms.

1.3. Specific Objectives

- Improve consensus and inclusive policymaking and increase accountability by improving policymaking and policy-coordination processes.
- Assist the political transition by empowering youth and equipping them with knowledge and skills.

1.3. Specific Objectives (continued)

- Advance the Kosovo-Serbia dialogue by providing and increased expert support to the Government of Kosovo and the Kosovo negotiation team as well as increase the transparency and public outreach of the dialogue for citizens.
- Assist Kosovo's Assembly by providing expert support on the dialogue, oversight and specific law making aimed at increasing its capacity. The support will be used to better prepare for the dialogue with Serbia, aligned with the Government and build consensus in the assembly.
- Provide expert support for the President of Kosovo in law making, check and balances, functioning of institutions, secure policies, dialogue with Serbia international cooperation.
- Increase support for the Ministry of Defense Ministry by providing expertise and policy support.
- Provide support for the ministry of Rerun and Communities and four northern Serb-majority municipalities through providing expert support and advice in the areas of governance, local governance, public policy and Kosovo law and administrative system.
- Advance normalization between Kosovo and Serbia by enhancing cooperation between civil society, communities, public officials, and experts of Kosovo and Serbia.
- Enhance regional cooperation by increasing Kosovo's participation in regional initiatives and agendas through policy inputs and agenda settings.
- Promote the agenda of the government of Kosovo and other institutions, its needs, and interest at the broader European level through high-level advocacy events, outreach and dialogue.
- Advance the implementation of EU approximation-related agendas, the SAA and ERA, through monitoring, mobilizing institutions, and public support.
- Provide Expert Support for the Government and other public institutions in North Macedonia.

BALKANS POLICY RESEARCH GROUP (BPRG)

Project “Elevating peace & state building agenda and advancing European agenda”

Project contract no. KOS-18/0007

Notes to the financial report

For the period 01 January 2024 - 31 December 2024

All amounts in Euro

2. Summary of significant accounting policies and general information

2.1 Organization

Balkans Policy Research Group-BPRG is a Non-governmental Organization registered under Kosovo legislation with its registration no. 5400241-6. The organization is located in Pristina, Kosovo.

2.2 Basis for presentation

The accompanying financial report have been prepared on the modified cash basis of accounting with respect to note 5. Expert consultancy (Payable) in amount of 3,000.00 Euro. with the agreement between Balkans Policy Research Group-BPRG and The Norwegian Ministry of Foreign Affairs in Prishtina. Accordingly, revenue and expenses are recognized when received and paid respectively.

The accompanying financial reports present the activity of the project funded by The Norwegian Ministry of Foreign Affairs and not the activity of the organization as a whole.

2.3 Functional currency

The program incurs transactions in Euros. All amounts reported in the Statement of sources and uses of funds are in Euro.

2.4 Fixed assets

Balkans Policy Research Group-BPRG policy is to expense all furniture and equipment purchased with restricted funds.

3. Funds received for the period 01.01.2024 – 31.12.2024

| Donor | Date transferred | Disbursed in EUR |
|-----------------------------|-------------------------|-------------------------|
| The Royal Norwegian Embassy | 01 Feb 2024 | 891,892 |
| The Embassy of Sweeden | 24 May 2024 | 206,666 |
| The Royal Norwegian Embassy | 10 Oct 2024 | 836,374 |
| The Embassy of Sweeden | 17 Dec 2024 | 347,081 |
| Total donor funding | | 2,282,013 |

4. Reconciliation of funds and expenditures for the period 01.01.2024 – 31.12.2024

| Reconciliation of funds for the period: | January 01, 2024 to December 31, 2024 | January 01, 2023 to December 31, 2023 |
|--|--|--|
| Initial balance of cash | 1,967 | 1,134,503 |
| Disbursed funds for the period | 2,282,013 | 1,611,656 |
| Expenses for the period | 1,798,666 | 2,744,192 |
| Remaining Balance | 485,315 | 1,967 |

5. Payable expenditures

| Budget lines | Amount |
|--|---------------|
| 3.6. Enhance Kosovo participation in regional initiatives and programs | 3,000 |
| Total | 3,000 |

We draw attention to note 5. in the budget Lines: 3.6. Enhance Kosovo participation in regional initiatives and programs, expenditures are reported as accrual expense as at 31.12.2023. These expenses will be paid during January 2025.

6. Cumulative reconciliation of funds and expenditures as per donor (2021 – 2024)

| NORWAY | January 01, 2024 to December 31, 2024 | January 01, 2023 to December 31, 2023 | January 01, 2022 to December 31, 2022 | January 01, 2021 to December 31, 2021 |
|--------------------------------|--|--|--|--|
| Initial cash balance | 1,967 | 1,134,503 | 1,265,895 | - |
| Disbursed funds for the period | 1,728,267 | 1,611,656 | 2,009,974 | 2,386,663 |
| Expenses for the period | 1,604,007 | 2,744,192 | 2,141,366 | 1,120,768 |
| (I) Remaining Balance | 126,227 | 1,967 | 1,134,503 | 1,265,895 |

| SIDA | January 01, 2024 to December 31, 2024 | January 01, 2023 to December 31, 2023 |
|---------------------------------------|--|--|
| Initial cash balance | - | - |
| Disbursed funds for the period | 553,747 | - |
| Expenses for the period | 194,659 | - |
| (II) Remaining Balance II | 359,087 | - |
| (I+II) Total remaining balance | 485,314 | |

7. Cumulative reconciliation as per budgeted cost and remaining fund balance

| Period: | Norway Budget | Received Funds | Expenditure | Budgeted cost remaining balance | Funds remaining balance |
|------------------------------------|----------------------|-----------------------|--------------------|--|--------------------------------|
| 01 January 2021 - 31 December 2021 | 1,133,192 | 2,386,663 | 1,120,768 | 12,424 | 1,265,895 |
| 01 January 2022 - 31 December 2022 | 2,525,670 | 2,009,974 | 2,141,366 | 384,304 | 1,134,503 |
| 01 January 2023 - 31 December 2023 | 2,820,510 | 1,611,656 | 2,744,192 | 76,318 | ,1,967 |
| 01 January 2024- 31 December 2024 | 1,719,417 | 1,728,267 | 1,604,007 | 115,410 | 126,227 |
| (I) Sub-total - Norway | 8,198,789 | 7,736,560 | 7,610,333 | 588,456 | 126,227 |

| Period: | SIDA Budget | Received Funds | Expenditures | Budgeted cost remaining balance | Funds remaining balance |
|-----------------------------------|--------------------|-----------------------|---------------------|--|--------------------------------|
| 01 January 2024- 31 December 2024 | 194,000 | 553,747 | 194,660 | (660) | 359,087 |
| (II) Sub-total - SIDA | 194,000 | 553,747 | 194,660 | (660) | 359,087 |

| | | | | | |
|---|------------------|------------------|------------------|----------------|----------------|
| (I+II) Total - Norway & SIDA | 8,392,789 | 8,290,306 | 7,804,993 | 587,796 | 485,314 |
|---|------------------|------------------|------------------|----------------|----------------|

The funds received from The Royal Norwegian Embassy for the period 01.01.2024-31.12.2024 it's in amount of 1,728,266.61 Euro and total expense for this period is 1,604,006.62 Euro, the remaining balance for this period it is 124,260.59 Euro, Additionally, the balance carried over from the previous year was 1,966.41 Euro. Therefore, the final remaining balance for the entire period from 01.01.2021 to 31.12.2024 is 126,227.00 Euro.

The funds received from Swedish International Development Agency (SIDA) for the period 01.01.2024-31.12.2024 it's in amount of 553,746.70 Euro and total expense for this period is 194,659.65 Euro, the remaining balance for this period it is 359,087.05.

Total amount remaining from the donors its 485,314.31

The Budget cost remaining as per accumulated balance from period 01 January 2021 until 31 December 2024 is 587,796 Euro in according to the Summarized financial report as per budget categories.

BALKANS POLICY RESEARCH GROUP (BPRG)

Project “Elevating peace & state building agenda and advancing European agenda”

Project contract no. KOS-18/0007

Notes to the financial report

For the period 01 January 2024 - 31 December 2024

All amounts in Euro

APPENDIX A - Report of factual findings

To: Swedish International Development Agency (**SIDA**)

We have performed the procedures agreed with you and enumerated below with respect to the financial report (expenditure verification) of SIDA showing a total cost of 194,660 Euro for the project titled “Elevating peace & state building agenda and advancing European agenda” Funded by Swedish International Development Agency (SIDA).

Our engagement was undertaken in accordance with the International Standards on Related Services ISRS 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information. The procedures were performed solely as part of your commitment to SIDA to provide a statement showing how funds from SIDA have been used and are summarized as follows:

1. Observe whether the financial report is structured in a way that allows for direct comparison with the latest approved budget¹.
 2. Observe and inspect whether the financial report provides information regarding:
 - a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.
 - b) When applicable, compare if the opening fund balance² for the reporting period matches with what was stated as closing fund balance in the previous reporting period.
 - c) A disclosure of exchange gains/losses. Inquire and confirm whether the disclosure includes the entire chain of currency exchange from Sida’s disbursement to the handling of the project/programme within the organisation in local currency/ies, if applicable.
 - d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
 - e) Amount of funds that has been forwarded to implementing partners, when applicable.
 3. a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/programme.

Choose a sample of three individuals for three different months and:

 - b) Inquire and inspect whether there are supporting documentation³ for debited salary costs.
 - c) Inquire and inspect whether actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time is performed.
 - d) Inspect whether the Cooperation partner comply with applicable tax legislation with regard to personal income taxes (PAYE)⁴ and social security fees.
 4. Review and confirm that the Cooperation partner screens IP’s and/or suppliers to ensure that such parties are not subject to the European Union’s financial sanctions list of persons, groups and organisations (EU Sanctions list).

Enquire whether there have been any reported findings from the screening process and if so, report on such findings.
 5. a) Inspect and confirm that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.
-

BALKANS POLICY RESEARCH GROUP (BPRG)

Project "Elevating peace & state building agenda and advancing European agenda"

Project contract no. KOS-18/0007

Notes to the financial report

For the period 01 January 2024 - 31 December 2024

All amounts in Euro

We report our findings below:

- a) With respect to item 1.1 we found that financial report is structured and presented in a way that allows for direct comparison with the latest approved budget. No exception was found.
- b) With respect to item 2.1. a) we found that financial report contains budget, expenses for the whole project period and remaining balance. No exception found.
- c) With respect to item 2.2. b) no exception found from previous period.
- d) With respect to item 2.3. c) we verified if any exchange gain/loss incurred during the period 01 January 2024 – 31 December 2024. No exchange gain/loss incurred. No exception found.
- e) With respect to item 2.4. d) we found that organization uses cash basis of accounting for recording revenues and expenses. In accordance with cash basis of accounting revenues and expenses are recognized when received and paid.
- f) With respect to item 2.5. e) this is not applicable.
- g) With respect to item 3.1. a) we have inquired the management and inspected salary payments and we found that these costs are debited monthly to the project/programme. No exception found.
- h) With respect to item 3.2. b) we examined a sample of employees as per TOR and found that all individuals signed employment contract.
- i) With respect to item 3.3. c) we found that salary cost is supported with timesheets duly authorized by respective manager(s) and there is monthly reconciliation between debited time and actual time worked. No exception found.
- j) With respect to item 3.4. d) we tested payroll for the period under audit and verified accuracy of calculation of applicable taxes and pension contribution and timely payment at tax authorities. No exception found.
- k) With respect to item 4.1 we reviewed and confirmed that there are no suppliers or parties that are subject of EU Sanctions list with whom the organization dealt with during implementation of the project.
- l) With respect to item 5.1 we inspect and confirm that the unspent fund balance at the end of the financial year is in line with information provided in the accounting system it is in according to the financial report.

These procedures have been determined solely by the Swedish International Development Agency (SIDA) and the procedures were performed solely to assist the and the procedures were performed solely to assist the Swedish International Development Agency (SIDA) in evaluating whether the expenditure claimed by you in the accompanying Financial Report is eligible in accordance with the terms and conditions of the Cooperation Agreement in evaluating whether the expenditure claimed by you in the accompanying Financial Report is eligible in accordance with the terms and conditions of the Cooperation Agreement. Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express on the above-mentioned procedures.

Had we performed additional procedures or had we performed an audit or review of the financial statements of the Partner in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Use of this Report

This report is prepared solely for the purpose stated in the first paragraph of this report and for your information, and is not to be used for any other purpose or disclosed to parties other than Balkans Policy Research Group (BPRG). This report relates only to the Financial Report specified above and does not extend to any of your financial statements.

Lulzim Zeka, statutory Auditor
Baker Tilly Kosovo
20 February 2025

bakertilly
Baker Tilly Kosovo L.L.C.
Prishtinë